



Dedicated Freight Corridor

DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED

A GOVERNMENT OF INDIA (MINISTRY OF RAILWAYS) ENTERPRISE

Annual Report

2018-19

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

GENERAL INFORMATION

REGISTERED OFFICE & CORPORATE OFFICE

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

STATUTORY AUDITOR

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

INTERNAL AUDITOR

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

BANKERS

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

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LIST OF DIRECTORS

(AS ON THE DATE OF AGM)

S.No.	Name of the Director	Designation	Date of holding office w.e.f.
1	Shri Vinod Kumar Yadav	Part Time Chairman (Official)	29.01.2019
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 Vivek Srivastava	Director (Operations & Business Development), Additional Charge	28.02.2019
6	Shri R. N. Singh	Part time Official Director (Government Nominee-MoR)	20.06.2019
7	Shri Yaduvendra Mathur	Part-time Official Director (Government Nominee-NITI Aayog)	08.06.2017
8	Shri Ravi Mathur	Independent Director	11.07.2019
9	Smt. Shakti Munshi	Independent Director	11.07.2019
10	Shri B. Ramana Kumar	Independent Director	29.07.2019

LIST OF DIRECTORS

(AS ON THE DATE OF AGM)



Shri Vinod Kumar Yadav

Part Time Official Chairman



Shri Anurag Kumar Sachan

Managing Director



Shri Anshuman Sharma

Director (Project Planning)



Shri Naresh Salecha

Director (Finance),
Additional Charge



Shri Vivek Srivastava

Director (Operations & Business
Development), Additional Charge



Shri R. N. Singh

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



Shri B. Ramana Kumar

Independent Director

CHAIRMAN'S MESSAGE

It gives me great pleasure to welcome you all to the 13th Annual General Meeting of the Company. The Directors' Report and Audited Financial Statements of the Company for the year ending 31st March 2019 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:



- 1.1. Successful trial run of Goods train in Bhadan to Khurja section (194 kms) of EDFC-1 was conducted on 30.11.2018. The section has 6 newly built freight stations and contains 17 Major Bridges, 137 Minor Bridges, 3 RFOs & 92 Major/Minor RUBs.
- 1.2. Successful Trial run of freight train in Madar-Kishangarh Balawas section (306 km) of WDFC was conducted on 30.12.2018. The section has 9 newly built freight stations and contains 1 important Bridge, 17 Major Bridges, 269 Minor Bridges, 3 RFOs & 143 Major/Minor RUBs
- 1.3. Track linking of 774 track km has been done in the year taking the cumulative linking to 1898 km as on 31.03.2019. OHE wiring by Mechanized wiring train has been started for the first time in India in both EDFC & WDFC which is capable of wiring @3km per shift. 770km wiring has been completed up to 31.03.2019.
- 1.4. During the year under review, the Company has achieved the CAPEX of ₹ 10,034.47 Crs. on contracts, which is the highest ever.
- 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. During the year, award u/s 20F of RAA-2008 has been declared for 204 hectare. With this, a total award for 11363 hectares of land (WDFC: 5967 ha out of 6000 ha and EDFC: 5396 ha out of 5830 ha) with compensation amounting to ₹ 13727 Crs. (WDFC: 6088 Cr., EDFC: 7639 Cr.) has been issued. Progress of land acquisition is approximately 98.52% excluding Sonnagar-Dankuni section and above 96% on overall basis.
 - B. Major pending land acquisition issues under dispute for more than 2 years as under have been resolved after intervention by Hon'ble MR, discussions with Chief Secretary & highlighting issues in PMG & PRAGATI Meetings:
 - 34 patches affecting 18 kms in EDFC acquired.
 - 11 patches affecting 16 kms in WDFC acquired.
 - C. 2080 Arbitration cases & 244 Court cases pertaining to land were disposed of during the year taking the cumulative figure of disposal to 10682 Arbitration cases & 1700 Court cases.

- 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. M/s GIL TPL JV has been awarded “British Council Safety Award for Merit” in “Construction Safety” in Jan 2019, and also awarded “Safety Innovation Award” from “Institute of Engineers” in Sep 2018.
- 1.8. DFCCIL has planted approximately 37000 trees along the corridor (approx. 26000 no. of trees under EDFC-1, 7000 no. of trees under EDFC-2 and 4000 no. of trees under EDFC-3) under “Green Belt Development Plan”.
- 1.9. A long pending case in Supreme Court SLP 32094 & 32095/2014 of Nidhrad & Godhavi village of Ahmedabad district has been finalized in favour of DFCCIL which was pending since 2014.
- 1.10. Wild Life Clearance proposal of “Gautam Budha Wildlife Sanctuary” (82.8 ha) for Hazirabagh district (Jharkhand) approved by “National Board for Wildlife”, New Delhi on 07.09.2019.

The project is being closely monitored and the targets for phased opening of various sections and complete commissioning of the project by December 2021 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.

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, which during the year includes.

1. Construction of toilet blocks at Tundla, Mumbai (South) and Mumbai (North).
2. Training to promote Rural Sports, National Sports, Para - Olympic Sports, Nationally Recognized Sports and Olympic Sports - On Indian Railways.

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.

Place : New Delhi
Date : 26.09.2019

Sd/-
Vinod Kumar Yadav
Chairman

NOTICE

NOTICE is hereby given that 13th Annual General Meeting of the Members of Dedicated Freight Corridor Corporation of India Limited (CIN: U60232DL2006GOI155068) will be held on **26th day of September 2019 at 12.30 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, 2019, 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 2019 comprising Balance Sheet as at 31st March 2019, the Statement of Profit & Loss for the year ended 31st March 2019, Cash Flow Statement for the year ended 31st March 2019 along with Notes thereto, and the Auditors' Reports thereon, as well as the Directors' Report along with its Integral Reports.

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

"RESOLVED THAT members be and hereby took note of the appointment of M/s S R Dinodia and Co. LLP of the Statutory Auditor of the Company for the financial year 2019-20, 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. V. K. Yadav as Chairman, DFCCIL and if thought fit, to pass with or without modification, the following resolution as Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 152(2) and other applicable provisions, if any, of the Companies Act 2013 read with the relevant Articles of Association of the Company, the consent of the Company be and is hereby accorded to the appointment made by the President of India vide Railway Board's Order No. 2009/Infra/6/2 dated. 29.01.2019, the Competent Authority appointed Sh. V. K. Yadav, Chairman, Railway Board as part-time chairman on the Board of Dedicated Freight Corridor Corporation of India Limited with immediate effect from 29.01.2019, till he holds the post of Chairman, Railway Board or further orders whichever is earlier.

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

4. **To consider appointment of Shri. Vivek Srivastava 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 19.02.2019, the Competent Authority has approved entrustment of the additional charge of the post of Director (Operations & Business Development), DFCCIL to Shri Vivek Srivastava, IRTS, ED/PG, Railway Board, in addition to his own, for a period of 06 months from the date of assumption of charge or till a regular incumbent joins the post or until further orders, whichever is the earliest. The appointment was effective from 28.02.2019, the date of approval of Director Identification Number.

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

5. To consider appointment of Shri R. N. Singh as Nominee Director (MoR), DFCCIL and if thought fit, to pass with or without modification, the following resolution as Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 152(2) and other applicable provisions, if any, of the Companies Act 2013 read with the relevant Articles of Association of the Company, the consent of the Company be and is hereby accorded to the appointment made by the President of India vide Railway Board's order no. 2017/PL/61/5 dated 17.06.2019, the President of India appointed Sh. R. N. Singh, PED/Infrastructure, Railway Board, as Part-time Government Director on the Board of the Company with immediate effect till the holding of the post of PED/Infrastructure, Railway Board, or further orders, whichever is earlier. The date of allocation of Director Identification Number was 20.06.2019.

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

6. To consider extension of tenure of Shri Ravi Mathur as Independent Director, 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 Article 81 of Articles of Association of the Company, the consent of the Company be and is hereby accorded to the reappointment made by the President of India vide Railway Board's Order no. 2009/PL/48/1(Pt.3) dated 11.07.2019 whereby the tenure of Sh. Ravi Mathur as Independent Director on the Board of the Company is extended upto 31.03.2020.

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

7. To consider extension of tenure of Smt. Shakti Munshi, as Independent Director, 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 Article 81 of 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. 2009/PL/48/1(Pt.3) dated 11.07.2019 whereby the tenure of Smt. Shakti Munshi as Independent Director on the Board of the Company is extended upto 31.03.2020.

“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.”

8. To consider appointment of Shri B. Ramana Kumar as Independent Director, 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 Article 81 of 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. 2009/PL/50/13/Pt. dated 11.07.2019, the President of India appointed Sh. B. Ramana Kumar as Non-official (Independent) Director on the Board of the Company, for a period of three years w.e.f. the date of notification of the appointment, or until further orders, whichever is earlier. The date of allocation of Director Identification Number was 29.07.2019.

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

By Order of the Board

Place: New Delhi
Date: 05.09.2019

Sd/-
Meenu Kapoor
Company Secretary

Note:

- 1) The relative Explanatory Statement pursuant to section 102 of the Companies Act, 2013 (Act) in respect of the business under Item Nos. 3-8 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 2018-19 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.
- (2) 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. 2009/Infra/6/2 dated 29.01.2019 of Shri Vinod Kumar Yadav, Chairman, Railway Board as part-time Chairman on the Board of the Company with immediate effect till holding of the post of Chairman, Railway Board or further orders whichever is earlier.”

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

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 19.02.2019, the Competent Authority has approved entrustment of the additional charge of the post of Director (Operations & Business Development), DFCCIL to Shri Vivek Srivastava, IRTS, ED/PG, Railway Board, in addition to his own, for a period of 06 months from the date of assumption of charge or till a regular incumbent joins the post or until further

orders, whichever is the earliest. The appointment was effective from 28.02.2019, the date of approval of Director Identification Number.

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 Vivek Srivastava.

ITEM NO. 5

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

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

Article 81-

(1) The President shall have powers to appoint:

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

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

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

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

- 3) In terms of Railway Board's order no. 2017/PL/61/5 dated 17.06.2019, the President of India appointed Sh. R. N. Singh, PED/Infrastructure, Railway Board, as Part-time Government Director on the Board of the Company with immediate effect till the holding of the post of PED/Infrastructure, Railway Board, or further orders, whichever is earlier. The date of allocation of Director Identification Number was 20.06.2019.

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

ITEM NO.6

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

2. In terms of Article 81 of Articles of Association of the Company -

(1) The President shall have powers to appoint:

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

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

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

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

3. Railway Board's order no. 2009/PL/48/1(Pt.3) dated 11.07.2019 the tenure of Sh. Ravi Mathur as Independent Director on the Board of the Company is extended upto 31.03.2020.

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

ITEM NO. 7

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

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

3. In Railway Board's order no. 2009/PL/48/1(Pt.3) dated 11.07.2019 the tenure of Smt. Shakti Munshi as Independent Director on the Board of the Company is extended upto 31.03.2020.

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

ITEM NO. 8

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. In terms of Article 81 of Articles of Association of the Company -
 - (1) The President shall have powers to appoint:
 - (a) Full time Chairman or, Part time Chairman, Full time Managing Director(s) or a Full time Chairman-cum-Managing Director and other Full time Directors.
 - (b) The Directors representing the Government of India and / or any State Government; and
 - (c) Other Directors including independent Directors in consultation with the Chairman.

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

3. Railway Board's order no. 2009/PL/50/13/Pt. dated 11.07.2019, the President of India appointed Sh. B. Ramana Kumar as Non-official (Independent) Director on the Board of the Company, for a period of three years w.e.f. the date of notification of the appointment, or until further orders, whichever is earlier. The date of allocation of Director Identification Number was 29.07.2019.

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 Sh. B. Ramana Kumar.

PROXY FORM

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

CIN:

Name of the Member(s): _____

Registered Address: _____

E-mail ID: _____

Folio No./ Client ID: _____

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

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

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

Resolution No.

- 1.
- 2.
- 3.

Signed: this _____ day of _____

Signature of shareholders: _____

Signature of the Proxy holder(s): _____

Affix
Revenue
Stamp

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



Dedicated Freight Corridor

DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED

Registered & Corporate Office:

5th Floor, 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 13th Annual General meeting of the Company at Committee Room, 2nd Floor, Rail Bhawan, Raisina Road, New Delhi-110001, on **26th day of September 2019** at **12:30 Hrs.**

Signature of the Shareholder/ Proxy Present: _____

DIRECTORS' REPORT

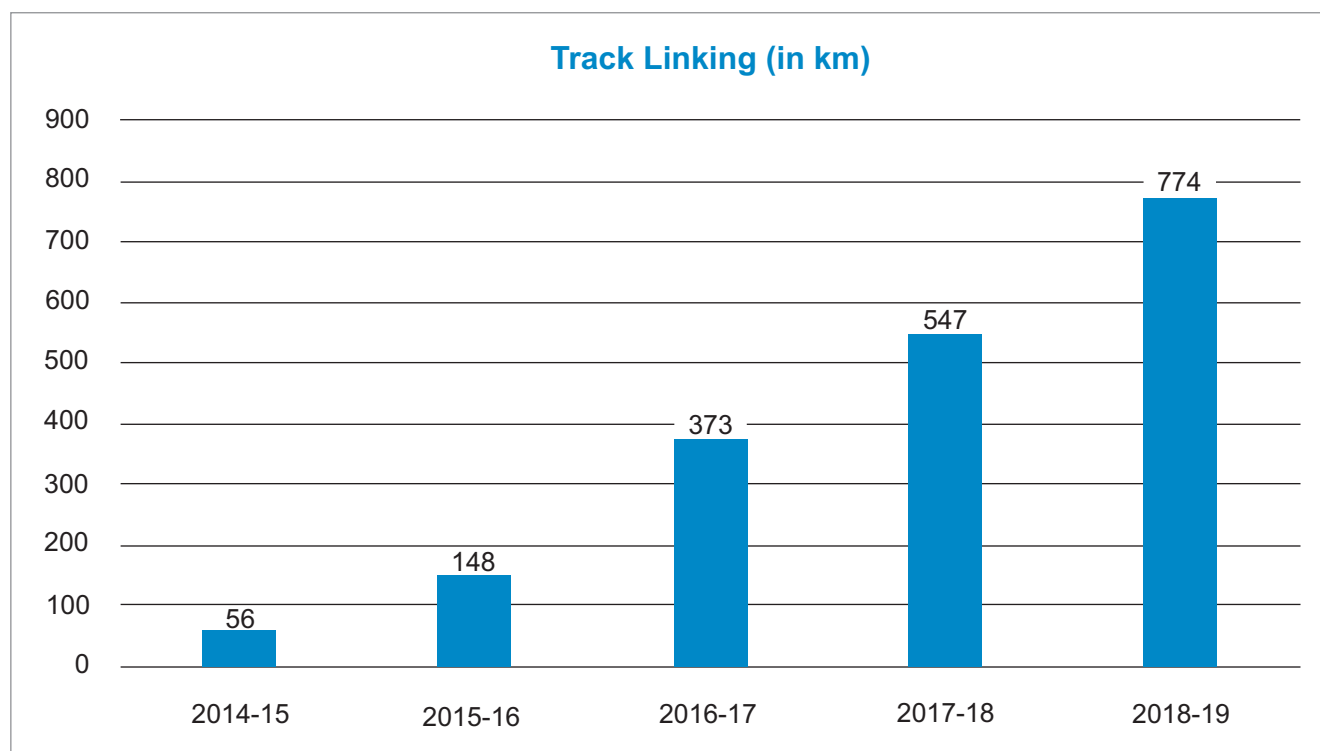
Ladies /Gentlemen,

Your Directors have pleasure in presenting the thirteenth Annual Report of the Company along with the Financial Statements for the year ended 31st March 2019.

DFCCIL has done exceedingly well during the financial year 2018-2019 in all domains ranging from physical execution of works in both Eastern and Western corridor, incurring of ever highest Capital Expenditure so far as well as Award of Balance Contracts. Some of the major highlights are:

1. HIGHLIGHTS

- 1.1. Successful trial run of Goods train in Bhadan to Khurja section (194 kms) of EDFC-1 was conducted on 30.11.2018.** The section has 6 newly built freight stations and contains 17 Major Bridges, 137 Minor Bridges, 3 RFOs & 92 Major/Minor RUBs.
- 1.2. Trial run of freight train in Madar-Kishangarh Balawas section (306 km) of WDFC was conducted on 30.12.2018.** The section has 9 newly built freight stations and contains 1 important Bridge, 17 Major Bridges, 269 Minor Bridges, 3 RFOs & 143 Major/Minor RUBs
- 1.3. Track linking with Mechanized track laying machine is in progress at 7 locations.** Track linking of 774 km has been done in the year taking the cumulative linking to 1898 km.



- a) **OHE wiring by Mechanized wiring train has been started for the first time in India in both EDFC & WDFC.** In this process, stringing of contact & category wire is being done simultaneously that too under tension. This facilitates the dropper activity which can follow on immediately thereafter. Each machine is capable of undertaking wiring of 3 km per shift. At present there are 4 wiring trains in EDFC-1 & WDFC. Total 774 km laying of catenary and contact wire has been completed upto 31.03.2019.



OHE Wiring with Mechanized wiring train in progress

- 1.4. **CAPEX :** During the year under review , the company has achieved the CAPEX of ₹ 10,034.47 Crs., which is the highest ever.
- 1.5. Total contracts worth ₹ 52387 Crs. (97.8%) have already been awarded. All civil contracts have been awarded. Highlights of achievements in procurement during the year are:
 - A. System contract (Electrical & S&T) for Dehri-on Sone Nagar junction (60 km) worth ₹ 481 Crs. was awarded on 10.10.2018 to M/s L&T.
 - B. Technical Evaluation for System Work CP – 105 (Khurja – Dadri Section) completed and evaluation report submitted for World Bank clearance on 02.11.2018.
 - C. Technical Evaluation for System Work CP – 304 (Pilkhani – Sahnewal Section) completed and evaluation report submitted for World Bank clearance on 30.03.2019.
 - D. Balance Work of GC, Contract was awarded to EGIS Rail – EGIS India JV. Contract Agreement signed on 09.05.2018.
 - E. EOI for Engagement of General consultant for TPWS invited and short listing of consultant completed, RFP issued, Technical and Financial Evaluation completed and highest combined score consultant invited for contract negotiation.
- 1.6. 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. During the year, award u/s 20F of RAA-2008 has been declared for 204 hectare. With this, a total award for 11363 hectares of land (WDFC: 5967 ha out of 6000 ha and EDFC: 5396 ha out of 5830 ha) with compensation amounting to ₹ 13727 Crs. (WDFC: 6088 Cr., EDFC: 7639 Cr.) has been issued. Progress of land acquisition is approximately 98.52% excluding Sonnagar-Dankuni section and above 96% on overall basis.
 - B. Disbursement of ₹ 1326 Crs, mutation of 442 Ha, Resumption of 309 Ha & physical possession of 626 Ha has been taken during the current year. This has become possible because of good coordination and cooperation from all concerned.

- C. With constant persuasion at Chief Secretaries level in the State Government,
 - **34 patches affecting 18 kms in EDFC acquired**
 - **11 patches affecting 16 kms in WDFC acquired**
- D. 2080 Arbitration cases & 244 Court cases pertaining to land were disposed of during the year taking the cumulative figure of disposal to 10682 Arbitration cases & 1700 Court cases till date.
- E. Addendum-2 of Resettlement Policy Framework-2011 (Revised in 2015) was approved on 14.12.2018 for Direct Purchase of Land and shared with World Bank.
- F. 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.
- 1.7. 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.
- 1.8. M/s GIL TPL JV has been awarded “British Council Safety Award for Merit” in “Construction Safety” in Jan 2019, and also awarded “Safety Innovation Award” from “Institute of Engineers” in Sep 2018.
- 1.9. DFCCIL has planted approximately 37000 trees along the corridor (approx. 26000 no. of trees under EDFC-1, 7000 no. of trees under EDFC-2 and 4000 no. of trees under EDFC-3) under “Green Belt Development Plan”.
- 1.10. A long pending case in Supreme Court SLP 32094 & 32095/2014 of Nidhrad & Godhavi village of Ahmedabad district has been finalized in favour of DFCCIL which was pending since 2014.
- 1.11. Wild Life Clearance proposal of “Gautam Budha Wildlife Sanctuary” (82.8ha) for Hazirabagh district (Jharkhand) approved by “National Board for Wildlife”, New Delhi on 07.09.2019.

2. FINANCIAL STATEMENTS

Financial Statements for financial year 2018-19 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 2018-19:

A) Capital Expenditure on Project Execution

(In Crores)

Description	As at 31.03.2018	During Financial Year 2018-19	As at 31.03.2019
CAPEX (Without cost of land)			
Tangible assets	13.69	3.95	17.65
Capital work in Progress	14757.09	10,625.77	25,382.86
Other Intangible assets	0.27	- 0.18	0.09
Intangible Assets under development	11.31	0.06	11.36
Capital Advances	7563.33	- 595.13	6968.20
Total Capex (Without cost of land)	22,345.69	10,034.47	32380.16
COST OF LAND (Borne by MOR)	15,884.42	500.00	16384.42
Total Capex with cost of land	38,230.11	10,534.47	48,764.58

B) DEVELOPMENT ACCOUNT

During the year the balance of Development Account ₹ 989.86 Crores has been transferred to Capital work in progress.

(In Crores)

Particulars	For year ended 31.03.2019	For year ended 31.03.2018
Employee benefit expenses	155.68	117.71
Finance cost	916.33	437.82
Depreciation & amortization expenses	2.26	2.09
Administration & Other expenses	71.00	57.64
Sub-Total	1,145.27	615.26
Less : Other Income	155.42	- 31.81
Total Transferred to CWIP	989.86	647.07

C) Dividend

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

D) Amount proposed for transfer to reserve: ₹ 23.98 Crores

2.2.1 SOURCE OF FUND: Capital Structure

As on 31st March 2019, the Authorized Share Capital of Company stands at ₹ 22000,00,00,000 (Rupees Twenty Two Thousand Crores) divided into 22,00,00,000 (Twenty Two Crores) Equity shares of ₹ 1,000/- each against which paid up share capital is ₹ 10,768.73 Crores. During the year Paid up Capital of the Company has been enhanced on account of equity contribution from Ministry of Railways for Amount of ₹ 3110.46 Crores. Company has closing balance of ₹ 254.05 Crores of Share Application Money pending allotment received from MoR as on 31st March 2019.

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

(In Crores)

Particulars	As at 31 st March 2019	As at 31 st March 2018
EQUITY FUNDING		
Shareholder's Fund	10768.73	7658.27
Other Equity	530.17	3362.59
Subtotal	11298.90	11020.86
DEBT FUNDING		
JICA	9764.56	6606.33
IBRD	5538.92	3473.70
Subtotal	15303.48	10080.03
Grand Total	26602.38	21100.89

2.2.2 Debt Funding

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

The Loan Agreement ID-P205 for Engineering Services Consultancy (Phase-I) for 2.606 Billion Japanese Yen for Vadodara – Rewari section of 947 km was signed with JICA and funds to the tune of 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 84.652 billion have been utilized in this loan up to 31.03.2019.

The loan agreement ID-P253, second tranche for 103.664 billion Japanese Yen was signed with JICA on 31-3-2016 and JPY 37.090 billion have been utilized in this loan up to 31.03.2019.

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 37.020 billion have been utilized in this loan up to 31.03.2019.

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 - 1 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. Which has been further reduced to USD 555 Million w.e.f 4.12.2018. USD 472.67 Million has been utilized in this loan up to 31.03.2019.
- Loan No. 8318 – IN for US\$ 1100 Million was sanctioned by the World Bank for EDFC Project - 2 from Bhaupur – Mughalsarai. Loan agreement was signed on 11.12.2014 which has been reduced to USD 910 Million w.e.f. 30.06.2017. USD 263.98 Million has been utilized in this loan up to 31.03.2019.
- 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 81.45 Million has been utilized in this loan up to 31.03.2019.

3. STATE OF COMPANY AFFAIRS

3.1 Contracts;

A. Contract awarded during the financial year 2018-19

Eastern Corridor

S. No.	Nature of Work	Work/ Consultancy	Date of Award	Amount of Award	Funded By
1	Balance Work of GC for Khurja – Sahnewal and Khurja – Dadri Section	Consultancy	09.05.2018	INR 2.71 Crores	World Bank
2	Engagement of GC for TPWS for EDFC	Consultancy	29.03.2019	INR 3.2 Crores	World Bank

B. Contract likely to be awarded in the current financial year 2019-20

S. No.	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	Engagement of Consultant for feasibility study for setting solar system along DFCC alignment	Consultancy	World Bank
5	Engagement of Consultant for Establishment of Heavy Haul Research Institute in DFCCIL	Consultancy	World Bank
Western Corridor			
1	PE-6, Design, Manufacturing, Supply, Testing, Commissioning & Training of Plant & Equipment for railway track & electric overhead equipment on WDFC	Work	JICA

A. Physical & Financial Progress of the Contracts: Western Corridor

S. No.	Nature of Work	Work / Consultancy	Date of Award	Date of Commencement	Financial Progress	Physical Progress
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	75%	84%
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	26%	40%
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	25%	31%
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	19%	34%
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	12%	13%
B.	Special Steel Bridge package					
1.	CTP-3A(R): Design & Construction of Special Steel Bridges across Mahi & Sabarmati Rivers. (Iqbalgarh-Vadodara Section)	Work	26.08.2014	20.11.2014	52%	60%

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	23%	26%
3.	CTP-15B: Design & Construction of Special Steel Bridge across Narmada River with RUB. (Sachin-Vadodara Section)	Work	03.06.2015	15.10.2015	41%	47%
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	56%	61%
5.	54 Bridges package (Contract rescinded and tenders for balance work invited)	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	21%	29%
D.	Electrical package					
1.	EMP-4: Design, Supply, Installation, Testing and Commissioning of 2x25kV Traction Power Supply System, Traction Sub-Station, Auxiliary Stations, Switching Stations, Auto Transformer Stations and SCADA system. (Rewari-Makarpura Vadodara Section – 914 Km)	Work	18.11.2014	15.05.2015	52%	66%

S. No.	Nature of Work	Work / Consultancy	Date of Award	Date of Commencement	Financial Progress	Physical Progress
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	39%	45%
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	32%	42%
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	16%	17%
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	21%	24%
4.	Independent Safety Assessment Services for Signalling System including TPWS of Phase-I (Rewari-Makarpura) of the Western Dedicated Freight Corridor and Signalling Generic Products.	Independent Safety Assessment	02.01.2017	02.01.2017		
5.	Independent Safety Assessment Services for Signalling System of Dadri to Rewari and Vadodara to JNPT Sections of Western Dedicated Freight Corridor (WDFC Phase-II)".	Consultancy	01.01.2018		Nil	3%

S. No.	Nature of Work	Work / Consultancy	Date of Award	Date of Commencement	Financial Progress	Physical Progress
F.	Project Consultancy Contract					
1.	PMC-1: PMC Services for Construction of Double line Electrified Railway Track with S&T and related Infrastructure. Phase-I, Rewari-Vadodara Section	Consultancy	21.02.2014	11.04.2014	59%	65%
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	28%	37%

EASTERN CORRIDOR

S. No.	Nature of Work	Work / Consultancy	Date of Commencement	Financial Progress	Physical Progress
1.	CP-101-Civil Works (Khurja - Bhaupur)	Works	14.03.2013	84%	88.85%
2.	CP-102-Civil Works (Khurja - Bhaupur)	Works	14.03.2013	98%	97.5%
3.	CP-103-Civil Works (Khurja - Bhaupur)	Works	14.03.2013	98%	90%
4.	CP-104-System Works (Khurja - Bhaupur)	Works	03.08.2015	74.7%	70.26%
5.	CP-201-Civil Works (Bhaupur - Mughalsarai)	Works	12.05.2015	49.7%	47%
6.	CP-202-Civil Works (Bhaupur - Mughalsarai)	Works	12.05.2015	48%	47%
7.	CP-203-Signaling Works (Bhaupur - Mughalsarai)	Works	23.06.2016	21.9%	15.13%
8.	CP-204-Electrification Works (Bhaupur - Mughalsarai)	Works	15.06.2016	18.42%	16.07%
9.	CP-301-Civil Works (Sahnewal - Pilkhani)	Works	14.07.2016	31.66%	24.03%
10.	CP-302-Civil Works (Khurja - Dadri)	Works	14.07.2016	33.66%	31.36%
11.	CP-303-Civil Works (Khurja - Pilkhani)	Works	12.03.2018	11.9%	12%
12.	Project Management Consultancy for Bhaupur-Khurja Section of EDFC-1	Consultancy	31.10.2013	90%	93%
13.	QSAC Services Khurja-Bhaupur Section of EDFC-1	Consultancy	08.05.2014	95%	97%

S. No.	Nature of Work	Work / Consultancy	Date of Commencement	Financial Progress	Physical Progress
14.	Project Management Consultancy for Mughalsarai - New Bhaupur Section	Consultancy	01.07.2015	63%	66%
15.	Quality and Safety Audit Consultancy for Mughalsari - New Bhaupur Section	Consultancy	01.12.2015	37%	41%
16.	Project Management Consultancy for Construction of Sahnewal - Pilkhani Section	Consultancy	10.10.2016	24%	34%
17.	Quality and Safety Audit Consultancy Services for Sahnewal - Khurja Section and Khurja - Dadri Section	Consultancy	20.03.2017	25%	31%
18.	Project Management Consultant for Khurja – Dadri Section of EDFC	Consultancy	20.03.2018	15%	20%
19.	Project Management Consultant for Khurja - Pilkhani Section of EDFC	Consultancy	20.02.2018	10%	15%

Glimpse of the project



Rail Fly Over at Phulera, District Jaipur, State Rajasthan



Important Br. No. 609, District Pali, State Rajasthan



Hathras-Mathura Major Bridge No. 2 & 3



Major RUB at Aligarh

3.2 Operations & Business Development

- a. Expression of Interest for development of 03 freight terminals (at New Mirzapur, New Shambhu and New Tundla) in Eastern DFC alignment has been opened on 29.03.2019.
- b. A meeting with Haryana Rail Infrastructure Development Corporation was held on 22.03.2019 and connectivity issues were discussed with DFC.
- c. ₹ 6.26 Crs. received from M/s CONCOR for deposit work at SwaroopGanj and Varnama.

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 11,829 Ha. This includes 9674 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 1229 hectares).

- b) As on 31.03.2019, 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 1120 Hectares and 20F for 918 Hectares out of 1229 Hectares has also been notified. Total compensation amounting to ₹ 11653 Crores (WDFC - ₹ 5501 Crores, EDFC - ₹ 6152 Crores) has been awarded.

3.4 DANKUNI-SONNAGAR PPP PROJECT

It has been decided by the Ministry of Railways to construct Dedicated Freight Corridor section between **Sonnagar - Dankuni (538Km)** through Public Private Partnership model in two phases i.e., **Sonnagar - Gomoh section (263.705 Kms) as Phase-I** and **Gomoh- Dankuni section (274.02 Kms) as Phase-II**. The status of the project is summarized as under:

- **Land Acquisition:**

Out of total requirement of 1229 Hectare, award under section 20 F for 918 Ha has been completed upto 31.03.2019 with land disbursement of 672 Ha. For Phase-I, against total land acquisition requirement of 758.06 Ha, Possession of 584.94 Ha of Land in Sonnagar- Gomoh section has been done during 2018-19. For Phase-II, against total land acquisition requirement of 470.55 Ha, 20F for 369.15 Ha and Possession of 329.47 Ha has been completed till March 2019. 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 407.63 Ha. Sanctuary portion involves about 146.65 Ha of land. Resumption of land of sanctuary needs approval of State Wildlife Board and National Wildlife Board.

- **Manual of Standards & Specification:** The updated Manual of Standards & Specification for **Sonnagar - Dankuni** PPP project has been completed and sent to Railway Board.
- **Feasibility Report :** The updated Feasibility report for Phase-I and Phase-II have been completed and sent to Railway Board.
- **Traffic Study Report:** The updation of Traffic Study Report completed for both phases.
- **Financial Consultant and Transaction Advisor:**
 - (i) The consultancy work for Financial Consultant and Transaction Adviser for **Sonnagar - Gomoh** has been awarded to M/s PWC. Revenue Model submitted by the consultant is approved and sent to Railway Board.
 - (ii) The consultancy work for Financial Consultant and Transaction Adviser for **Dankuni - Gomoh Section** has been awarded to **M/s RITES**. Revenue Model submitted by the consultant is under review.
- **Project Information Brochure (PIB):** PIB for both phases have been completed and sent to Railway Board.

- **Legal Consultant:** Has been engaged for developing Concessionaire Agreement and other documents. All base work completed.
- **Request For Qualification (RFQ) & Request For Proposal (RFP) for Appointment of Concessionaire:** The customized RFQ & RFP based on the Model documents of Railway Board for both phases has been completed and sent to Railway Board.
- **EIA/ SIA Report:** EIA & SIA work of Phase I is under progress and for Phase-II, work is completed.
- **Concession Agreement:** The customized Concession Agreement (CA) for both phases has been completed and sent to Rly Board.
- **PPPAC format:** PPPAC format for seeking “in-principle” approval for Phase-I sent to Railway Board and for Phase-II is under review.
- **Memorandum for in-principle approval for VGF:** Memorandum for in-principle approval for VGF for Phase-II is under review by Consultant.
- **Yard Plan:**
 - (i) For Sonnagar - Gomoh section, yard plan of all five Crossing stations namely New Keshwari, New Hirodih, New Kastha, New Paharpur & New Rafigunj have been approved. In addition, two junction yard plans namely New Gomoh and New Koderma are under approval.
 - (ii) For Gomoh - Dankuni section, yard plan for all 4 crossing stations namely New Jaugram, New Rajbandh, New Mugma & New Pradhankanta, all 3 Junction station namely New Dankuni and New Khana & New Andal and two cabins namely New Andal East and New Kalipahari have been approved.

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 2018-2019;

- a) In terms of Railway Board's order no. 2016/E(O)II/40/8 dated 03.08.2018 read with the HR deptt. office order no. HQ/HR/P.File/1374 dated 04.08.2018, the Competent Authority 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, up to 31.07.2020 or until further orders whichever is earlier.
- b) In terms of Railway Board's Order No. 2009/Infra/6/2 dated. 29.01.2019, the Competent Authority appointed Sh. V. K. Yadav, Chairman, Railway Board as part-time chairman on the Board of Dedicated Freight Corridor Corporation of India Limited with immediate effect from 29.01.2019, till he holds the post of Chairman, Railway Board or further orders whichever is earlier.
- c) In terms of Railway Board's Order no. 2011/E(O)II/40/34 dated 19.02.2019, the Competent Authority has approved entrustment of the additional charge of the post of Director (Operations & Business Development), DFCCIL to Shri Vivek Srivastava, IRTS, ED/PG, Railway Board, in addition to his own,

for a period of 06 months from the date of assumption of charge or till a regular incumbent joins the post or until further orders, whichever is the earliest. The appointment was effective from 28.02.2019, the date of approval of Director Identification Number.

4.1.2 Directors cease to hold office during the financial year 2018-2019.

- a. In terms of Railway Board's order No. 2009/Infra/6/2 dated 29.01.2019, Shri Ashwani Lohani, 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. 01.01.2019.
- b. In terms of Railway Board's order no. 2011/E(O)II/40/34 dated 19.02.2019, Shri Naveen Kumar Shukla, PED/Mobility, Railway Board ceases to hold the office of Director (OP&BD) w.e.f. 25.02.2019.

4.1.3 The following Directors who have joined after the closure of financial year 2018-2019.

- a) In terms of Railway Board's order no. 2017/PL/61/5 dated 17.06.2019, the President of India appointed Sh. R. N. Singh, PED/Infrastructure, Railway Board, as Part-time Government Director on the Board of the Company with immediate effect till the holding of the post of PED/Infrastructure, Railway Board, or further orders, whichever is earlier. The date of allocation of Director identification number was 20.06.2019.
- b) In terms of Railway Board's order no. 2009/PL/48/1(Pt.3) dated 11.07.2019 the tenure of Sh. Ravi Mathur & Smt. Shakti Munshi as Independent Directors on the Board of DFCCIL is extended upto 31.03.2020.
- c) In terms of Railway Board's order no. 2009/PL/50/13/Pt. dated 11.07.2019, the President of India appointed Sh. B. Ramana Kumar as Non-official (Independent) Director on the Board of the Company, for a period of three years w.e.f. the date of notification of the appointment, or until further orders, whichever is earlier. The date of allocation of Director Identification Number was 29.07.2019.

4.1.4 The following Director ceases to hold the office after the closure of financial year 2018-2019.

- a) In terms of Railway Board's order no. 2017/PL/61/5 dated 17.06.2019, Shri Sushant Kumar Mishra, PED/Infrastructure, Railway Board, as Part-time Government Director on the Board of the Company ceases to hold the office of Part-time Government Director w.e.f. 20.06.2019.

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

S.No.	Name of the Director	Designation	Date of holding office w.e.f.
1	Shri Vinod Kumar Yadav	Part Time Chairman (Official)	29.01.2019
2	Shri 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 Vivek Srivastava	Director (Operations & Business Development), Additional Charge	28.02.2019
6	Shri D. S. Rana	Director (Infrastructure)	27.10.2014
7	Shri R. N. Singh	Part time Official Director (Government Nominee-MoR)	20.06.2019
8	Shri Yaduvendra Mathur	Part-time Official Director (Government Nominee-NITI Aayog)	08.06.2017
9	Shri Ravi Mathur	Independent Director	11.07.2019
10	Smt. Shakti Munshi	Independent Director	11.07.2019
11	Shri B. Ramana Kumar	Independent Director	29.07.2019

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

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

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

records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities:

- (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, Sh. Ravi Mathur and Sh. B.Ramana Kumar, 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 2018-19 and in exercise of powers conferred by the shareholders, the Board of Directors have fixed their remuneration at a fee of ₹ 9,50,000/- (Rupees Nine Lac fifty thousand only) plus GST as per applicable rate and out of pocket expenses to be paid extra.

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

5.1 (a) Statutory Auditor's Report

The Auditors' Report dated 14th August 2019 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 of Comptroller & Auditor General of India has issued "NIL" comments on the accounts of the Company for the year 31st March 2019 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 its entire shares (refer Note 11). Pursuant to paragraph 25 & 26 of Ind AS 24, entities over which the same government has control or joint control of, or significant influence, then the reporting entity and other entities shall be regarded as related parties. The Company has applied the

exemption available for government related entities and have made limited disclosures in the financial statements. Such entities with which the Company has significant transactions include but not limited to Ministry of Railways, various divisional / zonal railways under MOR, Ministry of Corporate Affairs, BSNL, IOCL, RailTel, NHAI, PGCIL, GAIL and CRWC.

(In Crores)

Nature of Transaction	For the year ended	
	March 31, 2019	March 31, 2018
Ministry of Railways & its constituent		
Fund Received from MOR	7,327.00	2,750.00
Recoverable for PETS survey from MOR	19.59	12.80
Recoverable from MOR towards land facilitation expenses	28.17	43.38
Advance given for shifting of utilities, capital advance, ROB Works and construction of flats, roads	326.63	497.97
Guarantee Fee	28.57	26.91
Advance received for ROB/RUB	1.25	5.00
Advance given for ROB/RUB	28.34	28.87
Rental Income from Railway Board	4.95	4.39
Ministry of Corporate Affairs	-	-
Stamp duty expense	-	0.25
Other entities	-	-
BSNL - For shifting of utilities & capital works	0.36	3.65
PGCIL - For shifting of utilities & capital works	0.69	19.06
RailTel Corporation Ltd - For shifting of utilities & capital works	5.43	0.27
NHAI - For shifting of utilities & capital works	0.07	-
IOCL - For shifting of utilities & capital works	0.36	-
CRWC New Delhi - For shifting of utilities & capital works	0.03	8.12
GAIL - For shifting of utilities & capital works	0.18	-
RDSO/LKO - For shifting of utilities & capital works	2.68	0.01
Rites Ltd - For shifting of utilities & capital works	29.91	-
Total	7,804.21	3,400.67

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. 31.03.2019 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

a) Steps taken or impact on conservation of energy:

- i) In EMP-4, energy efficient LED fixtures are being provided against fluorescent fittings. Expected saving in energy consumption shall be approx. 1.91 MU annually. The installation works are yet to be completed.
- ii) Section CP 304 (Sahnewal-Pilkhani), CP-304 Khurja Pilkhani :
 - a) Provision of Solar system of 5 KW has been kept in Package Cost of CP-304 & 305 at each junction station, IMD depots Guest Houses.
 - b) Provision of Solar system of 1 KW has been kept in Package Cost of CP-304 & 305 at each IMSD depots.
 - c) Provision of Solar system of 2 KW has been kept in Package Cost of CP 304 & 305 at each Crossing Station & TSS.
 - d) Provision of Solar Geyser 1000 litre per day has been kept in Package Cost of CP 304 & 305 at each IMSD.
 - e) Provision of LED bulbs & Energy Efficient Tube lights has been kept in CP-304 & 305.

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

- To encourage the usage of green energy over DFCCIL network, solar plants have been planned for various installations along the corridor such as station building, service building, OCC etc. The installation works are yet to be completed.
- A proposal for engagement of General Consultant for feasibility study for setting up solar power plants along the ROW in Western & Eastern Corridors of DFCCIL is under finalization through World Bank Assistance Program. The pilot project will cover 850km (350 km EDFC & 500km WDFC) under the feasibility study. Based on the outcome of this study, decision shall be taken for implementation of the project in the identified sections.

c) Capital investment on energy conservation equipment:

- ₹ 65 Lakhs for Section CP 304 (Sahnewal-Pilkhani), ₹ 68 Lakhs for CP-304 (Khurja Pilkhani), ₹ 14.3 Lakhs for Section MGS-SEBN (Excluding NKWD-DGON) and ₹ 10 Lakhs for NKWD-DGON

(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. Commissioning of Modular Cantilever System of WDFC

The Modular Cantilever System (MCS) have been adopted for the first time in India over WDFC in the section from Rewari to Srimadhopur. The Cantilever for WDFC have been designed and tested according to EN 50119 standard. These have been fully type tested for highest structure loading of each member. These cantilevers have been manufactured and supplied by M/s. RIBE, Germany. The major advantage of these cantilevers is that these are made of Aluminum Alloy Tubes and Aluminum Casted fittings. S.S. fasteners have been utilized to give a longer life in field. These cantilevers are so much light in weight that it is very easy to install/replace them in the field. These cantilevers are highly resistant to atmospheric corrosion.

2. Development of Invasive Rail Earth Clamp

WDFC has adopted a new technique for effective rail-traction bond connection, by use of a rail-earth clamp, thus completely eliminating drilling of holes unto to the rails, or welding on rails. The clamp is rigidly fitted to the rails, having sufficient contact surface area, for effective passage of the designed short circuit current. The assembly consisting of test piece of rail along with the clamping device has been subjected to 'short time current withstand test, in Central Power Research Institute.

This will ensure safety and reliability of the track structure, while meeting the mandatory requirement of earthing and bonding in AC Traction system.

3. All the TSS under EMP-4 are equipped with Scott connected transformers to reduce unbalancing in the grid. 50% quantity is being sourced from India under "Make in India Program" through technology transfer agreement. So far 10 nos of Scott Connected Traction Transformers manufactured in India have been procured from M/s. Toshiba Distribution India Ltd. Similarly auto transformers used in EMP-4 Project have been procured after technology transfer and absorption of the same by Indian manufacturer M/s. Prime Meiden Ltd. Approx. 108 nos. Auto Transformer have been procured from M/s. Prime Meiden Ltd. for usage in EMP-4 Project. The developed indigenous capability will be useful for future corridors, high speed railways, Indian Railways & other metro systems.

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

Foreign Exchange Earning	-	Nil
Foreign Exchange Outgo	-	₹ 1396.15 Crores out of which
Interest	-	₹ 103.88 Crores
Tour & Travelling Expenses	-	₹ 1.06 Crores
L.C Charges JICA Loan	-	₹ 1.57 Crores
Commitment fee for Loan	-	₹ 10.73 Crores
Consultancy & Work	-	₹ 1190.86 Crores
Repayment of IBRD Loan	-	₹ 88.05 Crores

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 Top 20 risks each perceived 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 departments such as Civil, S&T, IT, Administration, Electrical, Operation, Business Development, Finance, Human Resources etc. and all CGMs act as Risk Mitigation Plan Owners (RMPOs) 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. 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 established documented Risk Management Framework and assign responsibilities to its employees to take corrective and preventive measures. The Risk Management Framework is being reviewed and upgraded periodically and also Company strives to increase awareness among its employees to implement the Risk Management Policy.

Five major risks identified by the company during the Construction and Planning Phase and Operation Phase have been identified and are as under:

- 1) Delay/difficulties in construction of RUB/ROB (Issue pertaining to construction of RUB/ROB)
- 2) Delay in Land Acquisition.
- 3) Delay in Design submission.
- 4) Delay in implementation of PMS module of SAP.
- 5) Increased cost/budget over run due to cost escalation, price variation, additional work, change of tax etc.

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 Director's Report.

13. OTHER COMPLIANCES

A. Rajbhasha (Official Language)

Official Language Policy:

During the period of Financial Year 2018-2019, 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 01.09.2018 to 14.09.2018. During the “Hindi fortnight event celebrations various competitions of Hindi were organized for staff of DFCCIL and those employees who stood at first, second and third positions were awarded by the Managing Director. A Kavi Sammelan was organized during the Hindi fortnight event and speeches & lectures were delivered on the importance of Hindi language.
- Two Hindi workshops were organized to impart training in Hindi to the officers / employees working in different departments of Corporate Office and Projects offices, in which about 215 staff / officers were trained. A day-long successful Hindi Workshop was also organized by the DFCCIL, Corporate Office, under the flagship of Town Official Language Implementation Committee, in which about 50 employees / officials of different PSUs participated.
- The task of making DFCCIL's website bilingual (Hindi-English) is a continuous process, which has been updated from time to time, will be continued and completed shortly.
- Office orders of permanent nature, circulars, notices, notifications, advertisements, tender etc. are being released in bilingual form to comply 100% of Section 3(3) of the Official Language Act.
- Different incentive schemes of the Railway Board for the use and propagation of Hindi have also been implemented in DFCCIL and advantage of the same is being taken by the employees and officials of the DFCCIL Corporate Office and Subordinate Offices.
- The purchase of Hindi books in the Hindi library of DFCCIL, Corporate Office, is being ensured as per the allocated budget and maximum employee / officials are being benefitted.

Achievements:

- DFCCIL was graced and awarded shield by the Town Official Language Implementation Committee for organizing a 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 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 2018-2019, total 685 applications (including 86 Appeal cases) were received and replied with in the stipulated time period. All the replies have also been uploaded on DFCCIL website **www.dfccil.com**. The status of RTI replies are updated regularly on DFCCIL website. Similarly, orders of the Chief Information Commission (CIC) have been complied with in eleven (11) 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 2018-2019, total 17 Parliament Questions, 04 Standing Committee matters and 02 other parliamentary references were received which were replied within the stipulated time period.

D. MCA21 E-filing

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

E. Memorandum of Understanding

During the period under review, the Company has been ranked under the “Good” grading of MoU for the year 2017-2018 by the Department of Public Enterprises.

F. Vigilance

- Vigilance is an integral part of the Management as responsibility to prevent corruption and to build accountability and transparency lies with the entire management in an organization. In fact vigilance has to be seen as a part of the overall risk management strategy of an organization whereby systems and processes are structured in a manner that scope for corruption is minimised and arbitrariness in decision making is avoided. Needless to state, the objective of corruption free and efficient organization cannot be achieved without the active support and participation of all the functionaries in the organization. Every employee who is part of any decision making process should exercise due vigilance on his own.
- In the organizational context, Vigilance means keeping a watchful eye on the activities of the organization and ensuring integrity and honesty in official transactions and behaviors. It includes promoting clean business environment, professional integrity, promptness and ethical practices.
- Vigilance Unit, DFCCIL is the nodal section for handling all vigilance matters of the Dedicated Freight Corridor Corporation of India Limited (DFCCIL). The vigilance wing of DFCCIL is headed by a full time CVO. Other functionaries of the vigilance wing include Dy. CVO, DGM, Managers, Asst. Managers and Executive.
- The role of vigilance in DFCCIL is multifarious. It undertakes preventive vigilance, punitive vigilance activities and various system improvements. The Vigilance Unit also organizes various Vigilance Awareness programmes. The Vigilance Unit organizes Vigilance Awareness Week celebrated every year as per the guidelines of CVC. Vigilance Bulletins are also published thereby providing vital information on vigilance matters and creating awareness etc.

Preventive Vigilance and Complaints

- In the year 2018-19, DFCCIL vigilance gave more emphasis on preventive vigilance and system improvement. During the year 2018, total 30 Preventive Checks were conducted including 04 CTE type checks covering various aspects. As a result of these preventive checks, system improvements were suggested to the management. In addition to above, the CTE's organization/CVC had decided to carry out Intensive Examination of 04 other contract packages of DFCCIL related to PMC etc. which is underway.
- DFCCIL has well defined complaint handling policy which is available under the vigilance section on DFCCIL's official website. It clearly mentions the procedure for sending the complaints and is self-explanatory. Total 35 complaints were registered for investigation for the year 2018 and out of those, 30 complaint cases were disposed of after the investigation. As a result of investigation of these complaints, system improvements were suggested to the management.
- Also audit reports pertaining to the organization were scrutinized and relevant observations was shared to the management. In addition to this, scrutiny of Immovable Property Returns is undertaken by DFCCIL vigilance every year. For the year 2018, 100 (IPRs) were scrutinized. All these activities were extremely helpful in enhancing the preventive vigilance functions.
- As a result of all these preventive vigilance measures, areas of concern were duly communicated to the management for taking corrective action, as applicable.

Vigilance Awareness

- In pursuance of directives issued by Central Vigilance Commission, Vigilance Awareness Week was observed from 29th October, 2018 to 3rd November, 2018 with the theme **Eradicate Corruption - Build A New India**. During the VAW, various activities for awareness generation were conducted. These included – Essay competition on the theme of VAW, Lecture on D & AR and Vigilance, a session on - Best practices on E-procurement, e-auction etc. Various awareness and outreach activities were also organized in all the field units of the DFCCIL during the vigilance awareness week. In addition to this, a vigilance bulletin was also unveiled by CTE/CVC on this occasion.
- In addition to this, there has been sustained effort by the vigilance wing to create awareness among the employees of DFCCIL on wide ranging issues such as HR matters, technical issues etc.
- For creating awareness among the vigilance officials, they were nominated for attending various training programs/ seminars etc. These programs were immensely helpful for creating awareness as well as in enhancing the skills.

15. Corporate Governance

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

- a) A "Corporate Governance Report placed at **Annexure "B"** highlights the philosophy of the Company on the Corporate Governance, composition of Board of Directors as well as their attendance in various meetings, remuneration of directors etc. and other relevant disclosures. It is supplemented by the following compliance certificates.
 - i. Certification of financial Statements by Chief Executive Officer and Chief Financial Officer. **Annexure "B-1"**.

- ii. A declaration signed by the Managing Director affirming the compliance with the code of conduct by the Board Members and Senior Management Personnel during 2018-2019 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”**.

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

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

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

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

18. Acknowledgement

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

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

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

For and on behalf of the Board

Date: 05.09.2019
Place: New Delhi

Sd/-
Naresh Salecha
Director / Finance

Sd/-
Anurag Kumar Sachan
Managing Director

Annexure - "A"

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 shareholders, 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 ₹ 7407.36 lakhs. The prescribed CSR expenditure, i.e 2% of average net profit of last three years was ₹ 148.14 lakhs.

CSR Initiatives of DFCCIL in 2018-19

Following CSR Activities have been taken up by DFCCIL during the year 2018-19

1. Floating Bio toilet at Varanasi under Swachh Bharat Mission
2. Disabled friendly ramp on ghat at Varanasi
3. Construction of toilet blocks at Tundla, Mumbai (South) and Mumbai (North)
4. Training to promote Rural Sports, National Sports, Para - Olympic Sports, Nationally Recognized Sports and Olympic Sports - On Indian Railways

ANNUAL REPORT ON CSR ACTIVITIES

TO BE INCLUDED IN THE BOARD'S REPORT

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

Vision:

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

Mission:

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

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

Based on the recommendations of CSR Committee, Board of Directors (BOD) gave approval for CSR activities to be carried out during the year 2018-19 as per details mentioned below: -

S. No.	CPM unit	Proposed activity under Swachh Bharat Mission/ Namami Gange	Proposed Amount (In lakhs)
1	Mughalsarai	Namami Gange: Disabled friendly ramp on ghat at Varanasi	₹ 35 lakhs
		Swachh Bharat Mission: Floating Toilet	₹ 30 lakhs
2	Tundla	Construction of toilets	₹ 15 lakhs
3	Mumbai (South)	Construction of toilet blocks	₹ 15 lakhs
4	Mumbai (North)	Construction of toilet blocks*	₹ 25 lakhs
5	On Indian Railway	Training to Promote rural sports, National Sports, Para - Olympic Sports, Nationally recognized sports and Olympic sports	₹ 100 lakhs
Total amount proposed *(Inclusive of all tax expenses)			₹ 220 lakhs

*Additional amount sanctioned for Mumbai (North) - ₹ 19.5 lakhs (Total sanctioned - ₹ 44.5 lakhs)

- Web link of CSR policy and Projects: <http://www.dfccil.com/Home/DynemicPages?MenuId=72>
2. During the year, the Composition of the CSR Committee:
 - (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 : ₹ 7407.36 lakhs
 4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) : ₹ 148.14 lakhs
 5. Details of CSR spent during the financial year.
- Total amount to be spent for the financial year: ₹ 239.5 lakhs (inclusive of taxes)
- (a) Amount unspent, if any : ₹ 111.1 lakhs
 - (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.	Disabled friendly ramp on ghat	Namami Gange	Mughalsarai	Rs. 35 lakhs	Nil	Nil	
2.	Floating Toilet	Swachh Bharat	Varanasi	Rs. 30 lakhs	Nil	Nil	Implementing agency- M/S Krishna Fibre works
3.	Construction of Toilet	Swachh Bharat	Tundla	Rs. 15 lakhs	Rs. 15 lakhs	Rs. 15 lakhs	Direct (District Magistrate)
4.	Construction of Toilet blocks	Swachh Bharat	Mumbai (South)	Rs. 15 lakhs	Nil	Nil	Implementing agency
5.	Construction of Toilet blocks	Swachh Bharat	Mumbai (North)	Rs. 44.5 lakhs	Rs. 13.40 lakhs	Rs. 13.40 lakhs	Implementing agency (M/S Sneha Constructions)
6.	Training to Promote Rural Sports, National Sports, Para – Olympic Sports, Nationally recognized sports and Olympic Sports		Indian Railways	Rs. 100 lakhs	Rs. 100 lakhs	Rs. 100 lakhs	Direct
	TOTAL			Rs. 239.5 lakhs (inclusive of taxes)	Rs. 128.4 lakhs (inclusive of taxes)	Rs. 128.4 lakhs (inclusive of taxes)	

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 -
 - Delay in allotment of land for construction of toilets.
7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

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

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, regulations and adherence standard to achieve the objects of the Company.

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

2. Board of Directors:

2.1 Composition of the Board of Directors:

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

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

2.2 Strength of the Board

In terms of Article 81(1) of the Articles of Association of the Company, The President of India has the power to appoint Directors of the Company. On the date of the report, the total strength of the Board of Directors of the Company is eleven, 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 three Independent Directors.

2.2.1 Directors who have joined the Board during the financial year 2018-2019;

- a) In terms of Railway Board's order no. 2016/E(O)II/40/8 dated 03.08.2018 read with the HR deptt. office order no. HQ/HR/P.File/1374 dated 04.08.2018, the Competent Authority appointed Shri Anurag Kumar Sachan, as Managing Director on the Board of the Company with immediate effect vice Shri Anshuman Sharma, Dir/PP, upto 31.07.2020 or until further orders whichever is earlier.
- b) In terms of Railway Board's Order No. 2009/Infra/6/2 dated. 29.01.2019, the Competent Authority appointed Shri V. K. Yadav, Chairman, Railway Board as part-time chairman on the Board of the Company with immediate effect from 29.01.2019, till he holds the post of Chairman, Railway Board or further orders whichever is earlier.

- c) In terms of Railway Board's Order no. 2011/E(O)II/40/34 dated 19.02.2019, the Competent Authority has approved entrustment of the of the additional charge post of Director (Operations & Business Development), DFCCIL to Shri Vivek Srivastava, IRTS, ED/PG, Railway Board, in addition to his own, for a period of 06 months from the date of assumption of charge or till a regular incumbent joins the post or until further orders, whichever is the earliest. The appointment was effective from 28.02.2019, the date of approval of Director Identification Number.

2.2.2 Directors cease to be hold office during the financial year 2018-2019.

- a) In terms of Railway Board's order No. 2009/Infra/6/2 dated. 29.01.2019, Shri Ashwani Lohani, 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. 01.01.2019.
- b) In terms of Railway Board's order no. 2011/E(O)II/40/34 dated 19.02.2019, Shri Naveen Kumar Shukla, PED/Mobility, Railway Board ceases to hold the office of Director (OP&BD) w.e.f. 25.02.2019.

2.2.3 The following Director who have joined after the closure of financial year 2018-2019.

- a) In terms of Railway Board's order no. 2017/PL/61/5 dated 17.06.2019, the President of India appointed Sh. R. N. Singh, PED/Infrastructure, Railway Board, as Part-time Government Director on the Board of the Company with immediate effect till the holding of the post of PED/Infrastructure, Railway Board, or further orders, whichever is earlier. The date of allocation of Director Identification Number was 20.06.2019.
- b) In terms of Railway Board's order no. 2009/PL/48/1(Pt.3) dated 11.07.2019 the tenure of Sh. Ravi Mathur & Smt. Shakti Munshi as Independent Directors on the Board of DFCCIL is extended upto 31.03.2020.
- c) In terms of Railway Board's order no. 2009/PL/50/13/Pt. dated 11.07.2019, the President of India appointed Sh. B. Ramana Kumar as Non-official (Independent) Director on the Board of the Company, for a period of three years w.e.f. the date of notification of the appointment, or until further orders, whichever is earlier. The date of allocation of Director Identification Number was 29.07.2019.

2.2.4 The following Director ceases to hold the office after the closure of financial year 2018-2019.

- a) In terms of Railway Board's order no. 2017/PL/61/5 dated 17.06.2019, Shri Sushant Kumar Mishra, PED/Infrastructure, Railway Board, as Part-time Government Director on the Board of the Company ceases to hold the office of Part-time Government Director w.e.f. 20.06.2019.

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 2018-2019 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 2018-2019 (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. Ashwani Lohani (DIN-01023747) (Held office w.e.f. 30.08.2017 to 31.12.2018)	2	0	4	2	Yes
1A.	Chairman / Railway Board	Sh. Vinod Kumar Yadav (DIN-08346269) (Held office w.e.f. 29.01.2019)	0	0	0	0	NA
(II) Whole-time Director							
1.	Looking after Managing Director	Sh. Anshuman Sharma (DIN- 03500815) (Held office from 01.07.2017 to 03.08.2018)	1	0	1	1	NA
1b.	Managing Director	Sh. Anurag Kumar Sachan (DIN-08197908) (Held office from 04.08.2018).	1	0	3	3	Yes
2.	Director (Project Planning)	Sh. Anshuman Sharma (DIN- 03500815) (Held office from 05.04.2011 and extended up to 31.12.2020)	1	0	4	4	Yes
3.	Additional Charge of Director (Finance)	Sh. Naresh Salecha (DIN-00843812) (Held office from 01.03.2017)	1	1- Audit Committee (Member)	4	4	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 Memberships/ Chairmanships in public companies including DFCCIL and excluding private companies (*4 & 5)	No. of Board Meetings held during 2018-2019 (during their respective tenure)	No. of Board meetings attended (during their respective tenure)	Last AGM attended
4.	Additional Charge of Director (Operations & Business Development)	Sh. Naveen Kumar Shukla (DIN- 03012728) (Held office from 17.01.2018 to 25.02.2019)	1	1-Corporate Social Responsibility Committee (Member)	4	3	Yes
4A.	Additional Charge of Director (Operations & Business Development)	Sh. Vivek Srivastava (DIN- 08378257) (Held office from 28.02.2019)	1	0	0	0	NA
5.	Director (Infrastructure)	Sh. D.S. Rana (DIN- 07022825) (Held office from 27.10.2014)	1	1-Corporate Social Responsibility Committee (Member/ Convener)	4	4	Yes
(III) Director (Part-time official)							
1.	PED(Infrastructure) /Railway Board	Sh. Sushant Kumar Mishra (DIN- 07869414) (Held office from 08.06.2017 to 20.06.2019)	2	1-Nomination & Remuneration Committee. (Member)	4	4	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 2018-2019 (during their respective tenure)	No. of Board meetings attended (during their respective tenure)	Last AGM attended
1(A)	PED (Infrastructure) / Railway Board	Sh. R. N. Singh (DIN- 08488013) (Held office from 20.06.2019)	NA	NA	NA	NA	NA
2.	Special Secretary NITI Aayog	Sh. Yaduvendra Mathur (DIN-00307650) (Held office from 08.06.2017)	1	0	4	2	No
(IV) Independent Directors (Part Time non official)							
1.	Part Time non-official official	Mrs. Shakti Munshi (DIN-00483546) (Held office from 01.04.2016 extend upto 31.03.2020)	1	2- Audit Committee- (Member) and Nomination & Remuneration Committee- (Member)	4	4	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 2018-2019 (during their respective tenure)	No. of Board meetings attended (during their respective tenure)	Last AGM attended
2.	Part Time non-official	Sh. Ravi Mathur (DIN-02427086) (Held office from 01.04.2016 to extended upto 31.03.2020)	1	3- Audit Committee- (Chairman), Corporate Social Responsibility Committee- (Chairman) and Nomination & Remuneration Committee- (Chairman)	4	3	Yes
3.	Part Time non-official	Sh. B. Ramana Kumar (DIN- 08523013) (Held office from 29.07.2019)	NA	NA	NA	NA	NA

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 2018-19.

During the financial year 2018-2019, 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 2018	24.05.2018
2	For the quarter ended September 2018	13.08.2018 & 05.09.2018
3	For the quarter ended December 2018	21.12.2018

Brief Resume of Directors appointed as on the date of report:**i. Shri Vinod Kumar Yadav, Chairman, Railway Board appointed as part time chairman on the Board of DFCCIL w.e.f 29.01.2019.**

Shri Vinod Kumar Yadav, IRSEE (1980 batch) has taken over the charge of the post of Chairman, Railway Board on 01/01/2019. Prior to this, he worked as General Manager, South Central Railway. He holds a Bachelors Degree in Engineering (Electrical) from Allahabad University, Uttar Pradesh and Masters Degree in Business Administration-MBA (Technology Management) from La Trobe University, Australia.

Shri Vinod Kumar Yadav began his working career on Indian Railways as Assistant Electrical Engineer in February, 1982. On Indian Railways, he served as Chief Electrical Engineer, Planning/Traction Distribution, Northern Railway; Divisional Railway Manager, Lucknow Division, North Eastern Railway; Additional Divisional Railway Manager (Operation), Delhi Division, Northern Railway; Deputy Chief Electrical Engineer (Construction); Deputy Chief Electrical Engineer, Loco Workshop, Lucknow and as Senior Electrical Engineer (Construction).

Amongst the assignments he held on deputation are - Executive Director, Railway Electrification Projects, RVNL, New Delhi; Group General Manager (Electrical), DFCCIL; Programme Manager Technology Diffusion and Support Programme and as Project Director, International Centre for Advancement of Manufacturing Technology at United Nations Industrial Development Organization (UNIDO); he was also

Director, Department of Industrial Policy & Promotion, Ministry of Industry, Government of India and as Deputy Chief Electrical Engineer (Electrical), Indian Railway Construction Company Limited (IRCON).

He also held an important foreign assignment as Deputy Manager (Electrical), IRCON at Turkey, where he was instrumental in planning, execution and commissioning of Railway Electrification Project for Turkish Railway. Shri Vinod Kumar Yadav is recipient of the first ever "Best Transformation Initiative Award" of the Ministry of Railways, received from the hands of the Hon'ble Minister of Railways in April, 2018.

ii. Shri Vivek Srivastava, IRTS,ED/PG, Railway Board, Looking after Director OP&BD/DFCCIL w.e.f. 28.02.2019.

Shri Vivek Srivastava, has been detailed to look after the charge of Director/OP&BD of DFCCIL since 25.02.2019. This is in addition to his regular deployment as Executive Director (Public Grievance), Ministry of Railways, Railway Board, New Delhi.

He is a Civil Engineering Graduate from Indian Institute of Technology, Kanpur and is an officer of Indian Railway Traffic Service of 1989 batch. He has also successfully pursued law, getting his LLB in 2018.

Shri Srivastava has learned the issuances of Railway Freight Operation on erstwhile South Eastern Railway "the Blue Chip Railway". It was here that his knowledge & experience base in handling of activities intrinsic to handling freight Traffic on Indian Railway, across all commodities and handling of major terminals such as Ports, Steel plants, Thermal plants, Collieries etc. were learnt.

He has had sufficient exposure in operations, commercial and safety branches, gained while working as Branch officer on major divisions.

Shri Srivastava has an experience of PSU working also at IRCTC, where he headed Zonal units at Kolkata (East Zone-I & II) & North Zone, New Delhi for over three years.

He has also worked extensively on FOIS and was the key person for implementing Rake Allotment System (RAS), a FOIS based software for generating Rake Allotment of Iron-ore in the heydays of Iron-ore export scramble. This brought unprecedented transparency in the allotment systems. The RAS was subsequently extended to coal also.

He has ample exposure to passenger business also, having worked as CCM (PM) and as CCM (PS), on Northern Railway with distinguished performance.

iii. Shri R. N. Singh, PED/Infrastructure, Railway Board, as Part Time Government Director Looking w.e.f. 20.06.2019.

Shri R N Singh, an alumnus of IIT Roorkee, is IRSE Officer of 1986 batch. He has worked in various capacities in Indian Railways and in different PSUs, including as Divisional Railway Manager, Delhi Division. He has wide experience in the field of planning and execution of infrastructure projects and Railway management. His areas of interest include PPP Projects & Strategic Management.

iv. Shri B. Ramana Kumar as Non-official (Independent) Director w.e.f. 29.07.2019.

Shri B. Ramana Kumar is a Lawyer and a registered Insolvency Professional. He is the founder of OvoPax Legal, a corporate law firm. www.ovopaxlegal.com

He has experience of around 25 years and was earlier practicing as a Chartered Accountant. He was also a consultant to an international law firm and Senior Manager, Tax and regulatory services with KPMG (BSR&Co), in Chennai specializing in litigation and corporate tax services.

He regularly appears before the Commissioner level and above in Income tax matters, CESTAT and above in indirect tax matters. He also appears before the SEBI, NCLT and NCLAT.

CBDT, in July 2018, appointed him as a Special Counsel, International Taxation and Transfer Pricing, for the Southern Region.

He has co-authored a book on transfer pricing along with the legendary Shri S .Rajaratnam titled “Rajaratnam's Transfer Pricing in International and Domestic Transactions”. He had earlier co-authored books, namely, Corporate Audit Checklist, Documents and deeds and Issues on tax audit.

He has also taken several sessions to the officers of RBI, C&AG, Direct Taxes Regional Training Institute, IIMs and other governmental departments on the technical and specific subjects. He has also presented technical papers in many seminars and workshops. He was also an active Lion and has won many District Governors' appreciation award. He is also an active photographer and has won many national and international prizes from over 40 countries and regularly holds exhibitions of the photographs he takes. He also takes classes on photography, travel and related subjects. He has obtained distinctions in the art of photography; notably FFIP (Fellow of the Federation of Indian Photography), AFIAP (from The International Federation of Photographic Art, France).

3. Audit Committee

Composition of the Audit Committee

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

S. No.	Member	Designation	Date of holding the membership of the Committee
1	Sh. Ravi Mathur	Independent Director	24.07.2019
2.	Smt. Shakti Munshi	Independent Director	24.07.2019
3.	Sh. B. Ramana Kumar	Independent Director	14.08.2019
4.	Sh. Naresh Salecha	Director (Finance)	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.

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

The role of the Audit Committee shall include the following:

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

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

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

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

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

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

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

1. Every Audit Committee shall act in accordance with the terms of reference specified in writing by the Board which shall, inter alia, include -
 - (i) The recommendation for Nomination and Remuneration and terms of appointment of auditors of the company;
 - (ii) View and monitor the auditor's independence and performance, and effectiveness of audit process;
 - (iii) Examination of the financial statement and the auditors' report thereon;
 - (iv) Approval or any subsequent modification of transactions of the company with related parties;
 - (v) Scrutiny of inter-corporate loans and investments;
 - (vi) Valuation of undertakings or assets of the company, wherever it is necessary;

- (vii) Evaluation of internal financial controls and risk management systems;
- (viii) Monitoring the end use of funds raised through public offers and related matters.
- (ix) To oversee the vigil mechanism and to provide for adequate safeguards against victimization of employees and directors who avail of the Vigil Mechanism and also provide direct access to Chairman, Audit Committee and in case of repeated frivolous complaints by a director or an employee, the Audit Committee may take suitable action against the concerned director or employee including reprimand.

Powers of the Audit Committee:

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

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

During the year under review, the Committee met 5 times on the following dates: 13.04.2018, 23.07.2018, 14.08.2018, 04.09.2018, 21.01.2019. The attendance of the members of the Committee during 2018-19 is produced below:

Member	Position	Meetings held**	Meetings attended***
Sh. Ravi Mathur, Independent Director	Chairman	5	5
Sh. Naresh Salecha, Director/Finance	Member	5	5
Smt. Shakti Munshi, Independent Director	Member	5	5

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

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

4. Nomination and Remuneration Committee

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

S. No.	Member	Designation	Date of holding the membership of the Committee
1.	Sh. R. N. Singh	Nominee Director (MoR)	05.07.2019
2.	Sh. Ravi Mathur	Independent Director	24.07.2019
3.	Smt. Shakti Munshi	Independent Director	24.07.2019

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 6 times on the following dates: 12.04.2018, 25.06.2018, 04.09.2018, 27.09.2018, 16.11.2018 and 15.03.2019. The attendance of the members of the Committee during 2018-19 is produced below;

Name of the Committee Members	Position
7th Meeting of Nomination & Remuneration Committee held on 12.04.2018. 1. Sh. Ravi Mathur, Independent Director 2. Smt. Shakti Munshi, Independent Director	Chairman Member
8th Meeting of Nomination & Remuneration Committee held on 25.06.2018. 1. Sh. Ravi Mathur, Independent Director 2. Smt. Shakti Munshi, Independent Director 3. Sh. Sushant Kumar Mishra, Nominee Director	Chairman Member Member
9th Meeting of Nomination & Remuneration Committee held on 04.09.2018. 1. Sh. Ravi Mathur, Independent Director 2. Smt. Shakti Munshi, Independent Director 3. Sh. Sushant Kumar Mishra, Nominee Director	Chairman Member Member
10th Meeting of Nomination & Remuneration Committee held on 27.09.2018. 1. Sh. Ravi Mathur, Independent Director 2. Smt. Shakti Munshi, Independent Director	Chairman Member
11th Meeting of Nomination & Remuneration Committee held on 16.11.2018. 1. Sh. Ravi Mathur, Independent Director 2. Smt. Shakti Munshi, Independent Director 3. Sh. Sushant Kumar Mishra, Nominee Director	Chairman Member Member
12th Meeting of Nomination & Remuneration Committee held on 15.03.2019. 1. Sh. Ravi Mathur, Independent Director 2. Smt. Shakti Munshi, Independent Director 3. Sh. Sushant Kumar Mishra, Nominee Director	Chairman Member 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 2018-2019 is detailed below:

S. No.	Name of Director	Salary & Allowances	Other Benefits Perks 17(2)	Performance linked incentives	Total (In ₹)
1	Sh. Anurag Kumar Sachan (Managing Director)	2334430.00	0	0	2334430.00
2	Sh. Anshuman Sharma Director (PP)	4915829.00	568428.00	0	5484257.00
3	Sh. D.S. Rana Director (Infra)	4392163.00	503569.00	0	4895732.00
	Total	11642422.00	1071997.00	0	12714419.00

Detail of sitting fee paid to the Part-time non official Directors for the financial year 2018-19:

Detail of sitting fees paid to two Independent directors during the year 2018-19 are as follows:-

S. No.	Member	Sitting Fees	Total No. Meetings attended including sub committees meetings
1	Sh. Ravi Mathur, Independent Director	3,20,000/-*	16
2	Sh. Shakti Munshi, Independent Director	3,00,000/-*	15

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

5. Corporate Social Responsibility Committee

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

S. No.	Member	Designation	Date of holding the membership of the Committee
1	Sh. Ravi Mathur	Independent Director	24.07.2019
2	Smt. Shakti Munshi	Independent Director	24.07.2019
3	Sh. D.S. Rana	Director (Infrastructure)	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 2018-19, the Committee met two times on 12.04.2018 & 24.07.2018 respectively.

6. General Meetings

Annual General Meetings

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

AGM	Year	Venue	Date	Time
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
12 th	2017-2018	Committee Room, 2 nd Floor, Rail Bhawan, Raisina Road, New Delhi-110001.	26.09.2018	12.00 Hrs

Detail of special resolutions passed in the last three AGMs.

AGM	Year	Subject Matter of the Special Resolution	Date	Time
10 th	2015-2016	Nil	26.09.2016	12.30 Hrs
11 th	2016-2017	Nil	26.09.2017	12.00 Hrs
12 th	2017-2018	Nil	26.09.2018	12.00 Hrs

7. Disclosures

- There has not been a reported materially significant related party transaction except the disclosed vide note 30 to the financial statements.
- All the items of expenditure debited in the books of accounts of DFCCIL are for the purpose of project execution entrusted to DFCCIL and are related to project execution.
- There are no personal expenses incurred for the Board of Directors.

- D. The Net administrative expenses as a percentage of total expenses have decreased from 3.86% in 2017-18 to 2.87 % in 2018-19.

8. Corporate Communication

- a. **DFCCIL's Social Media is the fastest growing Social Media among all Railway PSUs:** DFCCIL has a dynamic social media engagement on Twitter, Facebook and YouTube. It is widely followed by an array of stakeholders and Public at large. Major accomplishments, inaugurations, events and participation in exhibitions etc are showcased on the Social Media channels which have registered impressive organic growth.

The status of DFCCIL Social media 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 : 7600+	No. of followers : 5066+	No. of videos uploaded : 32
No. of posts & shares: 350+	No. of tweets and replies: 886+	No. of subscribers : 6900+
Photos/videos uploaded: 360+	Pictures/videos attached: 370+	Total number of views : 6.6 Lakh+

- b. **Press Release:** A total number of 12 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. **One-on-One interaction with the Media:** Direct interaction of Managing Director of DFCCIL with Press Correspondents of leading news organizations was organized and Interviews were published in different leading newspapers
- d. **Coverage in Television Media:** Special programs/interviews were telecasted on DD, Rajya Sabha News, ANI, News 24, India News, etc.
- e. **Coverage in Print Media:** During the period local media coverage covering various facets of DFC's construction and completion of important segments have been covered in English, Hindi and other regional languages.
- f. **Newsletter of DFCCIL:** Four issues of Quarterly News Letter 'DFC NEWS' have been published. The DFC News is emailed to different stakeholders of the project and uploaded on social media platforms as well. The newsletter has been made bilingual for a wider reach.
- g. **Participation in Exhibitions:**
- Vibrant Gujarat Global Summit, 18-20 January, 2019
 - 20th National Rail Transport Seminar on Business Transformation on Indian Railways organised by CTRAM on 18th January, 2019
 - CILT 2018 Expo 22-23 November, 2018 at Delhi.
 - Stakeholders' Workshop 22 October, 2018, New Delhi
 - India Infrastructure Info 24-26 June, 2018, Mumbai
- h. **Press Tour:** The inauguration and trial run was extensively covered by Media especially the local media from Ajmer and Jaipur consisting of Print and Electronic from Hindi and English publications.

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.com**. A declaration signed by the Managing Director affirming the compliance with the code of conduct by the Board Members and Senior Management Personnel during 2018-19 is placed at **"Annexure "B-2"**.

13. Whistle Blower Policy

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

14. Compliance Certificate.

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

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

Annexure - "B-1"



DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED

A GOVERNMENT OF INDIA (MINISTRY OF RAILWAYS) ENTERPRISE

MANAGING DIRECTOR AND DIRECTOR FINANCE/CFO CERTIFICATION

We have reviewed the Financial Statements including the Balance sheet, Statement of Profit & Loss, and the Cash Flow Statement for the financial year 2018-19 and to the best of our knowledge and belief:

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

Date: 22.08.2019
Place: New Delhi

Sd/-
Naresh Salecha
Director Finance

Sd/-
Anurag Kumar Sharma
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 2018-2019.

I, Anurag Kumar Sachan, Managing Director, Dedicated Freight Corridor Corporation of India Limited do hereby declare that all the functional members of the Board of Directors and the Senior Management Personnel have affirmed compliance of the Code of Business and Ethics Conduct during 2018-2019.

Place: New Delhi
Date: 06.06.2019

Sd/-
Anurag Kumar Sachan
Managing Director

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, 2019 as stipulated in Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprise (DPE), Government of India.
2. The Compliance of conditions of Corporate Governance is the responsibility of management. Our examination was limited to procedures and implementation thereof, adopted by the Company to ensure the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of certification and have been provided with such records, documents, certifications etc., as had been required by us.
4. We certify that in respect of the aforesaid financial year 31st March 2019, 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 2019, the company has complied with various provisions of the Guidelines in its Corporate Governance.

Place: New Delhi
Date: 27.08.2019

Sd/-
Balika Sharma & Associates
Company Secretaries
FCS No.: 4816
C P No.: 3222
UDIN No. 4816A000005146

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. Connectivity is the lifeblood of an economy. The Government has given a massive push to all forms of physical connectivity through Pradhan Mantri Gram Sadak Yojana, industrial corridors, dedicated freight corridors, Bhartamala and Sagarmala projects, Jal Marg Vikas and UDAN Schemes. 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. The industrial corridors would improve infrastructure availability for greater industrial investment in the catchment regions, the dedicated freight corridors would mitigate the congestion of our railway network benefitting the common man.

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

VISION

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

MISSION

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

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

Capital Expenditure on Project Execution

As on 31st March, 2019, the Cumulative expenditure on Project Execution (other than land) is ₹ 32380.16 Crores out of which includes: Tangible Assets is ₹ 17.65 Crores, Capital Work in progress is ₹ 25382.86 Crores, Intangible assets is ₹ 0.09 Crores, Intangible assets under Development is ₹ 11.36 Crores and Capital advances ₹ 6968.20 Crores. The gross expenditure during the year 2018-19 on project execution is ₹ 10034.47 Crores which includes tangible assets is ₹ 3.95 Crores, Other intangible assets is ₹ -0.18 Crores, intangible assets under development is ₹ 0.06 Crores, Capital Advances is ₹ -595.13 Crores and Capital Work in Progress ₹ 10625.77 Crores.

Strength

- a) For compliance of all applicable statutory law and applicable guidelines and to achieve sustainable goals as per DFCCIL Environmental Policies, DFC project integrated implementation of "International Standards, Guidelines & ISO Certifications" in all Contract Packages during construction phase. Every Contractor has

been made contractually mandated to ensure that their works are undertaken in accordance with the applicable international guidelines, standards and specifications on “Safety, Health and Environment” and all contract packages must get accredited under ISO 14001 (Environmental Management Systems) & OHSAS 18001 (Occupational Health and Safety Management Systems). These certifications created systematic management system of monitoring, measurement & review of environmental and social performance in the DFC Project as required by internal and external audits procedure.

- b) Availability of on hand brownfield goods sheds/Freight terminals with DFCCIL at New Philkhani, New Mandi Govindgarh, New Kolanour, New Khanna and New Mughalsarai will help to generate additional revenue.
- c) The unique and upgraded dimensions of DFC w.r.t. wagon height, width, train length and train load capacity, double stack container moving capacity on WDFC, 1500 meter Long hauls on DFC will reduce the cost of transportation. Upgraded design features like high axle load with maximum speed of 100kmph for goods trains running over DFC, which will enable swift movement of higher loads and will assure time tabled delivery of Goods.
- d) Positive expectations from logistics and transportation industry on DFC.
- e) Issue of exorbitant rates changed by Gujarat Govt. for Government land pending for last 4 years has been resolved.

Weakness

- a) 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) Integration of Environment with Project Execution team is necessary for meeting mandatory compliance of Safeguards Policies, timely getting regulatory clearances and to meet the time Schedule of the implementing agencies as this induces proactive approach and reduces the time involved in the obtaining statutory clearances. During review meetings, teaming HSE practices with Project Coordination and projects progress may accelerate the progress as well as safe and sustainable practices.
- c) Massive work and planning to be done for strengthening business of DFCCIL with limited resources.
- d) Law & order problems in various sections i.e. Meerut, Muzaffarnagar detour & Secunderabad has held up the work adding to the delay in the project.
- e) Remodeling of yards in different sections will add to time overrun.
- f) Timely construction of RUBs/ROBs is a great challenge as a sharing of the cost of few ROBs is still to be worked out.
- g) Shifting of utilities/S&T still continues to be a great challenge and slow progress of shifting will lead to delay and non-performance of agencies i.e. NHAI, M/s. Soma Enterprise, has added to the time over run.

Opportunity

- a) Development of Green field freight terminals at New Kanpur, New Nilje, New Tundla, New Meerut and New Mirzapur are on the cards as identified by PWC.

- b) DFCCIL has formulated its “Corporate Social Responsibility (CSR) Policy” to bring corporate consciousness, citizenship, social performance, or sustainable responsible business in the form of corporate self-regulation integrated into a business model. It is the continuing commitment by business to perform ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large.
- c) There is a huge scope for attracting new traffic and new customers over DFC due to its world class features.
- d) It is a need of an hour to reduce the cost of logistics of the country from existing 14% to 8% and DFC will play a vital role in reducing the cost of logistic. Long haul and heavy haul operations over DFC to attract more rail operators.
- e) Delhi Mumbai Industrial Corridor Development Corporation and Amritsar Kolkata Industrial Development Corporation are developing their terminals, industrial parks and freight villages along with dedicated freight corridor. DFCCIL can play key role in supply chain management with special partnership with CRWC and CONCOR. Huge scope to capture Mumbai and Ahmadabad borne white goods traffic. Development of handling facilities at Palanpur and Prithala. Scope to run Road railer over DFC for rail road intermodal service.

Threats

- a) As the revision of rates is not carried out at district level, DFC is facing problem in defending arbitration and Court cases.
- b) Cost of land to be included in the TAC in the Multi operator regime may make DFC tariff costlier and less competitive.
- c) Court cases in Hon'ble Supreme Court for land acquisition effecting to land acquisition and adding can to delay of project.
- d) During single operator regime, DFC mainly to be a transporter of with IR rolling stock.
- e) Need for expeditious strengthening of feeder routes to tap business opportunities.
- f) Lack of tariff mechanism under the control of DFCCIL as long as IR is the single operator.

Strategies

- a) For grievances, helpline number for prompt reply, registration and remedy by District Level Grievance Redressal Committee have also been formed in EDFC-1, EDFC-2 & EDFC-3 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. Provisions for redressal of grievances at Field as well as Project level have been provided and included in the published RAP.
- b) For wider public awareness details of EDFC GRC have been uploaded in DFC web portal and also published in newspaper. For remaining critical land patches, continuous follow-up with Senior Administration of the State.

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 perceived 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 departments such as Civil, S&T, IT, Administration, Electrical, Operation, Business Development, Finance, Human Resources etc. and all CGMs act as Risk Mitigation Plan Owners (RMPOs) 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. Risk Management Policy strike a balance between company's strength, weaknesses, opportunities and threats on one hand and with the real and potential risks on the other hand.

The Company Risk Management Policy established 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 the Company also strives to increase awareness among its employees to implement the Risk Management Policy.

Five major risks identified by the company during the Construction and Planning Phase and Operation Phase have been identified and are as under:

- 1) Delay/difficulties in construction of RUB/ROB (Issue pertaining to construction of RUB/ROB)
- 2) Delay in Land Acquisition.
- 3) Delay in Design submission.
- 4) Delay in implementation of PMS module of SAP.
- 5) Increased cost/budget overrun due to cost escalation, price variation, additional work, change of tax etc.

Internal Control Systems

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

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

Statutory Auditor of the Company vide Annexure "C" to the Independent Auditor's Report on the Internal Financial Control in compliance of Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 have commented that the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements, and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on "the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Industrial Relations

During the year under review, the Industrial Relations remained peaceful and harmonious. DFCCIL celebrated its 13th Foundation Day on 10/11/2018 in Air Force Auditorium, Subroto Park, New Delhi. The memorable event was attended by Sh. Piyush Goyal, Hon'ble Minister of Railways and Coal, Sh. Ashwani Lohani, Chairman DFCCIL and Chairman Railway Board, Senior Officers from Railway Board, Northern Railway, PSUs and other Govt. Departments, Representatives from the World Bank and the JICA, Members of the Stakeholders, Consultants and Contractors, Representatives from Press and Media and Officers and Staff of DFCCIL.

'International Day of Yoga' was celebrated on 21st June 2018 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 - 2018' brought out by Ministry of AYUSH, 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 Officers & Staff of the DFCCIL Corporate Office. All Officers and Staff 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 i.e. 15th August 2018.

The Sadbhawana Diwas was observed on 20th August 2018 and a Sadbhawana Diwas Pledge Taking Ceremony was conducted in the Corporate Office as well in the Field Offices. All officers and staff took the Sadbhawana Diwas Pledge.

As a part of Swachh Bharat Mission 2018-19, Swachhata Pakhwada was observed from 16th August 2018 to 31st August 2018. During the Swachhata 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. Numerous Repair Activities were also undertaken.

'Swachhta Hi Seva' was observed from 15th September 2019 to 02nd October 2019. During this period, Cleanliness Drives were organized in the Corporate Office as well as in the Field Offices. Special Cleanliness Drive was organized in the Corporate Office on 15th September 2019 in which MD, Directors and Officers and Staff of Corporate Office participated. During this period, number of Repair Works were also undertaken.

DFCCIL 13th Foundation day (Annual Day) was celebrated on 10.11.18 at Air Force Auditorium, Subroto Park, Dhuala Kuan, New Delhi-110010. During the function, 09 employees were given cash award of ₹ 5000/- each, silver coin and a commendation certificate in recognition of their outstanding and meritorious work during the year 2018.

Communal Harmony Campaign Week from 19th November 2018 to 25th November 2018 and Flag Day on 22nd November 2018 for spreading the message for Peace and Harmony was observed in the Corporate Office as well as in the Field Offices.

IPWE (India) organized International Technical Seminar on 22nd and 23rd February 2019. DFCCIL participated as Seminar Associated Sponsor. DFCCIL also distributed DFCCIL Journal (Volume 1) during the Seminar.

Environment Protection and Conservation

- a) DFCCIL has its own Environment Policy and Environmental Management Framework and both the documents guide construction procedure to integrate environmental protection and social development in its mandates, in a proactive manner, to contribute towards Sustainable Development. To achieve the fine balance among developmental imperatives and environmental wellbeing, DFCCIL gives due importance to environmental considerations in adopting the projects to minimize adverse impacts and risks to the environment and people that may be affected.
- b) During the year various Environmental and Safety awards have been obtained in various section of DFCCIL like APEX Awards, Vishwakarma Safety Award and British Council Awards for Construction Safety and Innovation award for adopting various practices during construction phase. Various energy efficiencies measures have been adopted in DFCCIL corporate office as it among the few office buildings in Delhi/NCR to get 5-star rating with an energy performance index (EPI) of 85 kwh/sqm/annum & 91% air-conditioned area. Continued improvement at DFCCIL Corporate Office Building helped to secure BEE 5 - Star rating from previously achieved 4 -Star rating for a more than 90% air-conditioned building.
- c) This has helped in developing institutional capacity to replicate such measures in their upcoming Operations Control Centre (OCC) buildings at Ahmedabad and Allahabad; Station Buildings, R & D centers etc.
- d) MD, DFCCIL issued a message based on theme “Beat Plastic Pollution” on the occasion of World Environment Day on 5th June 2018. This was disseminated widely and similarly River Cleaning Campaigning near DFCCIL Bridge site has also been conducted. All national days related to Environment, workmen safety like HIV AIDS awareness, fire safety Day National safety Day are being celebrated time to time at field units.
- e) DFCCIL has been taking various energy conservation measures to educate and train local communities along the corridor through their CSR based initiatives and supplied, installed and commissioned 200 SPV (Solar Photovoltaic System) Street Lighting System in total 34 villages in Ajmer, Rajasthan (7 villages) and Allahabad East, Uttar Pradesh (27 villages) under CSR Initiatives. This project named as “Project Jyoti” has been executed through Central Electronics 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.
- f) Capacity building workshop for all DFCCIL officials, PMC officials, Contractor and NGO for implementation of Safeguards policies, Environment Management exercise is being regularly organized at field units by the team of professional experts.
- g) DFC project integrated implementation of “International Standards, Guidelines & ISO Certifications” in all Contract Packages during construction phase. Every Contractor has been made contractually mandated to ensure that their works are undertaken in accordance with the applicable international guidelines, standards and specifications on “Safety, Health and Environment” and all contract packages must get accredited under ISO 14001 (Environmental Management Systems) & OHSAS 18001 (Occupational Health and Safety Management Systems), These certifications created systematic management system of monitoring, measurement & review of environmental and social performance in the DFC Project as required by internal and external audits procedure.

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. The Entitlement Matrix has been made available on DFCCIL website, all CGMs office and were disseminated at public places for information. Disbursement of ₹ 654 Crores against total ₹ 963 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. Care is being taken to ensure expeditious implementation of rehabilitation process. DFC has a well formulated Resettlement Policy Framework (RPF) and timely issue of Addendum on 14th December, 2018 for direct purchase policy to take appropriate resettlement and rehabilitation measures for persons / household adversely affected due to implementation of DFC project. To meet the World Bank & JICA Social safeguard policies compliance, Resettlement Action Plan (RAP) inclusive of Social Impact Assessment (SIA) & Rehabilitation and Resettlement Plan (RRP) have been prepared for both EDFC & WDFC and uploaded on DFCC's website for public information. The services of NGOs were taken for implementation of RAP, preparation of Micro Plan and assist in resolution of various grievances of PAPs.
- d) 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 the project. Personnel take adequate caution in ensuring a quality and safe work environment. SESMRC for EDFC-3 i.e. Sahnewal-Pilkhani section, 175 Kms & Khurja-Dadri section, 46 Kms and Pilkhani-Khurja section, 221 Kms (Total 442 kms) and for EDFC-2 i.e. Bhaupur-Mughalsarai section, 393 Kms are submitting monitoring report with recommendations.

HUMAN RESOURCE DEVELOPMENT AND INDUSTRIAL RELATIONS

1. Mission and Values

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

2. Manpower Mobilization

For successful functioning of our organization, placement of right manpower at the right place at the right time is of paramount importance. Taking into consideration the long term requirements of the organization,

manpower has been inducted from open market through direct recruitment and immediate absorption besides permanent absorption of eligible deputationists. During the year 2018-2019, 133 candidates joined DFCCIL through open market recruitment and 22 through Immediate Absorption. In addition to above, total of 26 posts were filled through Permanent absorption at various levels/cadres. Also, 93 manpower have been inducted on re-employment & contract basis mainly in Civil, Finance & IT department.

Department of Public Enterprise 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. Exemption for further period is awaited. The normal deputation tenure in DFCCIL for railway employees is 05 years. During the year, 44 employees have joined DFCCIL on deputation basis.

With new induction, total strength as on 31.03.2019 is 1155 employees (795 - Permanent, 246 - Deputation, 51 - Re-employed, 53 - Contract & 10 - Consultants).

3. Policy Initiatives

Following policies have been introduced during the year:

- (i) Circular No. 01/2019 dated 10.01.2019 issued regarding amendment in Selection Criteria and Selection Committee of Permanent/Immediate Absorption policy.
- (ii) Instructions for empowerment of Professionals hired on contract basis issued vide HR Circular No. 29/2018 dated 09.05.2018.
- (iii) One post each of General Manager (Law), General Manager (Security), General Manager (Stores) for Construction Phase and two posts of General Manager (S&T) for Operation Phase created.
- (iv) Posts in Operation Phase for Corporate Support Functions (Finance, IT, HR, Admin. & Law) were approved by BoD.
- (v) Circular No. 36/2018 dated 20.07.2018 issued regarding Enhancement in emoluments of Contractual staff.
- (vi) Monthly remuneration has been enhanced from ₹ 19,200/- to ₹ 24,500/- of retired revenue officials working under SLAO. Guidelines issued on 21.01.2019.
- (vii) Monthly Consultation Fee has been enhanced from ₹ 35,000/- to ₹ 42,000/- of Consultant/Legal. Guidelines issued on 21.01.2019.

Training:

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

The objective is to assess, on a regular basis, the learning and development needs of both individuals and the organization and to enable employees to keep abreast with the latest knowledge and skills and enable them to undertake current and future responsibilities in a more effective manner. It is intended to create an atmosphere of learning which motivates the employees for acquiring higher degree of knowledge and skills.

Training at DFCCIL includes Induction Training, Technical Training, Refresher Training General Management Training, Behavioral Training, and Leadership Training.

During the year 2018-19, for fresh recruits Induction and specialized technical trainings were organized at various Railway Training Institutes.

Based on the Training need analysis was done by HR involving Chief General Managers (Field Officers) and GGM/GMs of Corporate Office, a detailed Training Plan was prepared which was also approved by World Bank. 640 employees have undergone training during the year 2018-19 and 2418 training man days were achieved. Training has been imparted at institutes such as IIM, ISB, MDI, NAIR, ASCI, ISTM, IRICEN, IRIEEN, IRISSET, ZRTI/Udaipur and other such Institutes. Customized training programs on FIDIC, Emotional Intelligence, Leadership Development, SAP etc. were also organized.

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

Besides this, officers of DFCCIL have also undergone foreign training on areas such as course on Planning Public Transport Services, program on anti-corruption, fraud and forensic audit excellence, Transforming transportation conference, Annual AAR Research Review, Operation and Maintenance of Heavy Haul Double Stack container Railway Operation, Inno Trans - Berlin, Heavy Haul Association Strategy Workshop, Advanced Leadership program etc.

6. Corporate Social Responsibility

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



Balika Sharma And Associates
Company Secretaries

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

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR 2018-19

*[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, 2018 and ended on 31st March, 2019 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, 2019 according to the provisions of:

- 1) The Companies Act, 2013 (the Act) and the rules made there under;
- 2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- 4) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

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

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

- i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii) The Listing Agreements entered into by the Company with Stock Exchange(s), if applicable;

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors. 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 the Company has:

1. In its Board Meeting held on 25.05.2018, approved the allotment of 31104555 (Three crore eleven lakhs four thousand five hundred & fifty five) equity shares of ₹ 1000 each amounting to ₹ 31104555,000/- (₹ Three thousand one hundred ten crores forty five lakh fifty five thousand only) at par in the name of the President of India.

Sd/-

Balika Sharma & Associates

Company Secretaries

FCS No: 4816

C P No: 3222

Place: New Delhi

Date: 27.08.2019

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

GST No. : 07AMAPS 9564 K1ZE
UDIN No. F004816A000005135

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

Annexure - "I"



Balika Sharma And Associates
Company Secretaries

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

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

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

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

Place: New Delhi
Date: 27.08.2019

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

GST No. : 07AMAPS 9564 K1ZE
UDIN No. F004816A000005135

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

Financial Statements

for the year 2018-19

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

Balance Sheet as at March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note No.	As At March 31, 2019	As At March 31, 2018
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	1,764.60	1,369.24
(b) Capital work-in-progress	3	2,538,285.94	1,475,708.56
(c) Other intangible assets	4	9.46	27.82
(d) Intangible assets under development	4	1,136.28	1,130.76
(e) Financial assets			
(i) Other non-current financial assets	5	1,801.74	809.26
(f) Deferred tax assets (net)	6	1,571.18	2,095.84
(g) Non current tax assets (net)	7	5,041.78	4,767.87
(h) Other non-current assets	8	763,511.48	782,786.72
Total non current assets		3,313,122.46	2,268,696.07
Current assets			
(a) Financial assets			
(i) Cash and cash equivalents	9	28,090.91	147,953.82
(ii) Other Bank balances	10	7,014.80	3,976.01
(iii) Other current financial assets	5	4,137.68	8,659.16
(b) Other current assets	8	1,103.76	1,358.86
Total current assets		40,347.15	161,947.85
Total assets		3,353,469.61	2,430,643.92
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	11	1,076,872.84	765,827.29
(b) Other equity	12	53,016.92	336,259.59
Total equity		1,129,889.76	1,102,086.88

Balance Sheet as at March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note No.	As At March 31, 2019	As At March 31, 2018
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	13	1,508,452.73	1,001,202.45
(ii) Other non-current financial liabilities	14	154,857.78	93,224.05
(b) Provisions	15	2,214.54	2,079.77
(c) Other non-current liabilities	16	40,085.50	39,802.14
Total non-current liabilities		1,705,610.55	1,136,308.41
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	13	-	-
(ii) Trade payables	17		
a) Total outstanding dues of micro enterprises and small enterprises		-	-
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		2,081.81	3,674.15
(iii) Other current financial liabilities	14	487,114.84	154,945.51
(b) Other current liabilities	16	19,195.86	13,448.17
(c) Provisions	15	9,576.79	20,180.80
Total current liabilities		517,969.30	192,248.63
Total liabilities		2,223,579.85	1,328,557.04
Total equity and liabilities		3,353,469.61	2,430,643.92
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 Dedicated Freight Corridor Corporation of India Limited

Sd/-
Sandeep Dinodia
Partner
Membership Number 083689

Sd/-
Anurag Kumar Sachan
Managing Director
DIN - 08197908

Sd/-
Naresh Salecha
Director Finance & CFO
DIN - 00843812

Sd/-
Meenu Kapoor
Company Secretary
ACS - 18954

Place of Signature: New Delhi
Date: 14.08.2019

Statement of Profit and Loss for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
I Revenue from operations		-	-
II Other income	18	10,854.90	12,089.15
III Total income		10,854.90	12,089.15
IV Expenses			
(a) Employee benefits expense	19	1,446.88	1,053.04
(b) Finance costs	20	43.68	45.25
(c) Depreciation and amortization expense	21	211.42	277.65
(d) Other expenses	22	4,994.20	7,801.06
Total Expenses		6,696.18	9,177.00
V Profit / (Loss) before exceptional items and tax (III-IV)		4,158.72	2,912.15
VI Exceptional Items		-	-
VII Profit / (Loss) before tax (V-VI)		4,158.72	2,912.15
VIII Tax expense:			
(a) Current tax		852.24	1,036.27
(b) MAT credit entitlement		(852.24)	-
(b) Deferred tax		1,399.58	57.25
(c) Adjustment of tax relating to earlier periods		306.13	-
Total tax expense (IX)		1,705.71	1,093.52
IX Profit/(Loss) for the year (VII-VIII)		2,453.01	1,818.63
X Other Comprehensive Income	23		
(A) (i) Items that will not be reclassified to profit or loss Re-measurement gains/ (losses) on defined benefit plans		(77.88)	(59.87)
(ii) Income tax relating to items that will not be reclassified to profit or loss		22.68	20.72
(B) (i) Items that will be classified to profit or loss		-	-
(ii) Income tax on items that will be reclassified to profit or loss		-	-
Total other comprehensive income for the year, net of tax		(55.20)	(39.15)

Statement of Profit and Loss for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
XI Total comprehensive income of the year, net of tax		2,397.81	1,779.47
XII Earnings per share: (Face value ₹ 1,000 per share)	24		
1) Basic (amount in ₹)		2.38	2.37
2) Diluted (amount in ₹)		2.36	2.37
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

Sd/-
Sandeep Dinodia
Partner
Membership Number 083689

Place of Signature: New Delhi
Date: 14.08.2019

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

Sd/-
Anurag Kumar Sachan
Managing Director
DIN - 08197908

Sd/-
Naresh Salecha
Director Finance & CFO
DIN - 00843812

Sd/-
Meenu Kapoor
Company Secretary
ACS - 18954

Statement of Cash Flows for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
I. Cash flow from operating activities			
Profit before tax		4,158.72	2,912.15
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation		211.42	277.65
(Profit)/Loss on sale of assets		13.36	11.50
Interest income on financial assets measured at amortised cost		(9,057.68)	(11,903.59)
Operating profit before working capital changes		(4,674.18)	(8,702.29)
Change in working capital:			
(Increase)/ Decrease in other financial assets		3,223.98	(4,042.75)
(Increase)/ Decrease in other assets		(40,148.09)	(921.34)
Increase / (Decrease) in other financial liabilities		14,607.34	12,808.01
Increase / (Decrease) in provisions		(10,469.24)	20,662.47
Increase / (Decrease) in other liabilities		6,031.05	10,309.16
Cash Generated / (used in) operations		(31,429.14)	30,113.26
Less: Income Tax Paid (net of refunds)		(1,329.42)	(4,265.62)
Net Cash generated from / (used in) operating activities		(32,758.56)	25,847.64
II. Cash flow from investing activities:			
Purchase of property, plant & equipments including capital work in progress & asset under development		(973,316.07)	(546,622.62)
Sale of property, plant & equipments		17.32	9.67
(Increase)/ Decrease in creditors for capital expenditures		24,325.22	68,362.07
(Increase)/ Decrease in capital advances		58,760.73	(101,535.42)
Net movement in other bank balances		(3,038.79)	214,829.74
Interest received		9,362.69	11,903.59
Net Cash Generated / (Used in) Investing Activities		(883,888.90)	(353,052.97)

Statement of Cash Flows for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
III. Net cash flow from financing activities:			
Proceeds from Share Application Money		25,405.07	311,045.55
Fund Received/(Utilised) from MOR		279,979.52	(285,640.48)
Net Proceeds from Long Term Borrowings		513,397.20	313,551.70
Repayment of Long Term Borrowings		(8,805.35)	-
Interest Expense Paid		(13,191.89)	(8,398.51)
Net Cash generated / (used in) Financing Activities		796,784.55	330,558.26
Net change in Cash & Cash equivalents (I+II+III)		(119,862.91)	3,352.94
Cash and Cash equivalents as at the beginning of the year		147,953.82	144,600.88
Cash and cash equivalents at the end of the year		28,090.91	147,953.82
Components of Cash And Cash Equivalents			
With banks - on current account and deposits with banks		28,090.91	147,953.68
In deposit accounts with initial maturity of 3 months or less		-	-
Cheques in hand		-	0.14
Total Cash and Cash equivalent		28,090.91	147,953.82

Statement of Cash Flows for the year ended March 31, 2019

Details of amount incurred for F.Y. 2018-19 in relation to CSR activities is mentioned below:

- (a) Gross amount required to be spent by the Company during the year (i.e. 2% of Average Net profits u/s 198 of Companies Act, 2013 of last three years): ₹ 148.03 lakhs
- (b) Amount spent during the year:

(All amounts in ₹ lakhs, unless otherwise stated)

S. No.	Purpose for which expenditure incurred	Amount In Cash/ Cheque	Remarks	Total	Outstanding Amount to be Spent for FY 2018-19
i.	Construction/acquisition of any asset	—	—	—	—
ii.	On purposes other than (i) above	15.00	Payment for eradicating hunger, poverty and promoting preventive healthcare and sanitation projects	153.37	—
		100.00	Payment for rural sports, nationally recognized sports, paralympic sports and olympic sports		
		-	Payment for educational & employment enhancing vocational skills		
		38.37	Others		

Summary of Significant Accounting Policies

2.1

The accompanying notes form an integral part of these financial statements

As per our Report of even date attached

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

Sd/-
Sandeep Dinodia
Partner
Membership Number 083689

Place of Signature: New Delhi
Date: 14.08.2019

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

Sd/-
Anurag Kumar Sachan
Managing Director
DIN - 08197908

Sd/-
Naresh Salecha
Director Finance & CFO
DIN - 00843812

Sd/-
Meenu Kapoor
Company Secretary
ACS - 18954

Statement of changes in equity for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

A. Equity share capital	Note No.		Amount
As at March 31, 2017	11		765,827.29
Changes in equity share capital during the year			-
As at March 31, 2018			765,827.29
Shares issued during the year			311,045.55
As at March 31, 2019			1,076,872.84
B. Other equity	Share application money pending allotment	Reserves & surplus	Total
		Retained earnings	
Balance at March 31, 2017	-	23,434.56	23,434.56
Profit for the year	-	1,818.63	1,818.63
Other comprehensive income/(Loss) for the year	-	(39.15)	(39.15)
Additional share application money received during the year	311,045.55	-	311,045.55
Balance at March 31, 2018	311,045.55	25,214.04	336,259.59
Profit for the year	-	2,453.01	2,453.01
Other comprehensive income/(Loss) for the year	-	(55.20)	(55.20)
Shares issued during the year	(311,045.55)	-	(311,045.55)
Additional share application money received during the year	25,405.07	-	25,405.07
Balance at March 31, 2019	25,405.07	27,611.85	53,016.92

Notes:

- Share Application pending allotment represents application money of shares received from MOR and whose allotments are pending as on March 31, 2019.
- Retained earnings represents accumulated profit of company as on March 31, 2019.
- Remeasurement of defined benefit plans represents accumulated value of Other Comprehensive Income till March 31, 2019.

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

Sd/-
Sandeep Dinodia
Partner
Membership Number 083689

Place of Signature: New Delhi
Date: 14.08.2019

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

Sd/-
Anurag Kumar Sachan
Managing Director
DIN - 08197908

Sd/-
Naresh Salecha
Director Finance & CFO
DIN - 00843812

Sd/-
Meenu Kapoor
Company Secretary
ACS - 18954

Notes to the Financial Statements for the year ended March 31, 2019

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

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

Note 2.1: Significant accounting policies

a) Basis of measurement

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

b) Functional and presentation currency

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

c) Use of Judgments and estimates

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

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

i. Judgements

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

- **Leases:** whether an arrangement contains a lease
- **Classification of leases:** Classification of leases under finance lease or operating lease requires judgement 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.

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

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

Subsequent Measurement

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

Depreciation

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

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

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

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

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

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

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

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

Transition to Ind AS:

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

f) Intangible assets

Intangible Assets are stated at cost less accumulated amortization and impairment loss, if any. Cost of Software is recognised as Intangible Assets and is amortized on Straight Line method over a period of legal right to use or three years, whichever is earlier. Other intangible Assets are amortized on Straight Line Method over the period of legal right to use.

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

Transition to Ind AS:

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

g) Financial instruments

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

Financial Assets

Initial recognition and measurement

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

Classification and subsequent measurement

Classifications

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

Business model assessment

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

Debt instruments at amortised cost

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

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

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

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

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

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

Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL. In addition, the company may elect to classify a debt instrument, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

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

Equity Instruments

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

All other Financial Instruments are classified as measured at FVTPL.

Derecognition of financial assets

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

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

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

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

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

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. With regard to trade receivable, the Company applies the simplified approach as permitted by Ind AS 109, Financial Instruments, which requires expected lifetime losses to be recognised from the initial recognition of the trade receivables.

Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

Financial Liabilities measured at amortised cost

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

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

Financial liabilities at fair value through profit or loss

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

Gains or losses on liabilities held for trading are recognised in the profit or loss.

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

Derecognition of financial liabilities

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

Modifications of financial assets and financial liabilities

Financial assets

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

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

Financial liabilities

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

h) Revenue/ Other income

- i. Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates, value added taxes and amounts collected on behalf of third parties. The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity.
- ii. Interest income is recognized using the Effective Interest Rate ('EIR') method. The EIR is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate to the net carrying amount of the financial asset. The EIR is computed basis the expected cash flows by considering all the contractual terms of the financial

instrument. The calculation includes all fees, transaction costs, and all other premiums or discounts paid or received between parties to the contract that are an integral part of the effective interest rate.

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

iv. Service Charges Income is recognized as per the terms of the contracts.

i) Foreign currency translation

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

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

j) Employee benefits

i. Short term employee benefits

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

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

ii. Defined contribution plans

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

a) Provident Fund

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 27 for segment information presented.

r) Miscellaneous

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

Recent accounting pronouncements-Standards issued but not yet effective:**a. Ind AS 116 Leases**

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standards set out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying assets of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhance disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1st, 2019. The standard permits two possible methods of transition

- Full retrospective - Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.
- Modified retrospective - Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods. The Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to the retained earnings, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted.

The company is evaluating the requirements of the amendment and its effect on the financial statements.

b. Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments :

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss). tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition:

- i) Full retrospective approach - Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and
- ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1st, 2019. The Company will adopt the standard on April 1st, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1st, 2019 without adjusting comparatives.

The company is evaluating the requirements of the amendment and its effect on the financial statements.

c. Amendment to Ind AS 19 - Plan amendment, curtailment or settlement

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1st, 2019. The

company is evaluating the requirements of the amendment and its effect on the financial statements.

d. Amendment to Ind AS 23 - Borrowing Costs:

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The company is evaluating the requirements of the amendment and its effect on the financial statements.

Application of New Accounting Pronouncements

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

Appendix B to Ind AS 21, Foreign Currency Transactions and advance consideration with effect from April 1st, 2018.

Notes to the Financial Statements for the year ended March 31, 2019

(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 improvement	Total	Capital work in progress (Refer Note -'c')	
Gross Block									
As at March 31, 2017	309.34	3.01	418.26	318.38	714.84	419.89	2,183.72	886,163.98	
Add: Additions made during the year	-	10.40	95.97	71.56	154.90	-	332.84	600,345.59	
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	1,475,708.56	
Add: Additions made during the year	-	26.98	546.94	78.97	191.58	-	844.47	1,062,577.38	
Less: Disposals / adjustments during the year	-	-	(6.16)	(7.32)	(101.78)	-	(115.25)	-	
As at March 31, 2019	309.34	40.39	1,052.80	456.94	897.36	419.89	3,176.72	2,538,285.94	
Depreciation and impairment									
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	-	
Add: Depreciation charge for the year	10.66	1.64	72.46	86.54	169.27	71.73	412.30	-	
Less: On disposals / adjustments during the year	-	-	(0.69)	(5.02)	(72.73)	-	(78.44)	-	
As at March 31, 2019	38.80	2.50	265.34	238.91	564.71	301.87	1,412.12	-	

Notes to the Financial Statements for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)								
Net book value								
Particulars	Flat (Leasehold) (Refer Note -'b')	Machinery	Furniture and Fixtures	Office equipments	EDP assets	Leasehold premises improvement	Total	Capital work in progress (Refer Note -'c')
As at March 31, 2019	270.54	37.89	787.46	218.03	332.65	118.02	1,764.60	2,538,285.94
As at March 31, 2018	281.20	12.55	318.45	227.90	339.39	189.75	1,369.24	1,475,708.56
As at March 31, 2017	291.86	2.44	288.56	213.80	387.35	269.29	1,453.36	886,163.98

- The Company has elected IndAS 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.
- Lease Deed in respect of Flat amounting to ₹ 309.34 lakhs as at March 31, 2019 (March 31, 2018 : ₹ 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, 2019 and March 31, 2018.
- Capital Work in Progress mainly comprises track, earthwork, bridges and other electrical equipment. As per Ind AS - 23 Borrowing Cost, ₹ 91,632.62 lakhs (March 31, 2018 : ₹ 43,781.93 lakhs) have been capitalized to capital work in progress during the year. Further, other expenditure net of incidental income of ₹ 7,353.08 lakhs (March 31, 2018 : ₹ 20,925.40 lakhs) have been capitalized to capital work in progress during the year. (Refer note 25).

Notes to the Financial Statements for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

Note : 4 Other Intangible Assets	Licenses/ Softwares	Total	Intangible Assets under development
At Cost			
Gross block			
As at March 31, 2017	195.95	195.95	1,130.76
Add: Additions during the year	44.70	44.70	-
Less: Disposals / adjustments during the year	-	-	-
As at March 31, 2018	240.65	240.65	1,130.76
Add: Additions during the year	6.57	6.57	37.18
Less: Disposals / adjustments during the year	0.00	0.00	31.66
As at March 31, 2019	247.22	247.22	1,136.28
<u>Amortisation and impairment</u>			
As at March 31, 2017	122.07	122.07	-
Add: Amortisation charge for the year	90.76	90.76	-
Less: On disposals / adjustments during the year	-	-	-
As at March 31, 2018	212.83	212.83	-
Add: Amortisation charge for the year	24.93	24.93	-
Less: On disposals / adjustments during the year	-	-	-
As at March 31, 2019	237.76	237.76	-
Net book value			
As at March 31, 2019	9.46	9.46	1,136.28
As at March 31, 2018	27.82	27.82	1,130.76
As at March 31, 2017	73.88	73.88	1,130.76

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

Notes to the Financial Statements for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

	Non-Current		Current	
Note 5 : Other financial assets (Unsecured and considered good, unless otherwise stated)	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Security Deposits (Refer note below)				
- Considered Good	1,697.53	737.61	9.71	71.65
- Considered Doubtful	146.36	-	-	-
Employee advances	104.21	71.65	166.12	54.33
Interest accrued on fixed deposit	-	-	193.89	498.90
Expenditure on land acquisition - recoverable from MOR * #	-	-	2,564.93	5,385.56
Expenditure on PETS survey - recoverable from MOR #	-	-	0.10	1,959.52
Other recoverable @	-	-	664.25	422.24
Advances to contractors/consultants	-	-	538.68	266.96
	1,948.10	809.26	4,137.68	8,659.16
Less: Loss Allowance	(146.36)	-	-	-
	1,801.74	809.26	4,137.68	8,659.16

Represents recoverable from a related party

@ Includes recoverable from related parties ₹ 465.55 (March 31, 2018: ₹ 141.66)

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

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

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

Notes to the Financial Statements for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

Note 6 : Deferred tax assets/(liabilities) (net)	As at March 31, 2019	As at March 31, 2018
Deferred tax assets:		
Property, plant & equipment and intangible assets	60.02	41.99
Foreign exchange	-	2,053.85
MAT Credit	852.24	-
Unabsorbed depreciation	38.16	-
Unabsorbed losses	4,045.87	-
Loss Allowance	42.62	-
	5,038.91	2,095.84
Deferred tax liabilities:		
Foreign exchange	3,467.73	-
	3,467.73	-
Deferred tax assets/(liabilities) (net)	1,571.18	2,095.84

Deferred Tax / Income Tax

A. Amounts recognised in statement of profit and loss

	As at March 31, 2019	As at March 31, 2018
Current tax expense		
Current year	-	1,036.27
Adjustment for change in estimates for prior period	306.13	-
	306.13	1,036.27
Deferred tax expense		
Origination and reversal of temporary differences	1,399.58	57.25
	1,399.58	57.25
Total Tax Expense	1,705.71	1,093.52

Notes to the Financial Statements for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

B. Amounts recognised in other Comprehensive Income

	For the year ended March 31, 2019			For the year ended March 31, 2018		
	Before Tax	Tax (Expense)/ Income	After Tax	Before Tax	Tax (Expense) / Income	After Tax
Remeasurements of defined benefit liability	(77.88)	22.68	(55.20)	(59.87)	20.72	(39.15)
	<u>(77.88)</u>	<u>22.68</u>	<u>(55.20)</u>	<u>(59.87)</u>	<u>20.72</u>	<u>(39.15)</u>

C. Reconciliation of effective tax rate

	For the year ended March 31, 2019		For the year ended March 31, 2018	
	Rate	Amount	Rate	Amount
Profit before tax from continuing operations		4,158.72		2,912.15
Tax using the Company's domestic tax rate	29.1200%	1,211.02	34.6080%	1,007.84
Effect of change in tax rate (from 34.608% to 29.12%)	7.9916%	332.35	0.0000%	-
Tax effect of amounts which are not deductible (taxable) in calculating taxable income				
Corporate social responsibility expense	1.0739%	44.66	1.7970%	52.33
Property, Plant & Equipment	-0.0308%	(1.28)	-0.0916%	(2.67)
Income / expenses capitalised since the Company is in pre-operative stage	0.5453%	22.68	0.7114%	20.72
Non-deductible expenses	0.0034%	0.14	0.3144%	9.16
Foreign Exchange	-5.0494%	(209.99)	0.0000%	-
Changes in estimates related to prior years	7.3611%	306.13	0.2107%	6.14
	41.0152%	1,705.71	37.5499%	1,093.52

Notes to the Financial Statements for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

D. Movement In Deferred Tax Balances

	As at March 31, 2018	Recognized in Profit & Loss	Recognized in OCI	As at March 31, 2019
Deferred Tax Assets				
Property, Plant and Equipment including capital work in progress	2,095.84	2,943.07	-	5,038.91
	2,095.84	2,943.07	-	5,038.91
Deferred Tax Liabilities	-	3,467.73	-	3,467.73
	-	3,467.73	-	3,467.73
Net deferred tax asset (b)-(a)	2,095.84	(524.66)	-	1,571.18

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

Note 7: Non Current Tax Assets (Net)

	As at March 31, 2019	As at March 31, 2018
Advance Income Tax	5,041.78	4,767.87
[Net of provision of ₹ 852.24 lakhs (March 31, 2018 : ₹ 6,612.30 lakhs)]	5,041.78	4,767.87

Notes to the Financial Statements for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

Note 8 : Other assets

(Unsecured and considered good, unless otherwise stated)

	31 March, 2019	31 March, 2018	31 March, 2019	31 March, 2018
Capital advances				
- Mobilizations Advance [Secured against hypothecation of plant and machinery in favour of DFCCIL as at March 31, 2019 : ₹ Nil (March 31, 2018 : ₹ 2,346.27 lakhs)]	294,161.30	334,749.29	-	-
- Advance for Shifting of Utilities*	315,808.24	344,901.85	-	-
- Advance for ROB/RUB*	51,534.24	46,038.88	-	-
- Advance for Capital Works-Others*	35,316.21	30,642.94	-	-
- Interest accrued on mobilization advances & others	2,993.95	2,241.70	-	-
Prepaid expenses	1,547.12	2,494.30	810.87	685.78
Other loans and advances	62,150.42	21,717.76	284.98	115.54
Interest accrued but not due on retention money	-	-	5.89	555.52
Gold silver medallion for employees in hand	-	-	2.02	2.02
	763,511.48	782,786.72	1,103.76	1,358.86

*includes recoverable from related parties ₹ 252,858.14 (March 31, 2019: ₹ 290,055.95)

Note 9 : Cash and cash equivalents

	As at March 31, 2019	As at March 31, 2018
Balance with banks:		
- In current account and flexi	28,090.91	147,953.68
Cheque in hand	-	0.14
	28,090.91	147,953.82

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	28,090.91	147,953.68
Cheque in hand	-	0.14
	28,090.91	147,953.82

Notes to the Financial Statements for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

Note 10 : Other Bank Balances

	As at March 31, 2019	As at March 31, 2018
Earmarked balances with banks	6,501.94	3,559.67
Deposits with original maturity of more than 3 months but less than 12 months*	512.86	416.34
	<u>7,014.80</u>	<u>3,976.01</u>

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

Note 11 : Equity Share capital

	As at March 31, 2019	As at March 31, 2018
Authorised:		
220,000,000* (March 31, 2018 : 220,000,000) equity shares of ₹ 1,000 each	2,200,000.00	2,200,000.00
Issued, subscribed & fully paid up:		
107,687,284* (March 31, 2018 : 76,582,729) equity shares of ₹ 1,000 each	1,076,872.84	765,827.29
	<u>1,076,872.84</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, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year	220,000,000.00	220,000,000.00	2,200,000.00	2,200,000.00
Increase/(decrease) during the year	-	-	-	-
Balance at the end of the year	<u>220,000,000.00</u>	<u>220,000,000.00</u>	<u>2,200,000.00</u>	<u>2,200,000.00</u>

Notes to the Financial Statements for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

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

	(Number of Shares)		(Amount in ₹ Lakhs)	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year	76,582,729.00	76,582,729.00	765,827.29	765,827.29
Increase/(decrease) during the year	31,104,555.00	-	311,045.55	-
Balance at the end of the year	107,687,284.00	76,582,729.00	1,076,872.84	765,827.29

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, 2019		As at March 31, 2018	
	No. of Shares	Percentage	No. of Shares	Percentage
The President of India & his nominees	107,687,284	100.00%	76,582,729	100.00%

Note 12: Other equity

a) Share Application Money Pending Allotment

	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year	311,045.55	-
Add: Share application money received from Ministry of Railways	25,405.07	311,045.55
Less: Shares issued during to Ministry of Railways	(311,045.55)	-
Balance at the end of the year	25,405.07	311,045.55

Company has closing balance of ₹ 25,405.07 (March 31, 2018 : ₹ 311,045.55) of Share Application Money received from Ministry of Railways as on March 31, 2019.

b) Retained earnings

	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year	25,214.04	23,434.56
Add: Profit for the year after taxation as per statement of Profit and Loss	2,453.01	1,818.63
Less: Remeasurement of defined employee benefit plans	(55.20)	(39.15)
Balance at the end of the year	27,611.85	25,214.04
Total (a+b)	53,016.92	336,259.59

Note 13: Borrowings

	Non-Current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Term loans (unsecured)				
- JICA	976,456.05	660,633.65	-	-
- IBRD	531,996.68	340,568.80	21,895.08	6,800.71
Total	1,508,452.73	1,001,202.45	21,895.08	6,800.71
Less: Amount disclosed under other financial liabilities as current maturities of long term borrowings (Refer note 14)	-	-	21,895.08	6,800.71
	1,508,452.73	1,001,202.45	-	-

Notes to the Financial Statements for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

Term of repayment and interest are as follows :

Loan From	Repayment Terms	Year of Maturity	Rate of Interest p.a.	Carrying Amount	
				As at March 31, 2019	As at March 31, 2018
MoR for EAP Projects JICA - 205	Refer Note (a) below	2049	7% - Fixed	12,335.03	12,335.03
MoR for EAP Projects JICA - 209	Refer Note (a) below	2050	7% - Fixed	473,886.39	451,223.46
MoR for EAP Projects JICA - 209 A	Refer Note (a) below	2050	7% - Fixed	25,455.21	21,182.76
MoR for EAP Projects JICA - 212	Refer Note (a) below	2050	7% - Fixed	7,431.72	7,431.72
MoR for EAP Projects JICA - 229	Refer Note (a) below	2053	7% - Fixed	216,675.43	119,155.70
MoR for EAP Projects JICA - 229 A	Refer Note (a) below	2053	7% - Fixed	9,267.51	5,156.84
MoR for EAP Projects JICA - 253	Refer Note (a) below	2056	7% - Fixed	231,404.76	44,148.13
MoR for EAP/IBRD Projects - 8066	Half Yearly	2033 in 30 instalments	3.45% - Variable	316,380.63	203,518.93
IBRD for EAP Projects- 8318	Half Yearly	2035 in 30 instalments	3.45% - Variable	181,496.29	119,121.80
IBRD for EAP Projects- 8513	Half Yearly	2037 in 30 instalments	3.65% - Variable	56,014.84	24,728.78
Total (Refer note 13 & 14)				1,530,347.81	1,008,003.15

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

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

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

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

The DFCCIL has entered into another Loan Agreement with the IBRD dated December 11, 2014 to avail a loan of USD 1100 Million that has been reduced to USD 910 Million vide letter dated June 30, 2017 with Loan ID-8318 IN. 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 20.

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

Note 14 : Other financial liabilities

	Non-Current		Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Deposits/ Retention money	33,305.35	24,694.84	26,932.32	17,864.94
Current maturities of long term borrowings	-	-	21,895.08	6,800.71
Interest accrued but not due on Loan	121,552.43	68,529.21	6,389.45	2,345.51
Earnest money deposit	-	-	391.96	175.78
Employee related liabilities	-	-	1,121.62	1,678.90
Creditors for capital expenditure (refer note 'a' below)	-	-	124,999.82	100,674.60
Funds received from MOR pending adjustment	-	-	305,384.59	25,405.07
	154,857.78	93,224.05	487,114.84	154,945.51

Note: a) Creditors for capital expenditure includes ₹ 3,442.82 lakhs (March 31, 2018 : ₹ 1,550.28 lakhs) due to related parties.

Notes to the Financial Statements for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

Note 15 : Provisions

	Non-Current		Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Provision for employee benefits				
- Gratuity	-	664.41	256.91	50.74
- Leave encashment	2,052.65	1,269.99	205.46	147.36
- Leave travel concession	161.89	145.37	29.38	35.80
Provisions for project expenses	-	-	9,085.04	19,946.90
	2,214.54	2,079.77	9,576.79	20,180.80

Note 16 : Other liability

	Non-Current		Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Advance for ROB/ RUB*	26,348.20	26,397.82	-	-
Income received in advance	441.00	216.92	-	4.11
Advance received from customers against deposit work	12,640.80	12,640.80	-	-
Other advances received	655.50	546.60	-	-
Advance for land (Pending for transfer to SLAO A/c)	-	-	6,501.94	3,559.67
Duties and taxes payable	-	-	12,693.92	9,884.39
	40,085.50	39,802.14	19,195.86	13,448.17

*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 17 : Trade Payables

	As at March 31, 2019	As at March 31, 2018
- Outstanding dues of micro enterprises and small enterprises	-	-
- Outstanding dues of creditors other than micro enterprises and small enterprises	2,081.81	3,674.15
	2,081.81	3,674.15

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, 2018 : ₹ Nil).

- (c) As per Schedule III of the Companies Act, 2013 and notification number GSR 719 (E) dated November 16, 2007 & as certified by the management, the amount due to Micro and Small Enterprises as defined in Micro, Small and Medium Enterprises Development Act, 2006 is as under:

	As at March 31, 2019	As at March 31, 2018
(i) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year	Nil	Nil
(ii) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil
(iii) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	Nil	Nil
(iv) the amount of interest accrued and remaining unpaid at the end of each accounting year;	Nil	Nil
(v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	Nil	Nil

Disclosure of payable to vendors as defined under the “Micro, Small and Medium Enterprise Development Act, 2006” is based on the information available with the Company regarding the status of registration of such vendors under the said Act and as per the intimation received from them on requests made by the Company. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date except disclosed above.

Notes to the Financial Statements for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

Note 18 : Other Income

	For the year ended March 31, 2019		For the year ended March 31, 2018	
Interest income				
- on Flexi FDR		9,057.55		11,903.59
- on Others		0.13		-
Foreign currency fluctuation gain		1,346.11		-
Miscellaneous income		293.25		71.34
Excess Provision Return Back		55.85		17.96
Application money received		21.05		20.00
Recovery on sub- lease				
Rent recovery on sub-lease	340.01		340.01	
Housekeeping expenses recovered from sub-lessee	18.92		19.59	
Office Security expenses recovered from sub-lessee	31.13		32.93	
Electricity expenses recovered from sub-lessee	23.90		32.13	
Annual maintenance charges recovered from sub-lessee	4.00		13.08	
Other charges recoverable	1.60		1.38	
Composite rent and facility management charges	380.29		362.99	
	<u>799.85</u>		<u>802.11</u>	
Less: Expenses on sub- lease				
Housekeeping expenses	16.82		17.41	
Rent	340.01		340.01	
Composite rent & facility management expenses	308.18		297.74	
Office repair and maintenance	1.41		1.23	
Office security expenses	27.67		29.27	
Electricity expenses office	21.25		28.56	
Annual maintenance charges	3.55		11.63	
	<u>718.89</u>		<u>725.85</u>	
		80.96		76.26
Net Other Income		10,854.90		12,089.15

Notes to the Financial Statements for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

Note 19 : Employee Benefits Expense

	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries and Wages	15,616.00	11,827.12
Contribution to provident and other funds	627.31	430.09
Gratuity	236.60	183.18
Staff welfare expenses	535.29	383.71
	17,015.20	12,824.10
Less: Transferred to development account (Refer note 25)	15,568.32	11,771.06
	1,446.88	1,053.04

Note 20 : Finance cost

	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest Expenses on:		
EAP/JICA loan	53,023.22	33,395.91
IBRD loan	14,635.76	5,521.01
Interest on Income Tax/TDS	0.28	23.78
Interest on Other Taxes	43.40	21.47
Gurantee Fees	2,857.38	2,690.97
Commitment Fees	1,083.96	1,305.42
Other finance cost	1,668.83	615.37
Exchange differences regarded as adjustment to interest cost	18,363.47	253.25
	91,676.30	43,827.18
Less: Transferred to development account (Refer note 25)	91,632.62	43,781.93
	43.68	45.25

Note 21 : Depreciation & Amortization Expenses

	For the year ended March 31, 2019	For the year ended March 31, 2018
Depreciation - EDP assets	194.20	274.56
Depreciation - Office equipment	86.54	56.70
Depreciation - Furniture and fixture	72.46	64.74
Depreciation - Leasehold improvement	71.73	79.60
Depreciation - Leasehold flat	10.66	10.66
Depreciation - Plant and machinery	1.64	0.29
	437.23	486.55
Less: Transferred to development account (Refer note 25)	225.81	208.90
	211.42	277.65

Notes to the Financial Statements for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

Note 22 : Other Expenses

	For the year ended March 31, 2019	For the year ended March 31, 2018
Rent expense	2,133.65	1,779.09
Tours, travels and conveyance	3,337.49	2,904.95
Cost of outsourced staff (placement)	747.72	691.43
Seminar and training expenses	491.68	525.77
Advertisement expenses	1,023.42	228.09
Housekeeping expenses	445.09	424.92
Office security expenses	132.90	201.30
Legal and professional charges	925.72	241.50
Corporate social responsibility	153.37	151.21
Communication expenses	237.58	153.12
Printing and stationary	178.33	146.28
Consultancy fees to consultants	448.38	885.05
Recruitment expenses	267.29	8.78
Electricity expenses	189.39	140.21
Repair and maintenance - others	225.53	170.18
Rates and taxes	8.42	26.15
Foundation day expense	19.66	18.37
Computer job work	112.71	79.31
Payment to statutory auditors*	20.53	13.32
Meeting and conference	67.16	63.58
Office expenses	68.21	59.16
Hospitality expenses	62.98	33.06
Loss Allowance	146.36	-
Foreign currency fluctuation loss	-	1,395.28
Miscellaneous expenses	651.09	3,225.30
	12,094.66	13,565.41
Less: Transferred to development account (Refer note 25)	7,100.46	5,764.35
Total	4,994.20	7,801.06

Notes to the Financial Statements for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

* Payment to Statutory Auditors includes :

	For the year ended March 31, 2019	For the year ended March 31, 2018
Statutory audit fee	9.50	8.40
Tax audit fee	2.34	1.95
Other audit fees (EDFC-I audit)	2.04	1.72
Other audit fees (EDFC-II audit)	1.21	1.00
Other audit fees (EDFC-III audit)	0.44	0.25
GST Audit Fees	5.00	-
	20.53	13.32

Note 23 : Components of Other Comprehensive Income

	For the year ended March 31, 2019	For the year ended March 31, 2018
Re-measurement gains/ (losses) on defined benefit plans	(77.88)	(59.87)
Income tax expense	22.68	20.72
	(55.20)	(39.15)

Note 24 : Earning per share

	For the year ended March 31, 2019	For the year ended March 31, 2018
Basic earning per share		
Total profit/ (loss) for the year	2,453.01	1,818.63
Weighted average number of equity shares of ₹ 1,000 each (In lakhs)	1,031.71	765.83
EPS - Basic	2.38	2.37
Diluted earning per share		
Total profit/ (loss) for the year	2,453.01	1,818.63
Weighted average number of equity shares of ₹ 1,000 each (In lakhs) - Diluted	1,037.28	765.83
EPS - Diluted	2.36	2.37

Notes to the Financial Statements for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

Note 25 : Development Account (Pending Capitalisation)

		For the year ended March 31, 2019		For the year ended March 31, 2018
Employees benefit expense		15,568.32		11,771.06
Finance cost		91,632.62		43,781.93
Depreciation and amortization expense		225.81		208.90
Other expenses		7,100.46		5,764.35
Total (A)		114,527.21		61,526.24
Less:				
Liquidated damages (LDA)	7,820.77		(2,629.43)	
Interest income on retention money	170.58		507.37	
Interest on mobilization advance	2,404.32		252.82	
Interest on advance consumption deposit	-		24.42	
Arbitration Expenses	-		(1,351.42)	
Interest on advances - employees	7.69		4.71	
D&G, supervision & plant estimation charges received	295.79		2.13	
Security deposit/EMD forfeited	4,836.62		1.66	
Sale of tender	19.10		18.15	
Loss on sale of property, plant and equipment	(13.36)	15,541.51	(11.50)	(3,181.09)
Total (B)		15,541.51		(3,181.09)
Net expenditure (A-B)		98,985.70		64,707.33
Income transferred from other income		-		-
Total transferred to capital work in progress (CWIP)		98,985.70		64,707.33

Note:

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

Notes to the Financial Statements for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

Note 26 : Contingent liabilities, contingent assets and commitments

A. Commitments

- (i) Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 3,118,569.33 lakhs (March 31, 2018 : ₹ 3,794,536.99 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 committed to follow the aforementioned loan condition.

B. Contingent Liabilities

	As at March 31, 2019	As at March 31, 2018
Claims against Company not acknowledged as debt	295,560.38	79,746.24
Other money for which the Company is contingently liable		
Disputed liability under Income Tax (refer (iii) below)	483.04	539.87
	296,043.42	80,286.11

- (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 the Financial Statements for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

Note 27 : Segment information

A. Description of segments and principal activities

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

Operating Segments

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

B. Information about reportable segments

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

	Total Assets			Total Liabilities		
	Segment Assets	Unallocated Corporate Assets	Total Assets	Segment Assets	Unallocated Corporate Assets	Total Assets
As at March 31, 2019						
EDFC	1,313,525.95	-	1,313,525.95	657,139.91	-	657,139.91
WDFC	1,781,273.03	-	1,781,273.03	1,226,114.67	-	1,226,114.67
Unallocated	-	258,670.63	258,670.63	-	1,470,215.03	1,470,215.03
Total	3,094,798.98	258,670.63	3,353,469.61	1,883,254.58	1,470,215.03	3,353,469.61
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

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 the Financial Statements for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

Note 28 : Leases

Operating lease

The Company's significant leasing arrangements are in respect of operating leases of premises for offices and guesthouses. These leasing arrangements are cancellable in nature and are typically for a period of 11 months to 5 years. These leases are usually renewable on mutually agreeable terms.

Amounts Recognised in Profit and Loss Account

Particulars	For the year ended	
	As at March 31, 2019	As at March 31, 2018
Rent expense	2,725.53	2,357.40
Sub-lease income	340.01	340.01

The future minimum receipts under non-cancellable operating lease are as under:

S.No.	Minimum Lease Payments	March 31, 2019	March 31, 2018
(i)	Not later than in 1 year	732.40	715.42

Note 29 : Employee benefits

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

(i) Defined Contribution Plans:

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

	As at March 31, 2019	As at March 31, 2018
Contribution to Provident Fund	627.31	430.09

(ii) Defined Benefit Plan:

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan (March 31, 2018 : 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, 2019. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Notes to the Financial Statements for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

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

	As at March 31, 2019	As at March 31, 2018
Net defined benefit liability	(Gratuity Funded)	(Gratuity Unfunded)
Liability for Gratuity	256.91	715.15
Total employee benefit liabilities	256.91	715.15
Non-current	-	664.41
Current	256.91	50.74

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

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

	As at March 31, 2019	As at March 31, 2018
Defined benefit obligation	(Gratuity Funded)	(Gratuity Unfunded)
Balance at beginning of the year	715.15	485.40
Included in profit or loss		
Current service cost	180.82	147.47
Past service credit	-	-
Interest cost (income)	55.78	35.71
	236.60	183.18
Included in OCI		
Remeasurements loss (gain)		
- Actuarial loss (gain) arising from:		
- Financial Assumption	12.13	(17.49)
- experience adjustment	86.64	77.35
	98.77	59.87
Other		
Contributions paid by the employer	-	-
Benefits paid	(16.97)	(13.30)
	(16.97)	(13.30)
Funded Status		
Fair value of plan assets	776.64	-
Balance at closing of the year	256.91	715.15

Notes to the Financial Statements for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

C. Cost for the year included under employee benefit

	As at March 31, 2019	As at March 31, 2018
Current Service Cost	180.82	147.47
Net Interest Cost	55.78	35.71
	236.60	183.18

D. Movement in Fair value of Plan Assets

	As at March 31, 2019	As at March 31, 2018
	(Gratuity Funded)	(Gratuity Unfunded)
Fair value of plan assets at the beginning of the period		
Actual return on plan assets	27.27	-
Fund management charges	(6.37)	-
Employer contribution	759.05	-
Benefits paid	(3.31)	-
Fair value of plan assets at the end of the period	776.64	-

E. Details of actuarial gain/loss recognized in OCI

	As at March 31, 2019	As at March 31, 2018
	(Gratuity Funded)	(Gratuity Unfunded)
Actuarial gain / (loss) for the year on PBO	(98.77)	(59.87)
Actuarial gain / (loss) for the year on Asset	20.89	-
Unrecognized actuarial gain/(loss) for the period.	(77.88)	(59.87)

F. Actuarial assumptions

a) Economic assumption

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

	As at March 31, 2019	As at March 31, 2018
Discount rate	7.65%	7.80%
Expected rate of future salary increase	6.00%	6.00%

Notes to the Financial Statements for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

b) Demographic assumption

	As at March 31, 2019	As at March 31, 2018
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, 2019, the weighted average duration of the defined benefit obligation was 12.97 years (March 31, 2018 : 12.85 years)

G. Sensitivity analysis

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

	March 31, 2019		March 31, 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(39.68)	42.72	(27.84)	29.99
Expected rate of future salary increase (0.5% movement)	43.20	(40.46)	30.07	(28.13)

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.

H. Maturity profile of defined benefit obligation is as follows:

	As at March 31, 2019	As at March 31, 2018
0 to 1 years	69.66	50.74
1 to 2 years	67.83	73.88
2 to 3 years	58.99	56.35
3 to 4 years	62.79	74.03
4 to 5 years	54.51	56.67
5 to 6 years	55.58	53.97
from 6 years onwards	664.20	349.52

Pending approval of superannuation scheme by MOR in terms of Para 2(ii) 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.

Notes to the Financial Statements for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

(iii) Other long-term employee benefits:

a) Earned leave and half pay leave

During the year ended March 31, 2019, the Company has incurred an expense on earned leave and half pay leave amounting to ₹ 929.45 lakhs (March 31, 2018 : ₹ 529.08 lakhs). 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, 2019, the Company has incurred an expense on leave travel concession amounting to ₹ 58.21 lakhs (March 31, 2018 ₹ 34.51 lakhs). The Company determines the expense and the present value of the obligation for leave travel concession as per the actuarial valuation, using the Projected Unit Credit Method.

Note 30 : Related parties

A. Related parties and their relationships

i. Government entities

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

ii. Key Managerial Personnel (KMP)

Sh. Ashwani Lohani	Part Time Chairman (Official) (w.e.f. August 30, 2017) (Upto December 31, 2018)
Sh. Vinod Kumar Yadav	Part Time Chairman (Official) (w.e.f. January 29, 2019)
Sh. Anshuman Sharma	Managing Director (Additional Charge) (Upto August 03, 2018)
Sh. Anurag Kumar Sachan	Managing Director (w.e.f. August 04, 2018)
Sh. Anshuman Sharma	Director (Project Planning)
Sh. Naresh Salecha	Chief Financial Officer and Director Finance (Additional Charge)
Sh. Naveen Kumar Shukla	Director (Operations & Business Development) (Additional Charge) (w.e.f. January 17, 2018 to February 25, 2019)
Sh. Vivek Srivastava	Director (Operations & Business Development) (Additional Charge) (w.e.f. February 28, 2019)
Sh. D. S Rana	Director (Infrastructure)
Sh. Sushant Kumar Mishra	Part time Official Director -Government Nominee-MOR
Sh. Yaduvendra Mathur	Part-time Official -Government Nominee-Niti Aayog
Sh. Ravi Mathur	Independent Director (Upto March 31, 2019)
Smt. Shakti Munshi	Independent Director (Upto March 31, 2019)
Ms. Meenu Kapoor	Company Secretary

Notes to the Financial Statements for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

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

Name of Related Party	Nature of Transaction	For the year ended	
		As at March 31, 2019	As at March 31, 2018
Ministry of Railways & its constituent	Fund Received from MOR	732,700.00	275,000.00
	Recoverable for PETS survey from MOR	1,959.42	1,279.71
	Recoverable from MOR towards land facilitation expenses	2,817.46	4,337.52
	Advance given for shifting of utilities, capital advance, ROB Works and construction of flats, road	32,663.28	49,796.96
	Guarantee Fee	2,857.38	2,690.97
	Advance received for ROB/RUB	125.00	500.00
	Advance given for ROB/RUB	2,834.00	2,887.16
	Rental Income from Railway Board	495.09	439.12
Ministry of Corporate Affairs	Stamp duty expense	-	25.00
Other Entities	BSNL - For shifting of utilities & capital works	36.38	365.17
	PGCIL - For shifting of utilities & capital works	68.97	1,905.89
	RailTel corporation Ltd - For shifting of utilities & capital works	542.69	26.85
	NHAI - For shifting of utilities & capital works	6.80	-
	IOCL - For shifting of utilities & capital works	35.88	-
	CRWC New Delhi - For shifting of utilities & capital works	3.24	811.80
	GAIL - For shifting of utilities & capital works	17.82	-
	RDSO/LKO - shifting of utilities & capital works	267.93	0.50
	'Rites Ltd - For shifting of utilities & capital works	2,990.50	
	Total	780,421.84	340,066.65

Notes to the Financial Statements for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

Name of Related Party	Nature of Transaction	For the year ended	
		As at March 31, 2019	As at March 31, 2018
Remuneration to Key Managerial Personnel	a) short-term employee benefits	182.25	156.98
	b) post-employment benefits	10.15	6.88
	c) other long-term benefits	28.37	12.51
	Total	220.77	176.37
	Other expenses- legal (sitting fees)	6.20	5.61
	Total	6.20	5.61

Outstanding balances with related parties

Name of Related Party	Nature of Transaction	For the year ended	
		As at March 31, 2019	As at March 31, 2018
Ministry of Railways & its constituent	Recoverable Balances		
	Expenditure on PETS survey - recoverable from MOR	0.10	1,959.52
	Recoverable from MOR towards land facilitation expenses	2,564.93	5,385.56
	Recoverable from MOR Rent and other Expense	465.55	-
	Shifting of utilities, capital advance, ROB works and construction of flats	191,076.47	216,206.37
Other Entities	BSNL - shifting of utilities & capital works	985.85	1,029.57
	ONGC - shifting of utilities & capital works	1,551.50	10,086.00
	PGCIL - shifting of utilities & capital works	33,683.72	33,702.38
	RailTel corporation Ltd -shifting of utilities & capital works	1,680.61	1,569.74
	NHAI - shifting of utilities & capital works	9,636.96	9,636.96
	IOCL - shifting of utilities & capital works	12,508.84	12,506.53

Notes to the Financial Statements for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

Outstanding balances with related parties

Name of Related Party	Nature of Transaction	For the year ended	
		As at March 31, 2019	As at March 31, 2018
	CRWC New Delhi - shifting of utilities & capital works	1,193.88	1,190.64
	GAIL - shifting of utilities & capital works	328.65	1,912.29
	'Rites Ltd - shifting of utilities & capital works	211.67	-
	Recoverable from other entities	-	2,215.47
		255,888.73	297,401.03
Ministry of Railways & its constituent	Payable Balances		
	Funds received from MOR pending adjustment	305,384.59	25,405.07
	Expenditure on land acquisition	6,501.94	3,559.67
	Advance received for ROB/RUB	24,713.82	26,397.82
	'Rites Ltd - payable for project related work	20.07	-
	'MOR - payable for project related work	1.10	-
	Total	336,621.52	55,362.56

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

Notes to the Financial Statements for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

Note 31 : Corporate Social Responsibility

- (a) Gross amount required to be spent by the Company during the year (i.e. 2% of Average Net profits u/s 198 of Companies Act, 2013 of last three years): ₹ 148.03 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 2018-19
(i)	Construction/acquisition of any asset	—	—	—	—
(ii)	On purposes other than (i) above	15.00	Payment for eradicating hunger, poverty and promoting preventive healthcare and sanitation projects	153.37	—
		100.00	Payment for rural sports, nationally recognized sports, paralympic sports and olympic sports		
		-	Payment for educational & employment enhancing vocational skills		
		38.37	Others		

Notes to the Financial Statements for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

Note 32 : Financial instruments – Fair values and risk management

1. Fair value measurements

A. Financial instruments by category

	As at March 31, 2019			As at March 31, 2018		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
Financial assets						
Non-Current						
Other non-current financial assets (Refer Note 5)						
- Security Deposits	-	-	1,697.53	-	-	737.61
- Others	-	-	104.21	-	-	71.65
Current						
Cash and cash equivalents (Refer Note 9)	-	-	28,090.91	-	-	147,953.82
Bank balances other than above (Refer Note 10)	-	-	7,014.80	-	-	3,976.01
Other current financial assets (Refer Note 5)						
- Interest accrued on fixed deposits	-	-	193.89	-	-	498.90
- Expenditure on land acquisition - recoverable from MOR	-	-	2,564.93	-	-	5,385.56
- Expenditure on PETS survey - recoverable from MOR	-	-	0.10	-	-	1,959.52
- Other recoverable	-	-	664.25	-	-	422.24
- Security deposits	-	-	9.71	-	-	71.65
- Employee advances	-	-	166.12	-	-	54.33
- Advances to contractors/ consultants	-	-	538.68	-	-	266.96
	-	-	41,045.13	-	-	161,398.25

Notes to the Financial Statements for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

	As at March 31, 2019			As at March 31, 2018		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
Financial liabilities						
Non-Current						
Borrowings (Refer Note 13)	-	-	1,530,347.81	-	-	1,008,003.16
Other non-current financial liabilities (Refer Note 14)	-	-	154,857.78	-	-	93,224.05
Current						
Trade Payables (Refer Note 17)	-	-	2,081.81	-	-	3,674.15
Other current financial liabilities (Refer Note 14)						
- Earnest money deposit	-	-	391.96	-	-	175.78
- Employee related liability	-	-	1,121.62	-	-	1,678.90
- Deposits/ retention money	-	-	26,932.32	-	-	17,864.94
- Creditors for capital expenditure	-	-	124,999.82	-	-	100,674.60
- Funds received from MOR pending adjustment	-	-	305,384.59	-	-	25,405.07
- Interest accrued but not due on loan	-	-	6,389.45	-	-	2,345.51
	-	-	2,152,507.16	-	-	1,253,046.16

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.

Notes to the Financial Statements for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

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

	As at March 31, 2019			
	Level-1	Level-2	Level-3	Total
Financial assets				
Employee advances	-	-	104.21	104.21
Total financial assets	-	-	104.21	104.21
Financial liabilities				
Borrowings	-	-	1,508,452.73	1,508,452.73
Deposits / Retention money-	-	33,305.35	33,305.35	
Total financial liabilities	-	-	1,541,758.08	1,541,758.08

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	-	-	71.65	71.65
Financial liabilities				
Borrowings	-	-	1,001,202.45	1,001,202.45
Deposits / Retention money-	-	24,694.84	24,694.84	
Total financial liabilities	-	-	1,025,897.29	1,025,897.29

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.

Notes to the Financial Statements for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

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

Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	Carrying Values		Fair Values	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Financial assets measured at amortized cost				
Employee advances	104.21	71.65	104.21	71.65
	104.21	71.65	104.21	71.65
Financial liabilities measured at amortized cost				
Borrowings	1,508,452.73	1,001,202.45	1,508,452.73	1,001,202.45
Deposits/ Retention money	33,305.35	24,694.84	33,305.35	24,694.84
	1,541,758.08	1,025,897.29	1,541,758.08	1,025,897.29

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 counter party credit

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

II. Financial risk management

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

- Credit risk
- Liquidity risk and
- Market risk

Notes to the Financial Statements for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

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 counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities.

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

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

Other receivables

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

iii. Liquidity risk

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

Notes to the Financial Statements for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

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

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

(a) Financing arrangements

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

	As at March 31, 2019	As at March 31, 2018
Loan from JICA	1,036,745.26	1,339,087.79
Loan from IBRD	893,993.17	1,184,217.97
	1,930,738.43	2,523,305.77

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 32.32 years (March 31, 2018 - 33.6 years) for JICA loan and have an average maturity of 16.43 years (March 31, 2018 - 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 the Financial Statements for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

	Carrying Amounts 31-Mar-19	Total	Contractual Cash Flows			
			Upto 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Non-derivative financial liabilities						
Borrowings	1,530,347.81	1,532,049.47	21,895.08	21,895.08	107,693.62	1,380,565.69
Deposit / retention money	60,237.67	60,237.67	19,580.36	951.32	39,705.99	-
Interest accrued but not due on loan - JICA	121,552.43	130,287.62	3,243.08	3,331.94	11,177.91	112,534.69
Earnest money deposit	391.96	391.96	391.96	-	-	-
Employee related liability	1,121.62	1,121.62	1,121.62	-	-	-
Trade Payables	2,081.81	2,081.81	2,081.81	-	-	-
Others payables	124,999.82	124,999.82	124,999.82	-	-	-
Funds received from MOR pending adjustment	305,384.59	305,384.59	305,384.59	-	-	-
Interest accrued but not due on loan from IBRD	6,389.45	6,389.45	6,389.45	-	-	-
Total non-derivative liabilities	2,152,507.16	2,162,944.01	485,087.77	26,178.34	158,577.52	1,493,100.38

	Carrying Amounts 31-Mar-18	Total	Contractual Cash Flows			
			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	1,253,046.16	1,260,814.30	167,653.26	23,185.83	73,291.91	996,683.32

Notes to the Financial Statements for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

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.

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, 2019		As at March 31, 2018	
	USD	JPY	USD	JPY
Financial liabilities				
Borrowings	555,593.42	-	348,259.83	-
Others payables	1,141.98	26,406.47	1,075.89	38,560.96
Interest accrued but not due on loan from IBRD	6,389.45	-	2,345.51	-
Net statement of financial position exposure	563,124.85	26,406.47	351,681.23	38,560.96

The following significant exchange rates have been applied

	Average Rates		Year end spot rates	
	As at March 31, 2019	As at March 31, 2019	As at March 31, 2019	As at March 31, 2019
USD 1	69.83	64.45	68.93	64.94
JPY 1	0.63	0.58	0.62	0.62

Notes to the Financial Statements for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

Sensitivity analysis

A reasonably possible strengthening (weakening) of the INR against all other currencies at 31st 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, 2019				
USD (1% movement)	(3,682.39)	3,682.39	(3,682.39)	3,682.39
JPY (1% movement)	(172.68)	172.68	(172.68)	172.68
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

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, 2019 and March 31, 2018, the Company's borrowings at variable rate were mainly denominated in USD.

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

Exposure to interest rate risk

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

	Nominal Amount	
	As at March 31, 2019	As at March 31, 2018
Fixed-rate instruments		
Financial liabilities	976,456.05	660,633.65
	976,456.05	660,633.65
Variable-rate instruments		
Financial liabilities	555,593.42	348,259.83
	555,593.42	348,259.83

Notes to the Financial Statements for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

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, 2019		
Fixed-rate instruments	(20,607.55)	28,248.22
Fair flow sensitivity (net)	(20,607.55)	28,248.22
March 31, 2018		
Fixed-rate instruments	(13,725.94)	18,822.72
Fair flow sensitivity (net)	(13,725.94)	18,822.72

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, 2019				
Variable-rate instruments	(3,633.14)	3,633.14	(3,633.14)	3,633.14
Cash flow sensitivity (net)	(3,633.14)	3,633.14	(3,633.14)	3,633.14
March 31, 2018				
Variable-rate instruments	(2,277.34)	2,277.34	(2,277.34)	2,277.34
Cash flow sensitivity (net)	(2,277.34)	2,277.34	(2,277.34)	2,277.34

Notes to the Financial Statements for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

Note 33 : Capital management

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

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

	As at March 31, 2019	As at March 31, 2018
Borrowings (Refer Note 13)	1,530,347.81	1,008,003.16
Trade payables (Refer Note 17)	2,081.81	3,674.15
Other non current liabilities & current liabilities (Refer Note 16)	59,281.36	53,250.31
Less: cash and cash equivalents	28,090.91	147,953.82
Net debt	1,563,620.07	916,973.80
Equity share capital (Refer Note 11)	1,076,872.84	765,827.29
Other equity (Refer Note 12)	53,016.92	336,259.59
Total Capital	1,129,889.76	1,102,086.88
Capital and net debt	2,693,509.83	2,019,060.68
Gearing Ratio	58.05%	45.42%

Note 34 : 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.

Notes to the Financial Statements for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

Note 35 : Figures have been rounded off to nearest lakhs upto two decimals thereof, except otherwise stated.

Note 36 : The financial statements of the Company for the year ended March 31, 2019 were approved by the Board of Directors and authorised for issue on August 14, 2019.

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

	Sd/-	Sd/-	Sd/-
	Anurag Kumar Sachan	Naresh Salecha	Meenu Kapoor
Place of Signature: New Delhi	Managing Director	Director Finance & CFO	Company Secretary
Date: 14.08.2019	DIN -08197908	DIN -00843812	ACS -18954

S.R. DINODIA & Co. LLP
Chartered Accountants

K-39 Connaught Place, New Delhi-110001 INDIA
Ph.: +91-(0)11-4370 3300 Fax: +91-(0)11-4151 3666

Independent Auditor's Report

To the Members of Dedicated Freight Corridor Corporation of India Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Dedicated Freight Corridor Corporation of India Limited** ("the Company"), which comprise the balance sheet as at March 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the Board Report, but does not include the financial statements and our auditor's report thereon. The Board Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Board Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibility of Management & Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material

uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. The Comptroller and Auditor General of India has issued directions indicating the areas to be examined in terms of sub section (5) of section 143 of the Companies Act 2013, the compliance of which set out in **Annexure 'A'**.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **"Annexure B"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
3. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, Statement of Change in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) As per notification no. G.S.R. 463(E) dated June 05, 2015, the government companies are exempt from the provisions of section 164(2) of the act, accordingly, we are not required to report whether any directors are disqualified in terms of provisions contained in the said section.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C"
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. On the basis of written representations received from the Management of the Company, the Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer note 26(B) of the financial statements.

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

4. With respect to the matter included in the Auditors' report under Section 197(16):

As per notification no. G.S.R. 463(E) dated June 05, 2015, the government companies are exempt from the provisions of section 197 of the act, accordingly we are not required to report whether remuneration paid by the company to its directors is in accordance with the provisions of this section.

For S.R. Dinodia & Co. LLP

Chartered Accountants,

Firm's Reg. No. 001478N/N500005

Sd/-

Sandeep Dinodia

Partner

Membership Number 083689

UDIN: 19083689AAAAGA8405

Place of Signature: New Delhi

Date: 14.08.2019

Annexure 'A' to the Independent Auditors

The Annexure referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the member of Dedicated Freight Corridor Corporation of India Limited on the Ind AS financial statement for the financial year March 31st, 2019.

S.No	Directions	Our Report
1.	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Yes, the Company has system in place to process all the accounting transactions through IT system and Company is currently using "Tally.Server 9" Package for the same. Further, the Company is in process to implement SAP for accounting transactions.
2.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to company's inability to repay the loan? If yes, the financial impact may be stated.	According to information and explanations given to us, there is no restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the Company due to Company's inability to repay the loan.
3.	Whether funds received/receivable for specific schemes from Central/State agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation.	According to information and explanations given to us, the Company has not received any fund from Central/State agencies for specific scheme hence this clause is not applicable.

For S.R. Dinodia & Co. LLP

Chartered Accountants,

Firm's Reg. No. 001478N/N500005

Sd/-

Sandeep Dinodia

Partner

Membership Number 083689

UDIN: 19083689AAAAGA8405

Place of Signature: New Delhi

Date: 14.08.2019

Annexure 'B' To the Independent Auditors' Report of even date on the Ind AS financial statements of Dedicated Freight Corridor Corporation of India Limited

The Annexure referred to paragraph 3 in Independent Auditor's Report to the members of the Company on the Ind AS financial statements for the year ended March 31st, 2019, 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 certain fixed assets have been verified during the year and 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 in the name of the Company.
- ii) The Company has been incorporated for running and maintaining dedicated freight corridor, 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 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, 2019 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	142.10	2013-14	ITAT
Income Tax Act, 1961	Income Tax	218.20	2014-15	ITAT
Income Tax Act, 1961	Income Tax	118.06	2015-16	ITAT
Income Tax Act, 1961	Income Tax	0.58	2009-10	ACIT-TDS
Income Tax Act, 1961	Income Tax	1.40	2013-14	ACIT-TDS
Income Tax Act, 1961	Income Tax	2.70	2014-15	ACIT-TDS

- viii) Based on our procedures & according to the information & explanations given to us by the management, the Company has not defaulted in repayment of loans & borrowings to any financial institution, bank, and government. According to the information & explanation given by the management, the Company does not have any debentures.
- ix) The Company did not raise any money by the way of initial public or further public offer (including debt instruments) during the year. The term loans taken during the year were applied for the purpose for which the same has been raised.
- x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi) In view of the exemption given in terms of Notification No. G.S.R. No. 463(E) dated June 05, 2015 issued by the Ministry of Corporate Affairs; the provisions of Section 197 read with schedule V to the Companies Act, 2013 regarding managerial remuneration are not applicable to the Company.
- xii) The Company is not a Nidhi Company hence the provisions of paragraph 3(xii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- xiii) As per notification no, 463(E) dated June 05, 2015, the Government companies are exempted from the provisions of section 188 of the Act in respect of contracts or arrangement entered into between the Government companies. Further, according to the information and explanations given to us, the Company has complied with the provisions of Section 177 of the Act, wherever applicable, and the details have been disclosed in Ind AS financial statements as required by the applicable Indian accounting standard.

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

For S.R. Dinodia & Co. LLP

Chartered Accountants,

Firm's Reg. No. 001478N/N500005

Sd/-

Sandeep Dinodia

Partner

Membership Number 083689

UDIN: 19083689AAAAGA8405

Place of Signature: New Delhi

Date: 14.08.2019

Annexure 'C' to the Independent Auditors' Report of even date on the financial statement of Dedicated Freight Corridor Corporation of India Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **Dedicated Freight Corridor Corporation of India Limited ("the Company")** as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to

the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on "the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.R. Dinodia & Co. LLP

Chartered Accountants,

Firm's Reg. No. 001478N/N500005

Sd/-

Sandeep Dinodia

Partner

Membership Number 083689

UDIN: 19083689AAAAGA8405

Place of Signature: New Delhi

Date: 14.08.2019



**INDIAN AUDIT AND ACCOUNTS DEPARTMENT
OFFICE OF THE PRINCIPAL DIRECTOR OF AUDIT
RAILWAY-COMMERCIAL, NEW DELHI**



No.PDA/RC/53-27/AA-DFCCIL/2019-20/222

Dt. 26.08.2019

To,
Managing Director,
Dedicated Freight Corridor Corporation of India,
5th Floor, Pragati Maidan Metro Station Building Complex,
New Delhi- 110001.

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 2019.

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 2019.

Receipt of the letter may be please acknowledged.

Yours faithfully

Sd/-

B. R. Mondal

Principal Director/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 2019.

The preparation of financial statements of **DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED** for the year ended 31st March 2019 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 **14.08.2019**.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of **DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED** for the period ended 31 March 2019 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 : 26th August, 2019

