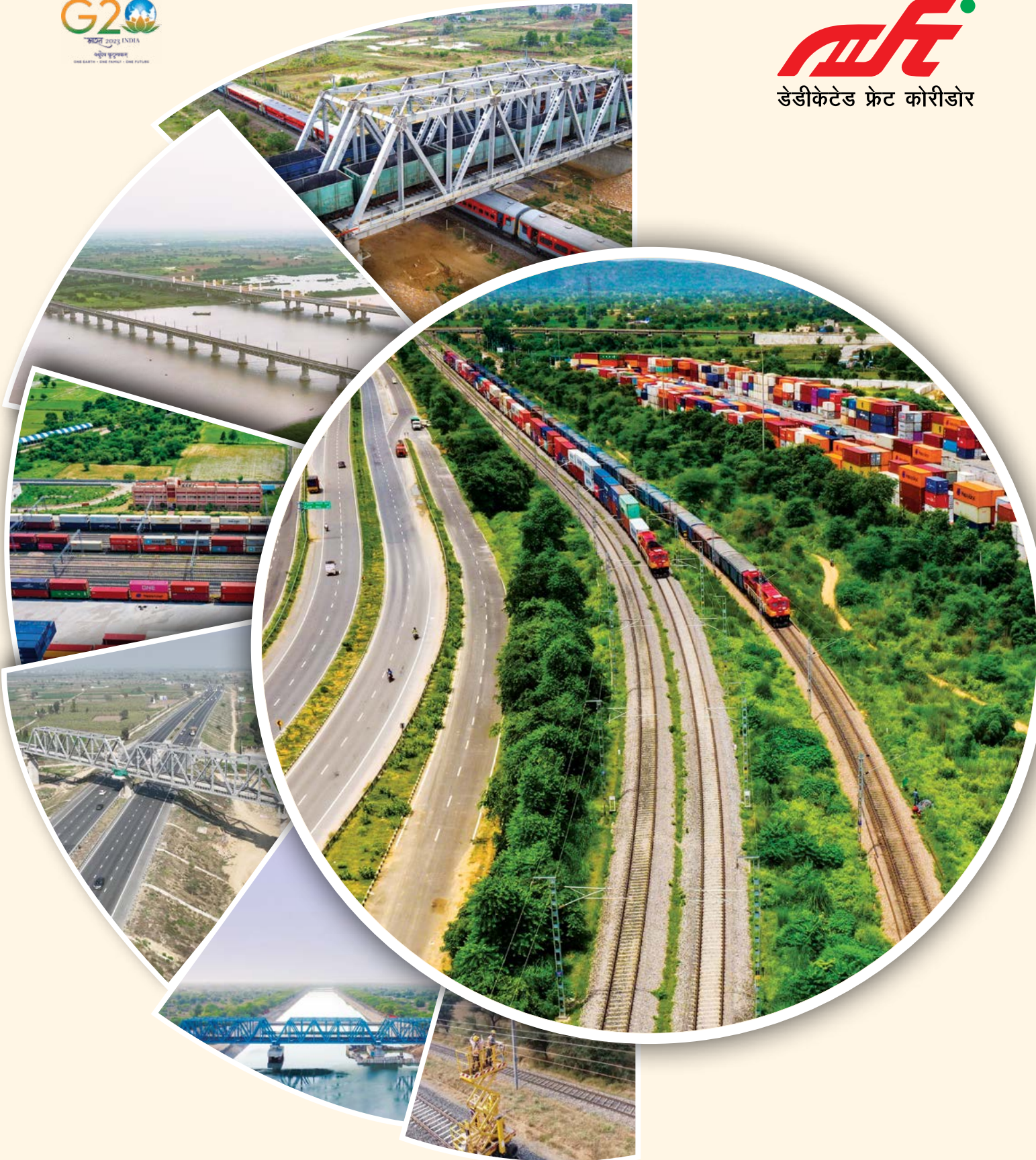




Strengthening India's infrastructure backbone

Dedicated Freight Corridor
Corporation of India Limited
Annual Report 2022-23

Reducing transit time | Lowering logistics cost | Optimising resources

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For more additional information
about the company log on to
<https://dfccil.com>



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annual report online



*"DFCCIL has not only created new ways of project execution, it is also setting new benchmarks in the way Indian Railway has to evolve in future. I declare DFCCIL as **The Jewel of Indian Railways**"*

Ashwini Vaishnaw

Minister of Railways, Communication and Electronics &
Information Technology Government of India



An aerial photograph of a large, multi-span steel truss bridge crossing a wide, greenish-brown river. A freight train with several colorful container cars and a locomotive is crossing the bridge. The surrounding landscape is a mix of green fields and some brownish soil along the riverbanks.

Strengthening India's infrastructure backbone

Reducing transit time | Lowering logistics cost | Optimising resources

As one of the fastest-growing major economies in the world, India's sustained growth has triggered an unprecedented surge in demand for freight transport. Addressing this challenge head-on, we, at Dedicated Freight Corridor Corporation of India Limited (DFCCIL), are playing a pivotal role in strengthening India's infrastructure backbone.



With our expansive network and contemporary infrastructure, we are strategically positioned to meet the growing demand for freight transport.

We endorse a comprehensive approach to establishing a reliable freight corridor that not only improves national connectivity, but also enhances logistical efficiency. We are also resolutely exploring opportunities to

reduce transit time, lower logistics costs and optimise resource efficiency.

In the years ahead, we will continue to support the Government's initiatives for developing efficient freight corridors. This includes investing in advanced technologies and sophisticated infrastructure to ensure the seamless movement of goods across the country.

Who we are

We are a Government Company operating under the administrative jurisdiction of the Ministry of Railways, Government of India, signifying our status as a Public Sector Undertaking in India.

The Golden Quadrilateral of Indian Railways, connecting the bustling cities of Delhi, Mumbai, Chennai and Kolkata, along with its diagonal links (Delhi-Chennai and Mumbai-Kolkata), represents merely 16% of the vast rail network. Yet, it manages over 52% of passenger traffic and drives a substantial 58% of freight traffic for the Indian Railways.

The robust domestic economy, swift infrastructure development and ever-expanding global trade opportunities are the key drivers of this congestion. To be able to face these challenges head-on, the concept of Dedicated Freight Corridors (DFCs) emerged, with the objective of extending the Golden Quadrilateral's Eastern and Western arms.

Besides easing the load on a clogged road network, the establishment of DFCs also aims to optimise the efficiency of rail freight transport. Another notable benefit of this is the reduction in greenhouse gas (GHG) emissions, which aligns with our environmental objectives, all the while ensuring the seamless transit of commodities.



Vision

To create a partnership with Indian Railways for retaining and expanding the market share of rail freight transport through efficient and reliable customer-centric services and to promote sustainability.



Mission

- To build a corridor with appropriate technology that enables Indian Railways to regain its market share of freight transport by creating additional capacity and guaranteeing efficient, reliable, safe, and cheaper options for mobility to its customers.
- To set up Multi-modal Logistic Parks along the DFC to provide complete transport solution to customers.
- To support the Government's initiatives toward ecological sustainability by encouraging users to adopt railways as the most environment friendly mode for their transport requirements.





Scale of the Project

Dedicated freight corridors cover

2,843

route kilometres and pass through

7

states of India

Mega railway projects with a total track linkage of

6,000+ kilometres

Challenging land acquisition of

11,827 hectares

The freight corridor project involved earthwork of

2,371 lakh cubic metres

Complete elimination

of level crossing gates on this network

543

major bridges and

4,643

minor bridges

304

Road Over Bridges (ROBs)

557

Road Under Bridges (RUBs) and

53

Rail Fly Overs (RFOs)

114

stations along the alignment

In focus

2,089 RKm

Dedicated Freight Corridor
operational as on
31st March 2023

5,151 km

Track linking completed as
on 31st March 2023

4,452 km

OHE wiring completed as on
31st March 2023

100 kmph

Train speed potential on DFC

₹ 1,03,287 crore

Total project expenditure

Eastern Dedicated Freight Corridor (EDFC) Plan

35,992

Total number of trains

14,071 million

Net tonne per kilometre

213

Bridges

24

RFOs

30

Crossing stations

22

Junction stations

Western Dedicated Freight Corridor (WDFC) Plan

26,285

Total number of trains

8,322 million

Net tonne per kilometre

338

Bridges

29

RFOs

44

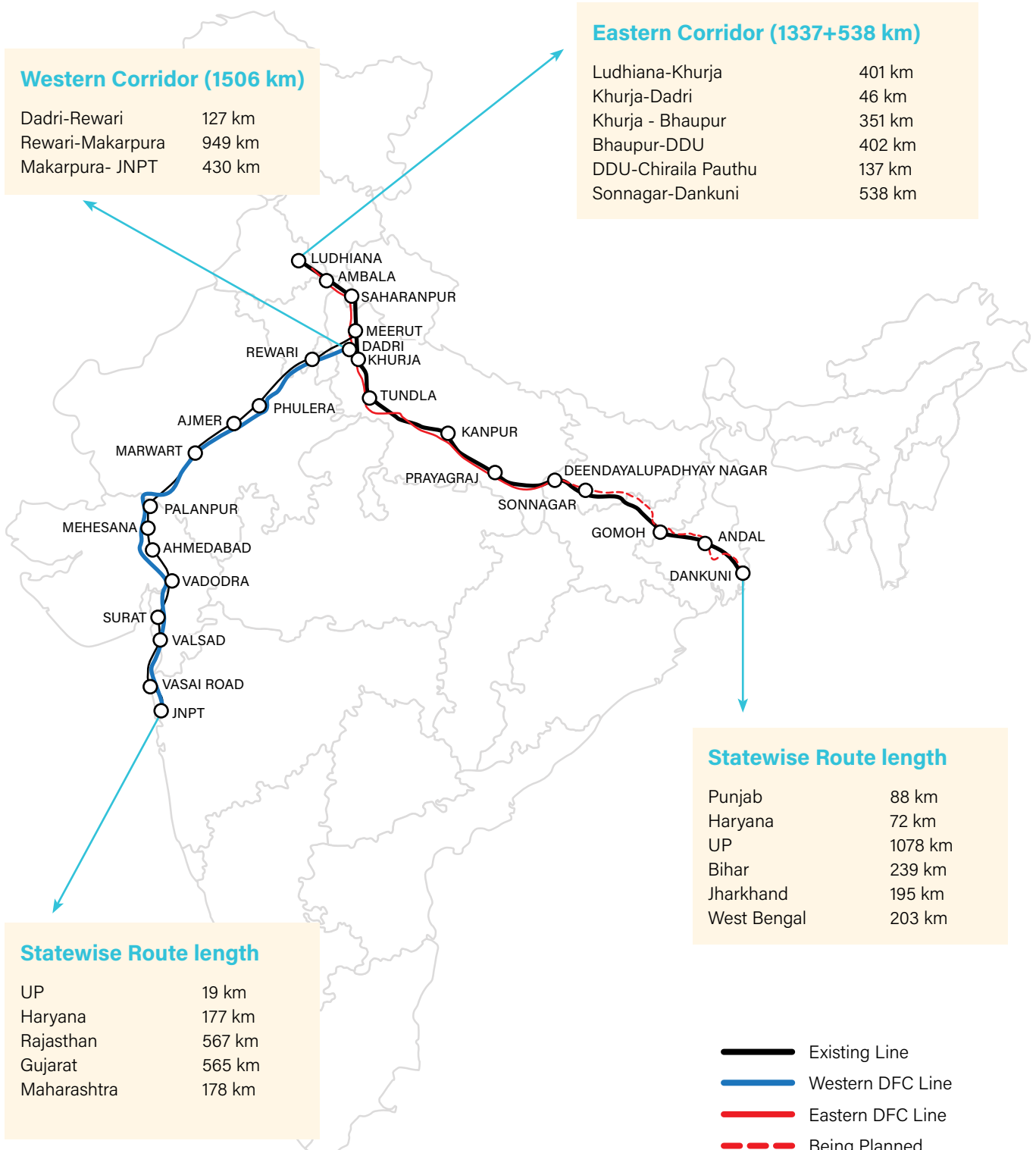
Crossing stations

18

Junction stations

Mapping our robust footprint

Eastern & Western Dedicated Freight Corridor



Milestones achieved during FY 2022-23

June 2022

Hon'ble Prime Minister Shri Narendra Modi dedicated Madar to Palanpur (353 km) of the WDFC to the nation on June 18, 2022.

October 2022

The New Kanpur to New Bhimsen, including the IR Bhimsen link line (28.183 km) section of the EDFC, was commissioned on October 19, 2022.

The Mehsana - Sanand (N) section (77 km) of WDFC, including the IR Sanand and IR Goraghuma connecting lines, was commissioned.

September 2022

Hon'ble Prime Minister Shri Narendra Modi dedicated New Palanpur-New Mehsana, including the Palanpur connecting line (75 km) of the WDFC, to the nation on September 30, 2022.

The Khurja-Dadri Section (46 km) of the EDFC was commissioned.

The Chheoki-Chunar (110 km) section of the EDFC was commissioned on September 30, 2022.

November 2022

The Electric Loco trial was successfully conducted on both lines of the Dadri-Prithala section (52 km) of WDFC on November 30, 2022.

December 2022

The Sujatpur-Karchana (62 km) section of the EDFC was commissioned on December 31, 2022. With the commissioning of this section, continuous connectivity of 327 km from Bhimsen to Chheoki was achieved on the EDFC.

March 2023

The Bhestan-Sanjan Broad Gauge double-line electrified section (108 km) of the WDFC was commissioned along with IR connectivity on March 31, 2023.

The New Khurja-New Khatauli Broad Gauge single-line electrified section (135 km) of the EDFC was commissioned on March 31, 2023.

The New Dagmagpur to New Ahraura Road Broad Gauge double-line electrified section (23 km) of the EDFC was commissioned with a successful train run on double-line electrified track on March 31, 2023.

The Rewari-Dadri Broad Gauge double-line electrified section (127 km) was made operational with the successful operation of the goods train from Inland Container Depot at Dadri to New Rewari on March 31, 2023.

February 2023

The New Bhimsen-New Bhaupur section (25 km) of EDFC was successfully commissioned on February 28, 2023. With this commissioning, connectivity of 752 km between Dadri-Khurja-Bhaupur-Chunar stations of the EDFC was achieved.

Chairman's Message



We have successfully commissioned 2,089 Route km of DFC Network out of the planned 2,843 Route km. This milestone significantly enhances the connectivity between the ports of Gujarat and Northern India through the vital feeder routes of Indian Railways.



Dear Shareholders,

It is an honour and privilege for me to write my first letter to you as the Chairman of DFCCIL. Over the years, we have tried to align our journey with India's remarkable growth story. With a growing impetus for developing world-class infrastructure, railways as a whole has benefitted from increasing investments for capacity enhancement and improvement of core facilities.

Indian Railways has recently adopted **"Panch Pran"** as its guiding light. Safety, Zero tolerance on corruption, Infrastructure growth, Increased loading and Passenger amenities are the focus areas.

Infrastructure sector

The development of Dedicated Freight Corridors (DFCs) has been a decisive step in strengthening India's infrastructure backbone. It is expected to play a pivotal role in improving freight transport within the country, minimise transit times, lower logistics costs and contribute towards **"Atma Nirbhar Bharat"**.

Its significance becomes even more pronounced as logistics costs constitute a substantial proportion of the total expenses incurred for transporting essential bulk commodities such as

coal, iron-ore, cement, steel, food grain, minerals and fertilisers. These commodities form the bedrock of any economy and railways remains the most efficient mode of transportation over long distances.

Around 74% of the DFC network has been commissioned till March 2023 and the tangible benefits of this accomplishment are becoming increasingly evident. Cement and other companies located along the Dedicated Freight Corridor have experienced more efficient and expeditious evacuation of their products from plants. Additionally, the strategic coal reserves required for thermal power plants have witnessed a substantial reduction, leading to substantial cost savings and the release of blocked capital. Zonal Railways, catering to passenger transport, adjoining the Western Dedicated Freight Corridor (WDFC) and Eastern Dedicated Freight Corridor (EDFC) have also reported improved operational efficiency and punctuality since the commissioning of the DFC.

At DFCCIL, we have adopted cutting-edge technology to reimagine the railway infrastructure of the country. We take pride in being a **'game changer'** for the economic development of India. The introduction of faster and longer cargo trains have further set new

standards of efficiency and performance in the railway sector.

The DFC is more than just a train network; it provides a means to lower logistics costs, a fact acknowledged by the Hon'ble Prime Minister Narendra Modi as well as Hon'ble Railway Minister Ashwini Vaishnaw. The trains running on the DFCs are much more advanced and equipped with latest technology to ensure better operational excellence. Moreover, we are working to ensure better tracking of shipments transported throughout the network. Our emphasis on improving the reliability of our service is also a major priority. We are also stressing on the need to improve transportation of bulk as well as non-bulk products, e-commerce goods, parcels and perishables. Importantly, import and export activities will also gain ground with the development of DFCs.

In order to bolster the economy, the government has initiated plans for multi-modal logistic parks. It is expected to integrate with other modes of transportation to ensure first and last mile connectivity.

Operational highlights

We have successfully commissioned 2,089 Route km of DFC Network out of the planned 2,843 Route km. This milestone significantly enhances the



We are committed to staying at the forefront with the rapid adoption of new-age technology and ensuring operational efficiency through the adoption of digital infrastructure.



connectivity between the ports of Gujarat and Northern India through the vital feeder routes of Indian Railways.

Notably, as on 31st March 2023, the cumulative expenditure on Project Execution (other than cost of land) has been INR 83,514.57 Crore. The gross capital expenditure on Project Execution (other than cost of land) during the financial year 2022-23 was INR 12,897.57 Crore.

During the financial year, we have operated more than 62,277 trains collectively, transporting more than 71 billion GTKM of traffic on operational sections of DFC. Presently, DFC runs more than 240 trains per day, on an average. After the commissioning of the entire route, we anticipate its capacity to increase to 240 trains per day, on both corridors. The average speed of the trains range between 50 and 60 km per hour and it is higher than the other trains running on the Indian Railways network, thereby demonstrating its capability to meet the growing freight traffic demand within the country. With the expansion of additional sections of Indian Railways and improvement of feeder routes, we expect to see substantial increase in traffic through the DFC.

The Khurja-Dadri section and the Chheoki-Chunar section of EDFC as

well as the New Kanpur-New Bhimsen section, Mehsana-Sanand section of WDFC, and the Sujatpur-Karchana section of EDFC were commissioned in FY 2022-23. Additionally, we commissioned the new Bhimsen-New Bhaupur section to ensure better connectivity within the 752 km route between Dadri, Khurja, Bhaupur and Chunar stations. Sections such as Bhestan-Sanjan on WDFC, New Dagmagpur-New Ahraura Road on EDFC and New Khurja-New Khatauli on EDFC were also commissioned during the year gone by. Importantly, during the financial year, we commissioned the state-of-the-art Operations Control Centre (OCC) of WDFC at Ahmedabad on 30th March 2023. OCC will act as the nerve centre for the entire 1506 km route of WDFC and facilitate smooth controlling and operations of freight trains. We have also operationalised the Rewari-Dadri broad gauge double line electrified section for goods train operations from New Dadri to New Rewari.

Technologically ahead

We are committed to staying at the forefront with the rapid adoption of new-age technology and ensuring operational efficiency through the adoption of digital infrastructure. To improve our operational efficiency, we have been extensively utilising

applications like e-office, SAP and Dedicated Freight Information System (DFIS). We also acknowledge that the use of digital infrastructure entails cyber as well as data security threats. To address these risks, we strive to identify potential vulnerabilities and create thorough risk mitigation procedures for the entire digital ecosystem including Applications, Information Technology (IT), and Operational Technology (OT) infrastructure.

During the financial year, we implemented numerous major upgrades to our SAP system to make it more user-friendly and accessible. We also resolved issues with the Human Resource Module and regularised payments through technologically advanced processes. In addition, we built and operationalised the FICO module for Bank Guarantee Maintenance and Bank Reconciliation. Our Material Management Module is also operational and is being customised to meet the specific needs of the organisation. With continuous internal training sessions, including online and offline modes, officials across the organisation are being accustomed to use SAP for various functions. We have also updated user manuals and Computer-Based Training (CBT) materials on our intranet for easy access. It has also enabled officials to leverage these resources effectively.

Sustainability

At DFCCIL, we are determined to set an example of responsible corporate citizenship by engaging in activities that have a lasting impact on the planet and the well-being of future generations. We have undertaken several initiatives to minimise our ecological footprint and promote sustainability efforts.

To reduce waste generation, we have adopted practices such as the reuse of concrete waste in construction and repurposing of waste items like rebars, safety helmets and plastic bottles for different purposes. Additionally, as part of our Green Belt Development Project, we have planted over 1 Lakh trees. We

also strive to lower energy consumption by utilising 5-star rated electrical equipment, LED lighting and solar panels at railway stations and yards.

I would also like to bring to light our iconic Trucks on Train (ToT) service which is now operational on the Rewari-Palanpur section of WDFC. This remarkable initiative has contributed to significant environmental and economic savings. By implementing the ToT service, we have saved approximately 11.62 lakh litres of diesel, thereby conserving our nation's valuable foreign currency reserves. Additionally, this has led to a reduction of approximately 3075 tonnes of CO₂ emissions.

Going ahead

DFC will continue to stand as a pivotal force in propelling India's economic growth. Its expansive rail transport network is set to generate a ripple effect of growth, fostering the development of Industrial Corridors, New Private Freight Terminals (PFTs), Goods Sheds, Multi-Modal Logistic Parks (MMLP), and Inland Container Depots (ICD) across its routes. This extensive reach extends to previously underdeveloped regions, fostering their integration into national and international markets. With 14 PFTs awarded, a substantial investment of INR 2,000 Crore, and an anticipated annual traffic increase of 30 million tonne, the DFC is poised for significant impact.



New Rewari Station (WDFC)



Operations Control Centre (OCC), Ahmedabad (WDFC)

DFC connects the major industrial hubs, mining areas and ports. Faster connectivity to and fro these areas will give a boost to export-import traffic. A prime example of it is demonstrated in connectivity of West Coast Ports with National Capital Region (NCR), where container traffic from ports on DFC takes almost one-third of the time which it used to take earlier. This reduction in time can open the railway mode of transportation for perishable commodities where time is of the essence.

The journey ahead is very promising, and we are dedicated to realising the full potential of DFCCIL as we continue to shape the future of freight transportation in India.

Corporate Governance

At DFCCIL, we are firmly dedicated to upholding business ethics and values. Our commitment to these principles

is unwavering, and we diligently adhere to the provisions outlined in the Companies Act, 2013, and the DPE Corporate Governance Guidelines of 2010. A certificate on Compliance of conditions of Corporate Governance under the DPE Guidelines on Corporate Governance, 2010 forms part of the Directors' Report.

We take great pride in sharing that we have received the highest credit ratings from several esteemed Credit Rating Agencies. Some of them include CARE Ratings Limited which has reaffirmed a CARE AAA Stable Rating for our company in its report dated 01.03.2023, CRISIL Rating Limited which in its report dated 19.04.2023, has reaffirmed a CRISIL AAA/Stable Rating, whereas ICRA in its report dated 03.07.2023 has reaffirmed ICRA AAA/Stable Rating and India Ratings has reaffirmed its IND AAA/Stable Rating in its report dated 05.08.2022.

In closing

On behalf of DFCCIL, I extend my heartfelt gratitude to the Board of Directors, the employees, communities, lenders for being our pillars of strength. I would also like to thank the Infrastructure Directorate of Ministry of Railways, Zonal Railways, other Ministries of the Government of India and State Governments and all of our stakeholders for their support.

Regards,

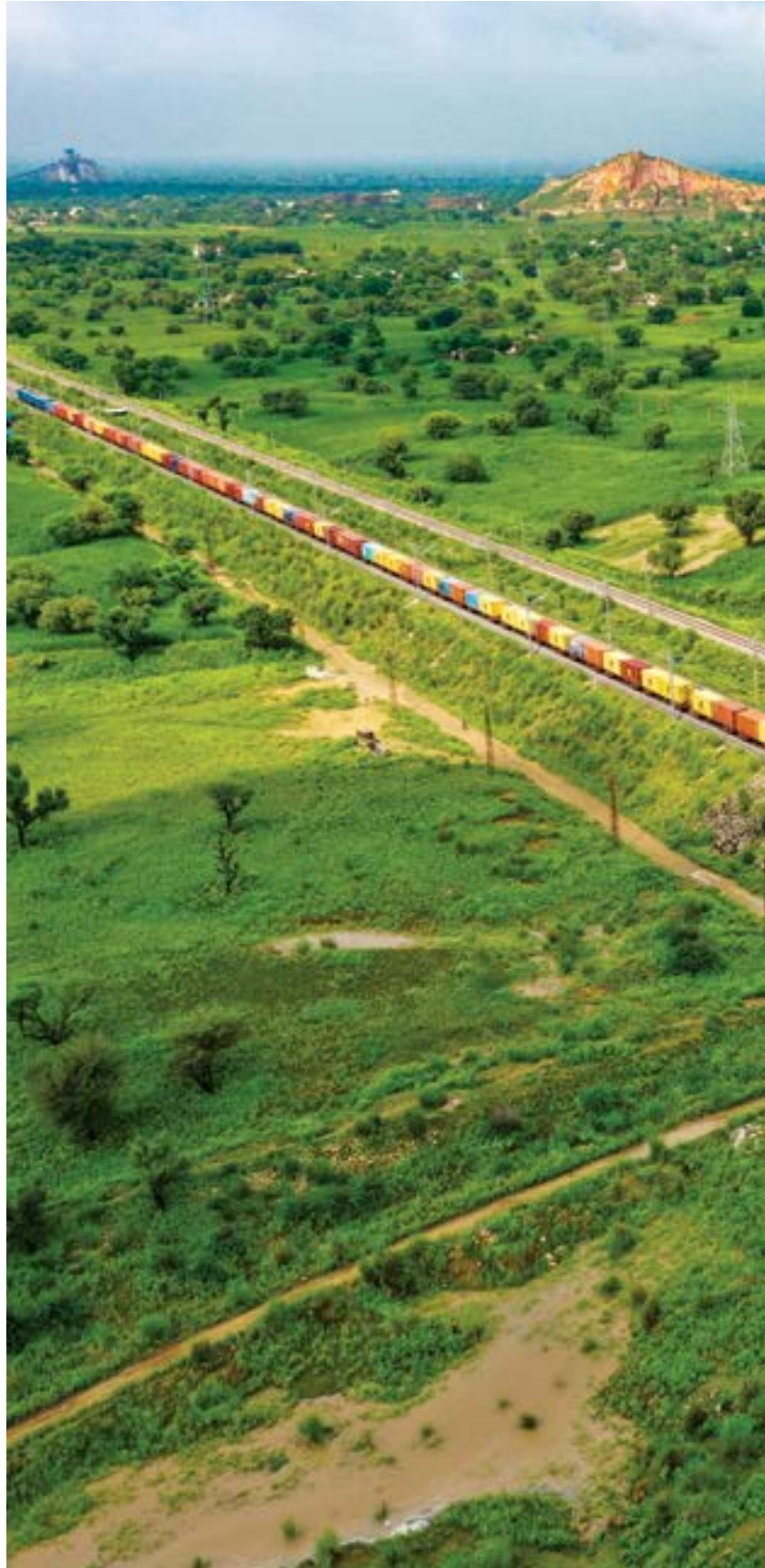
Smt. Jaya Varma Sinha
Chairman

Strengthening rail infrastructure

DFCCIL added 2089 RKm of Dedicated Freight Track to the total RKm of Indian Railways (IR) boosting its freight loading capacity and augmenting the passenger network by taking over a bulk of goods trains earlier running over IR network.

DFC network is designed with superior parameters than Indian Railways Network, making it more advanced and future ready to meet growing freight traffic requirements of the nation. A few of design features of DFC are as follows:

- 01** Higher track capacity capable for running **25 T** axle load wagons
- 02** Larger MMDs with **7.54 m** high OHE in WDFC and **5.4 m** high OHE in EDFC
- 03** Capable of running double stack long haul trains of **1500 m** length
- 04** Dedicated tracks designed for high speed train movement which will increase the daily average run of freight trains as well as its average speed.
- 05** Automatic signalling and GSM-R based communication will enable seamless movement of trains
- 06** **2x25KV** traction system enabled the DFC network to run far more number of trains per sections compared to Indian Railways
- 07** DFC network is level crossing free which means safe and interference free movement of trains in areas where rail and road intersects





DFCCIL is involved in construction, development and operation of Multi-modal Logistic Parks (MMLP) along the Dedicated Freight Corridors (DFCs) under the Gati Shakti Cargo Terminal Policy, therefore, creating logistics infrastructure to make maximum use of DFC transport network.

This infrastructure augmentation will help Indian Railway in achieving the **MISSION 3000 MnT** by 2030.

DFC will save **457 million tonne** of **CO₂ emission** over 30 years

Our unique offerings

Building on our strengths, we will enable extended long-distance operations (at a maximum speed of 100 Kmph) with train lengths of 1,500 metres or higher. In addition, we will facilitate the efficient transportation of double-stacked containers with increased axle load capacity (a 25-tonne axle load upgradeable to 32.5 tonnes).

Reducing carbon footprint

Over a quarter of global greenhouse gas (GHG) emissions can be attributed to the transportation industry. Railways have always stood out as one of the most energy-efficient modes of transportation for both goods and passengers. The dedicated freight corridors play an essential role in substantially reducing GHG emissions. We are making focused interventions to fortify the network in the long run.

Board of Directors



Smt. Jaya Varma Sinha

Part-time Chairman
(06.09.2023)



Shri Ravindra Kumar Jain

Managing Director
(11.12.2020)



Shri Hira Ballabh

Director (Finance)
(05.05.2020)



Shri Nanduri Srinivas

Director (Operations & Business
Development) (15.06.2020)



Shri Hari Mohan Gupta

Director (Infrastructure)
(13.10.2020)



Shri Pankaj Saxena

Director (Project Planning)
(19.04.2022)



Shri Mukul Saran Mathur

Part-time Official Director, Ministry
of Railways (03.01.2023)



Shri Sudhendu Jyoti Sinha

Part-time Official Director,
NITI Aayog (04.04.2022)



Prof. Pawan Palta

Part-time Non-Official Director
(09.11.2021)



Shri Amarnath Yadav

Part-time Non-Official Director
(07.12.2021)

Corporate information

REGISTERED OFFICE & CORPORATE OFFICE

5th Floor, Supreme Court Metro Station Building Complex,
New Delhi-110001
Phone No. +91-11-23454890
Email - contactdfccil@dfcc.co.in
Fax No. +91-11-23454701
Corporate Identity Number (CIN) - U60232DL2006GOI155068
Website - <https://dfccil.com/>

COMPANY SECRETARY

Ms. Meenu Kapoor

BANKERS

Union Bank of India
State Bank of India
HDFC Bank
ICICI Bank
Punjab National Bank
Kotak Mahindra Bank
Yes Bank
IndusInd Bank
Indian Overseas Bank
Central Bank of India

STATUTORY AUDITOR

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

SECRETARIAL AUDITOR

M/s A K Rastogi & Associates
Company Secretaries
R-13/69, Raj Nagar
Ghaziabad - 201002
Uttar Pradesh

INTERNAL AUDITOR

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



डेडीकेटेड फ्रेट कोरीडोर

DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED

CIN: U60232DL2006GOI155068

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

Phone No. +91-11-23454890, **Fax No.** +91-11-23454701, **Email** - contactdfccil@dfcc.co.in

Website: <https://dfccil.com/>

Shorter Notice for the 17th Annual General Meeting

SHORTER NOTICE is hereby given that the 17th Annual General Meeting of the Members of Dedicated Freight Corridor Corporation of India Limited (DFCCIL) will be held on **Friday, 29th September 2023 at 16:30 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 on 31st March 2023, together with the Directors' Report, Independent Auditors' Report and the comments of the Comptroller and Auditor General of India thereon and if thought fit, to pass with or without modification(s), the following Ordinary Resolution:**

"RESOLVED THAT members be and hereby consider and adopt the Financial Statements for the year ended on 31st March 2023 comprising of Balance Sheet as at 31st March 2023, the Statement of Profit & Loss for the year ended on 31st March 2023, Cash Flow Statement for the year ended on 31st March 2023 along with Notes thereto, along with Independent Auditors' Report and comments of the Comptroller and Auditor General of India thereon, as well as the Directors' Report along with its Integral Reports."

2. **To authorize the Board of Directors to fix the remuneration of the Statutory Auditor for the financial year 2023-24 to be appointed by Comptroller and Auditor General of India and if thought fit, to pass with or without modification(s), the following Ordinary Resolution:**

"RESOLVED THAT pursuant to Section 139, Section 142 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder, the members be and hereby authorize the Board of Directors, on the recommendation of the Audit Committee, to fix the remuneration of the Statutory Auditor of the Company to be appointed by Comptroller and Auditor General of India for FY 2023-24."

SPECIAL BUSINESS

3. **To consider appointment of Part-time Chairman of the Company;**

a. **Shri Anil Kumar Lahoti [DIN: 10053659], Ex-Chairman & CEO, Railway Board as Part-time Chairman of the Company from 22.02.2023 till 31.08.2023;**

b. **Smt. Jaya Varma Sinha [DIN: 09295401], Chairman & CEO, Railway Board as Part-time Chairman of the Company from 06.09.2023;**

and if thought fit, to pass with or without modification(s), the following Ordinary Resolutions:

"RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 read with Article 81 of the Articles of Association of the Company, the consent of the members be and is hereby accorded to the appointment, made by the President of India vide Railway Board's order no. 2021/PL/61/2Pt. dated 06.09.2023, of Smt. Jaya Varma Sinha, Chairman & CEO, Railway Board as Part-time Chairman on the Board of the Company from 06.09.2023 (vice Shri Anil Kumar Lahoti, Ex-Chairman & CEO, Railway Board [DIN: 10053659] who held office of Part-time Chairman of the Company from 22.02.2023 till 31.08.2023) till she holds the post of Chairman & CEO, Railway Board or further orders, whichever is earlier.

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

4. **To consider appointment of Shri Mukul Saran Mathur [DIN: 07361718] as Part-time Official Director (Nominee Director, Ministry of Railways, Government of India) of the Company and if thought fit, to pass with or without modification(s), the following Ordinary Resolutions:**

"RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 read with Article 81 of the Articles of Association of the Company, the consent of the members be and is hereby accorded to the appointment, made by the President of India vide Railway Board's Order No. 2022/PL/57/10 dated 03.01.2023 and partial modification by order of even number dated 25.01.2023, of Shri Mukul Saran Mathur, Principal Executive Director (Infrastructure), Railway Board as Part-time Official Director (Nominee Director, Ministry of Railways, Government of India) on the Board of the Company till he holds the post of Principal Executive Director (Infrastructure), Railway Board or until further orders, whichever is earlier.

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

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

Place: New Delhi
Date: 25.09.2023

Sd/-
Meenu Kapoor
Company Secretary

NOTE:

- 1) Pursuant to Section 102 of the Companies Act, 2013, Explanatory Statement, in respect of the business under Item Nos. 3 - 4 of the Notice, are annexed herewith.
- 2) A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself/herself 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 2022-23 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.

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

ITEM NO. 3

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

(1) The President shall have powers to appoint:

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

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

II. Section 152(2) of the Companies Act, 2013 provides that "Save as otherwise expressly provided in this Act, every director shall be appointed by the company in general meeting." Accordingly, all the appointments made by the President of India, are required to be consented to by the Members in the AGM.

III. Vide Railway Board's Order No. 2021/PL/61/2Pt. dated 06.09.2023, Smt. Jaya Varma Sinha has been appointed as Part-time Chairman on the Board of the Company, with immediate effect from 06.09.2023 till she holds the post of Chairman & CEO, Railway Board or until further orders, whichever is earlier.

IV. Her appointment is vice Shri Anil Kumar Lahoti, Ex-Chairman & CEO, Railway Board who held the office of Part-time Chairman of the Company from 22.02.2023 till 31.08.2023 (date of superannuation). Due to the statutory requirement of section 152(2) and in view of the fact that the appointment and cessation occurred between the date of the last AGM and this AGM, appointment of Shri Anil Kumar Lahoti is to be noted by the Members.

V. None of the Directors, Key Managerial Personnel and their relatives are concerned or interested, financially or otherwise, in this item of business except Smt. Jaya Varma Sinha, being a Director of the Company.

ITEM NO. 4

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

(1) The President shall have powers to appoint:

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

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

II. Vide Railway Board's Order No. 2022/PL/57/10 dated 03.01.2023 & partial modification by order of even number dated 25.01.2023, Shri Mukul Saran Mathur, Principal Executive Director (Infrastructure), Railway Board has been appointed as Part-time Official Director (Nominee Director, Ministry of Railways, Government of India) on the Board of the Company with immediate effect, i.e., 03.01.2023 till he holds the post of Principal Executive Director (Infrastructure), Railway Board or further orders, whichever is earlier.

III. Section 152(2) of the Companies Act, 2013 provides that "Save as otherwise expressly provided in this Act, every director shall be appointed by the company in general meeting." Accordingly, all the appointments made by the President of India, are required to be consented to by the Members in the AGM.

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

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

Place: New Delhi
Date: 25.09.2023

Sd/-
Meenu Kapoor
Company Secretary

FORM MGT-11**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]

DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED

CIN: U60232DL2006GOI155068

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

Name of the Member(s): _____

Registered Address: _____

E-mail ID: _____

Folio No./ Client ID: _____

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

1. Name: _____ E-mail Id: _____ Address: _____

Signature: _____ or failing him

2. Name: _____ E-mail Id: _____ Address: _____

Signature: _____ or failing him

3. Name: _____ E-mail Id: _____ Address: _____

Signature: _____

as my/our proxy to attend and vote for me/us and on my/our behalf at the 17th Annual General Meeting of the Company, to be held on Friday, 29th September 2023 at 16:30 hrs in Committee Room, 2nd Floor, Rail Bhawan, Raisina Road, New Delhi-110001 and at any adjourned meeting thereof, in respect of the resolutions, as indicated below:

Resolution No.

1.

2.

3.

4.

Signed: this _____ day of _____ 2023

Signature of shareholder: _____

Signature of the Proxy holder(s): _____

Affix
Revenue
Stamp

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



DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED

CIN: U60232DL2006GOI155068

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

Phone No. +91-11-23454890, **Fax No.** +91-11-23454701, **Email -** contactdfccil@dfcc.co.in

Website: <https://dfccil.com/>

Registered Folio : _____

Name : _____

Address : _____

I/ we hereby record my/our presence at the 17th Annual General meeting of the Company in Committee Room, 2nd Floor, Rail Bhawan, Raisina Road, New Delhi-110001 on Friday, 29th September 2023 at 16:30 Hrs.

Directors' Report

Ladies/Gentlemen,

The Board of Directors take a pleasure in presenting the Seventeenth Directors' Report of the Company along with the audited Financial Statements for the year ended 31st March 2023.

The activities of Dedicated Freight Corridor received a tremendous boost during FY 2022-23 under the guidance and support from the Ministry of Railways. Several innovative steps were taken by all the stakeholders to ensure that the work was carried out at fast pace. All possible steps were taken to ensure commissioning of sections within targeted time frame. 812 km of DFC was commissioned during the FY 2022-23 taking the cumulative commissioned route length to 2089 km which is 73.5% of the total DFC network.

1 Highlights & Major Achievements

- Sh Narendra Modi, Hon'ble Prime Minister of India inaugurated two important sections of DFC - New Palanpur-Madar section (353 km) of WDFC was inaugurated on 18.06.2022 and New Palanpur-Mahesana Section (75 km) of WDFC on 30.09.2022. These sections are critical links for connecting parts of Western India to northern part and provide faster access.



PM inauguration

- 812 km (28.6%) of DFC sections were completed and commissioned during FY 2022-23. Important sections are as mentioned below:-

- Rewari-Dadri (127 km) of WDFC.



Goods Train Trial run with Electric Loco in Rewari-Dadri Section of WDFC

- Palanpur-Sanand North (Including Palanpur Connecting Line) (152 km) section of WDFC.
- Khurja-Dadri (46 km) Broad Gauge Double Line electrified section of EDFC, which facilitates seamless train operation between EDFC & WDFC.
- Bhaupur-Bhimsen (50 km) Broad Gauge Double Line electrified section of EDFC.
- Shujatpur-New Ahruara Road (195 km) Broad Gauge Double Line electrified section of EDFC.
- Khurja-Khatauli (134 km) Broad Gauge Single Line section of EDFC.



Loco Trial from Khurja to Khatauli in Khurja-Philkhani Section of EDFC

- Bhestan-Sanjan Broad Gauge Double Line electrified section (108 km) of WDFC with high-rise OHE.



Electric Loco Trial from Bhestan to Sanjan in Sachin-Vaitarna Section of WDFC

- State-of-the-art Operations Control Central (OCC) of WDFC was commissioned at Ahmedabad on 30.03.2023. OCC will act as nerve centre for the entire 1506 km route of WDFC and facilitate smooth controlling and operations of freight trains.



Newly commissioned Operations Control Centre, Ahmedabad (WDFC)



ROB inauguration by Hon'ble MoSR Smt Darshana Jardosh In Palanpur

- Bridge on Narmada river at Ankleshwar, Gujarat was completed during the FY 2022-23. This bridge is 1500 m long and has 29 underslung steel girders spanning 45.6 m.

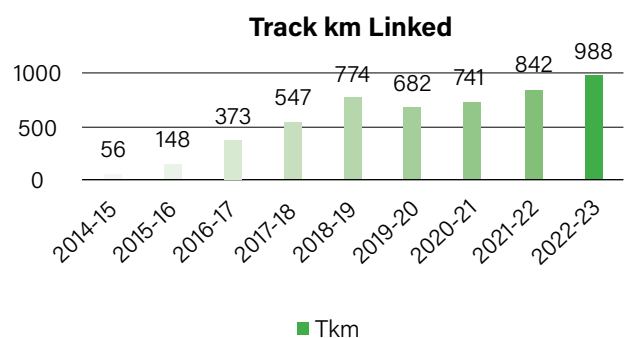


Narmada Bridge, Gujarat

- In the FY 2022-23, 75 Major Bridges, 13 Rail Fly Overs (RFO) & 36 Rail Over Bridges (ROB) were completed.
- Highest ever track linking with modern New Track Construction (NTC) machine of 988 Tkm was done during the FY 2022-23 taking the cumulative linking to 5151 Tkm.



Track linking work in progress



- Highest ever OHE wiring of 1343 Tkm was completed by Mechanized Wiring Train in the FY 2022-23. Cumulative 4454 Tkm OHE wiring has been completed till 31.03.2023.



Panoramic view of electrified Section at Haripur Yard, WDFC

2 Source of Funds

2.1. Capital Structure

As on 31.03.2023, the authorised share capital of Company stands at INR 22,000 Crore divided into 22 Crore equity shares of INR 1,000 each against which paid-up share capital is INR 15,729 Crore. During the FY 2022-23, 1.65 Crore equity shares of INR 1000 were issued to the President of India on 11.04.2022.

(INR in Crore)

Particulars	As on 31.03.2023	As on 31.03.2022
EQUITY FUNDING		
Shareholder's Fund	15,729.00	14,076.63
Other Equity	246.95	1,918.14
Subtotal	15,975.95	15,994.77
DEBT FUNDING		
JICA	26,288.59	21,666.54
IBRD	12,058.49	11,484.27
Subtotal	38,347.08	33,150.81
Grand Total	54,323.03	49,145.58

2.2. Debt Funding

Sr. No.	Phase	Particulars of Loan	Date of Signing	Terminal Date of Disbursement	Amount Sanctioned	Utilization till 31.03.2023
A	Eastern Dedicated Freight Corridor (EDFC)					
1.	New Khurja – New Bhaupur (343 km)	Loan from IBRD vide Loan No. 80660IN (EDFC-I)	27.10.2011	31.05.2019	USD 555 Mn	USD 530.81 Mn
2.	New Bhaupur to New DDU (398.9 km)	Loan from IBRD vide Loan No. 83180IN (EDFC-II)	11.12.2014	31.12.2020	USD 660 Mn	USD 653.64 Mn
3.	New Khurja to New Ludhiana (447 km)	Loan from IBRD vide Loan No. 85130IN (EDFC-III)	21.10.2016	30.09.2022	USD 560 Mn	USD 541.11 Mn

Sr. No.	Phase	Particulars of Loan	Date of Signing	Terminal Date of Disbursement	Amount Sanctioned	Utilization till 31.03.2023
4.	New Khurja to New Ludhiana (401 km) and Kanpur to Mugalsarai (393 km) and MMLP Connectivity.	Loan from IBRD vide Loan No. 94000IN (EDFC - Rail Logistic Project)	13.01.2023	30.06.2027	USD 245 Mn	Yet to be effectuated
5.	External Commercial Borrowing (ECB)	Loan from Mitsubishi UFJ Financial Group Bank Ltd backed by guarantee of Multilateral Investment Guarantee Agency (MIGA)	-	-	USD 100 Mn	Letter of Award has been issued on 17.07.2023. Facility Agreement is under formation.
B Western Dedicated Freight Corridor (WDFC)						
1.	Phase I [Vadodara - Rewari (947 km)]	Loan from JICA vide Loan No. 205	27.10.2009	23.02.2017	JPY 2.606 Bn	JPY 2.086 Bn
2.		Loan from JICA vide Loan No. 209	31.03.2010	18.02.2023	JPY 90.262 Bn	JPY 88.632 Bn
3.		Loan from JICA vide Loan No. 253	31.03.2016	30.03.2023	JPY 103.664 Bn	JPY 103.074 Bn
4.		Loan from JICA vide Loan No. 288	27.03.2020	31.03.2027	JPY 130.000 Bn	JPY 64.784 Bn
5.	Phase II [Vadodara - JNPT and Rewari - Dadri (557 km)]	Loan from JICA vide Loan No. 212	26.07.2010	15.11.2017	JPY 1.616 Bn	JPY 1.224 Bn
6.		Loan from JICA vide Loan No. 229	28.03.2013	25.07.2023	JPY 136.119 Bn	JPY 134.361 Bn
7.		Loan from JICA vide Loan No. 297	31.03.2022	28.07.2028	JPY 116.520 Bn	JPY 22.842 Bn

3 Financial Summary

The Financial Statements for FY 2022-23 have been prepared in accordance with Schedule III of the Companies Act, 2013 and are in compliance of IndAS as notified under Companies Act, 2013.

3.1. Capital Expenditure on Project Execution

(INR in Crore)

Particulars	As at 31.03.2022	During FY 2022-23	As at 31.03.2023
Assets			
Property, Plant and Equipment	22,759.57	13,192.80	35,952.37
Capital work-in-progress	41,676.68	(55.39)	41,621.29
Other Intangible Assets	0.08	0.09	0.17
Intangible Assets under Development	21.47	0.00	21.47
Right-of-use Assets	31.84	(21.35)	10.49
Capital Advances	5,167.77	(1,436.29)	3,731.48
Depreciation on Capitalization	959.59	1,217.71	2,177.30
Total Capex (without cost of land)	70,617.00	12,897.57	83,514.57
Add: Cost of land (Borne by the Ministry of Railways)	18,819.00	954.00	19,773.00
Total Capex with cost of land	89,436.00	13,851.57	1,03,287.57

3.2. Development Account

During the FY under consideration, the balance in the Development Account of INR 2,197.18 Crore has been transferred to Capital Work-in-progress Account.

(INR in Crore)

Particulars	As at 31.03.2023	As at 31.03.2022
Employee Benefit Expenses	178.57	139.24
Finance Cost	1,852.27	1109.63
Depreciation & Amortization Expenses	19.04	4.99
Administration & Other Expenses	125.80	61.74
Subtotal	2,175.68	1315.60
Less: Other Income	(21.50)	2.64
Total transferred to CWIP	2197.18	1312.96

3.3. Revenue from Operations

Consequent to commissioning of new sections during the year, revenue from operations in form of Track Access Charges (TAC) booked in financial statements increased to INR 3141.48 Crore in FY 2022-23 as against INR 1949.15 Crore booked in FY 2021-22, registering an increase of 61.17%.

3.4. Commissioning and Capitalisation of new sections

The Company has already capitalized Sections of 1023.610 Route km till 31.03.2022. During the year, the Company has achieved capitalization of further 435.671 Route km. The position of Sections which have been capitalized in Financial Statements are as follows:

Sr. No.	Name of Section	Route km	Date/Year of Capitalization		
			FY 2020-21	FY 2021-22	FY 2022-23
1	Madar to New Rewari	315.628	28.12.2020		
2	New Bhaupur to New Bhadan	350.787	20.12.2020		
3	New Bhadan to New Khurja		23.11.2020		
4	Madar to New Palanpur	357.195		08.10.2021	
5	Shujatpur to Rooma	134.018			06.06.2022
6	New ERC DDU to New Chiraila Pauthu	136.750			30.12.2022
7	New Palanpur to New Bhandu	62.153			15.11.2022
8	New Palanpur to New Chatodar	14.643			21.11.2022
9	New Bhandu to New Sanad North	88.107			16.03.2023
	Total (Route km)	1459.281			

Capitalized Value of Sections commissioned is as follows:

(INR in Crore)

Nature of Assets	Up to 31.03.2022	During 2022-23	Total
Civil	17,086.23	10,881.47	27,967.70
Electrical	4,030.21	1,815.64	5,845.85
S&T	2,413.09	1,520.71	3,933.80
Total	23,529.53	14,217.82	37,747.35

3.5. Amount, if any, which the Board of Directors proposes to carry to the reserves.

The Board of Directors of the Company has decided not to transfer any amount to the Reserves for the year under review.

3.6. Dividend

The Board of Directors of the Company, after considering holistically the relevant circumstances, has decided that it would be prudent, not to recommend any Dividend for the year under review.

4 State of Affairs of the Company

4.1. Contracts

4.1.1. Contracts of value of more than INR 50 Crore awarded during the FY 2022-23 – WDFC and EDFC

WDFC					
Sr. No.	Nature of Work	Works/ Consultancy	Date of Award	Amount of Award (INR Crore)	Funded by
1.	Complete Interior Fitout works such as Flooring, Wall & Ceiling, Finishes, Partitioning, Wood work, Plumbing, Electrical, HV-AC, Low voltage & other ancillary works for under-construction DFCCIL CO Building Complex at Sector 145, Noida	Works	03.06.2022	97.62	DFCCIL

No such contract was awarded with respect to EDFC.

4.1.2. Contracts of value of more than INR 50 Crore awarded after end of FY 2022-23 till date of Report- WDFC and EDFC

No contract of value more than INR 50 crore has been awarded after the end of FY 2022-23 till the date of this report with respect to either WDFC or EDFC.

4.1.3. Physical & Financial Progress of the Major Contracts of value more than INR 50 Crore – WDFC and EDFC

WDFC					
Sr. No.	Nature of Work	Works/ Consultancy	Date of Commencement	Financial Progress (with respect to Original Contract Value)	Physical Progress
A. Civil & Track works package					
1.	CTP-1&2: Design & Construction of Civil, Building Track Works for double line railway (Rewari - Iqbalgarh Section – 625 km)	Works	30.08.2013	98.62%	99.98%
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)	Works	06.06.2016	82.35%	85.67%
3.	CTP-13: Design & Construction of Civil, Building Track Works for double line railway excluding 4 bridges already under execution and 3 bridges over existing railway and across rivers Tapi & Narmada (Makarpura, Vadodara - Sachin Section – 131 km)	Works	15.10.2015	84.97%	87.51%
4.	CTP-12: Design & Construction of Civil, Building Track Works for double line railway excluding 50 bridges already under execution and 2 bridges on Damanganga & Par (Sachin - Vaitarana Section – 186 km)	Works	15.10.2015	81.01%	90.45%
5.	CTP-11: Design & Construction of Civil, Building Track Works for double line railway (Vaitarna - JNPT Section – 102 km)	Works	07.03.2017	46.08%	44.71%

WDFC					
Sr. No.	Nature of Work	Works/ Consultancy	Date of Commencement	Financial Progress (with respect to Original Contract Value)	Physical Progress
B. Special Steel Bridge package					
1.	CTP-3A(R): Design & Construction of Special Steel Bridges across Mahi & Sabarmati Rivers (Iqbalgarh - Vadodara Section)	Works	20.11.2014	98.94%	99.02%
2.	CTP-15A: Design & Construction of 8 Special Steel Bridges over Water Main and Railways and across Creek and Rivers including Ulhas, Damanganga, Par and Tapi (JNPT - Makarpura Section)	Works	15.10.2015	92.31%	96.88%
3.	CTP-15B: Design & Construction of Special Steel Bridge across Narmada River with RUB (Sachin - Vadodara Section)	Works	15.10.2015	93.47%	96.63%
4.	CTP-15C: Design & Construction of 3 Special Steel Bridges over existing Railways and across Rivers Yamuna & Hindon (Dadri-Rewari Section)	Works	15.10.2015	95.27%	99.51%
C. Integrated package					
1.	CTP-14: Integrated Package of Civil, Building & Track Work, E&M and S&T Works (Dadri - Rewari Section - 127 km)	Works	01.02.2017	89.45%	93.93%
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)	Works	15.05.2015	92.40%	95.19%
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)	Works	02.05.2016	80.76%	87.88%
E. S&T package					
1.	STP-5: Design & Construction of Signal & Telecom Works for double line railway (Rewari - Makarpura, Vadodara Section - 914 km)	Works	11.01.2016	83.12%	92.13%
2.	STP-5A: Design & Construction of Train Protection & Warning System (TPWS) (Rewari - JNPT Section - 1333 km), i.e., for Phase-I & Phase-II	Works	01.06.2016	49.45%	57.22%
3.	STP-17: Design & Construction of Signal & Telecom Works for double line railway (Vadodara - JNPT Section - 419 km)	Works	29.08.2016	59.96%	68.59%

WDFC					
Sr. No.	Nature of Work	Works/ Consultancy	Date of Commencement	Financial Progress (with respect to Original Contract Value)	Physical Progress
F. Project Consultancy Contract					
1.	PMC-1: PMC Services for Construction of Double line Electrified Railway Track with S&T and related Infrastructure (Phase-I, Rewari - Vadodara Section)	Consultancy	11.04.2014	87.55%	86.87%
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 Sections)	Consultancy	31.03.2016	60.67%	69.05%
G. Other works					
1.	Construction of 2 Road Over Bridge (ROB) including approaches complete in lieu of L.C. No. 211 & 216 of Palanpur - Ahmedabad Section of Ahmedabad Division of Western Railway.	ROB	06.05.2017	100%	100%
2.	Construction of 1 ROB including approaches complete in lieu of L.C. No. 16A of Ahmedabad-Viramgam Section of Ahmedabad Division of Western Railway.	ROB	22.07.2021	66%	70%
3.	Tender No. All/EN/WC/ROBs/3(2015-16) - Construction of 2 two-lane ROB (including approaches) in lieu of Level crossings No. 53 & 70 at km 414/4-5 between Sojat Road - Bhesana Section & km 471/4-5 between Bhagwanpura - Jawali of Madar - Palanpur Section of Ajmer Division of North - Western Railway.	ROB	17.07.2016	81%	85%
4.	Construction of two-lane Road over Bridge including approaches in lieu of existing Level Crossing Nos i) LC 150 at km 278/14-16 (DFCC Ch:28967.59) between Gotham Gam and Sayan Station of Western Railway. ii) LC 156 at km 287/11-13 (DFC CH: 37875.65) between Kudsad and Sayan Stations of Western Railway.	ROB	12.10.2019	71%	75%
5.	Construction of ROB LC-68	ROB	22.03.2019	93%	97%
6.	Construction of ROB LC-66	ROB	22.03.2019	56%	60%
7.	Construction of Major/Important Bridges No 115, 144, 163, 166, 169, 173, 182 and 192. Balance work between Vaitarna - Saphale Railway Station of Virat - Surat Section of Mumbai Division of Western Railway in connection with WDFC (PKG-V)	Major bridge	07.09.2019	86%	90%
8.	Construction of Major/Important Bridges No 92 and 93. Balance work between Vaitarna - Saphale Railway Station of Virat - Surat Section of Mumbai Division of Western Railway in connection with WDFC (PKG-IV)	Major bridge	30.01.2019	95%	100%
9.	Construction of two-lane ROB including approaches in lieu of existing Level Crossing No. 142, 153 and 163 in section of CGM/Vadodara Unit in WDFC.	ROB	11.06.2019	78%	82%

EDFC					
Sr. No.	Nature of Work	Works/ Consultancy	Date of Commencement	Financial Progress (with respect to Original Contract Value)	Physical Progress
A	Civil & Track work package				
1	CP-201: Design and Construction of Civil, Structures and Track Works for Double Line Railway (DDU – New Karchana [Including]-192 km)	Works	12.05.2015	86%	100%
2	CP-202: Design and Construction of Civil, Structures and Track Works for Double Line Railway (New Karchana [Excluding] – New Bhaupur [Excluding] -230 km)	Works	12.05.2015	86%	100%
3	CP-203(R): Balance Works of Design, Supply, Construction, Testing and Commissioning of Signalling, Telecommunication and Associated Works (DDU – New Bhaupur section – 422 km Double line)	Works	01.12.2020	76%	54%
4	CP-204: Design, Supply, Construction, Installation, Testing and Commissioning of 2x25kV, 50Hz AC Traction Electrification, E&M and Associated Works (DDU-New Bhaupur Section -422 km Double Line)	Works	15.06.2016	98%	88%
5	CP-301: Design and Construction of Civil, Structures and Track Works for Single Line Railway (Sahnewal – Pilkhani -175 km)	Works	14.07.2016	87%	85%
6	CP-302: Design and Construction of Civil, Structures and Track Works for Double Line Railway (Dadri – Khurja Section - 46 km)	Works	14.07.2016	92%	100%
7	CP-303: Design and Construction of Civil, Structures and Track Works for Single Line Railway (Khurja – Pilkhani Section - 222 km)	Works	12.03.2018	92%	88%
8	DDU-Sonnagar Design, Supply and Construction of Track and Track related Works including Testing & Commissioning for Double Track Railway Line (DDU to New Sonnagar and Chiraila Pauthu [Excluding New Karwandiya – New Durgauti Section])	Works	07.03.2017	100%	100%
B	System Works Package				
1	CP-105: Design, Supply, Construction, Installation, Testing and Commissioning of 2x25kV AC Electrification, Signalling & Telecommunication, E&M and Associated Works (Dadri - Khurja Section - 47 km Double Line)	Works	04.06.2020	95%	100%

EDFC					
Sr. No.	Nature of Work	Works/ Consultancy	Date of Commencement	Financial Progress (with respect to Original Contract Value)	Physical Progress
2	CP-304: Design, Supply, Construction, Installation, Testing and Commissioning of 2x25kV AC Electrification, Signalling & Telecommunication, E&M and Associated Works (Sahnewal - Pilkhani Section -175 km Single Line)	Works	03.06.2020	73%	80%
3	CP-305: Design, Supply, Construction, Installation, Testing and Commissioning of 2x25kV AC Electrification, Signalling & Telecommunication, E&M and Associated Works (Khurja - Pilkhani Section - 220 km Single Line)	Works	04.06.2020	75%	82%
4	Design, Supply, Construction, Installation of 2x25kV Electrification, Signalling & Telecommunication and Associated works including Testing and Commissioning of Double Track Electrified Railway Line (DDU to New Sonnagar and Chiraila Pauthu [Excluding New Karwandiya – New Durgauti Section])	System	21.11.2018	99%	100%
C	RFO & ROB Work Contract				
1	DDU-Sonnagar: Construction of Rail Fly Over (RFO) and its approaches for Single Track electrified Railway line for Sasaram-Ara line of East Central Railway connecting Sasaram Yard with Ara line over IR and DFC track and related works in East Central Railway.	RFO	25.09.2020	95%	92%
2	DDU Yard: Construction of Rail Fly Over (RFO) and its approaches for single track Bi-directional electrified railway track for DDU B-route RFO connecting DFCCIL DDU Yard with Vyasnagar Station of Northern Railway and other related works.	RFO	26.02.2020	01%	01%
3	Construction of ROBs in EDFC (13 Nos. Contract)	ROB	05.10.2018	80%	82%

EDFC					
Sr. No.	Nature of Work	Works/ Consultancy	Date of Commencement	Financial Progress (with respect to Original Contract Value)	Physical Progress
D	Project Consultancy Contract				
1	PMC EDFC-1: Project Management Consultancy Services for Bhaupur – Khurja Section of EDFC Project – 1	Consultancy	31.10.2013	207.25%	95%
2	PMC EDFC-2: Project Management Consultancy Services for DDU - New Bhaupur Section of EDFC Project - 2	Consultancy	01.07.2015	216.94%	88.14%
3	PMC CP-301 & 304: Project Management Consultancy Services for Construction of single line electrified (2x25 kV) Railway Track complete with Signalling and Telecommunication System and related infrastructure for Sahnewal – Pilkhani Section of EDFC-3	Consultancy	10.10.2016	184%	89%
4	PMC CP-303 & 305: Project Management Consultancy Services for Construction of single line electrified (2x25 kV) Railway Track complete with Signalling and Telecommunication System and related infrastructure for Khurja - Pilkhani Section (approx. 222 route km) of EDFC Project -3	Consultancy	20.02.2018	164%	88%
5	Consultancy & related services for the preparation of Detailed Project Report (DPR), of New Dedicated Freight Corridor East West Sub-corridor comprised of sub-corridors - Bhusaval - Nagpur – Kharagpur - Dankuni (1673 Rkm) and Sub-corridor - Rajkharswan - Kalipahari – Andal - (195 Rkm) (Package-2)	Consultancy	15.02.2021	67%	89%

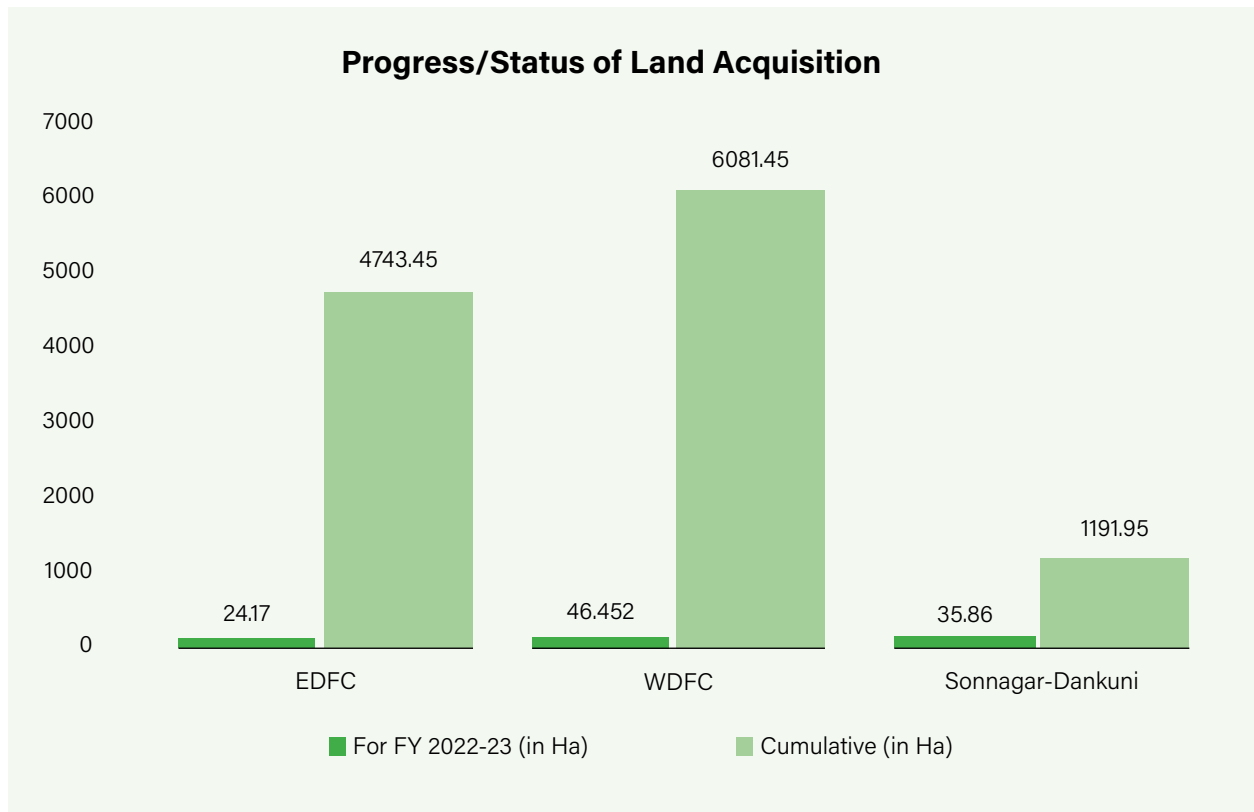
4.2. Land Acquisition

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

Land acquisition was the first and foremost task for laying of Dedicated Freight Corridors for freight transportation. Land acquisition activities have been closely monitored and reviewed to ensure expeditious completion of acquisition process and timely disbursal of compensation to affected persons. The Company has completed acquisition of 12,016 Ha of private and government land for the Project. Overall, 97 Gazette Notifications were published under section 20A/20E of the Railways Act, 1989 in co-ordination with the Ministry of Law & Justice through e-gazette portal. Aligned issues of public grievance, VIP references, CPGRAMS complaints, legal notices, etc. were expeditiously disposed of in consultation with Field Units.

Progress/Status of Land Acquisition

Particulars	For FY 2022-23 (in Ha)	Cumulative (in Ha)
EDFC	24.170	4743.45
WDFC	46.452	6081.45
Sonnagar-Dankuni	35.860	1191.95



Disbursal of Land Compensation

Particulars	FY 2022-23 (INR in Crore)	CUMULATIVE (INR in Crore)
EDFC	779.38	10,524.00
WDFC	174.69	9,249.00
Total	954.07	19,773.00

Physical Possession, Mutation & Resumption

Particulars	Cumulative Physical Possession (in Ha)	Cumulative Mutation & Resumption (In Ha)
EDFC	5722	5499
WDFC	5985	5999
Total	11707	11498

Handing over of Land Plans to Indian Railways

Particulars	Scope	Land plans handed over
EDFC	1285	610
WDFC	1460	1142
Total	2745	1752

Resolution of land issues affecting progress of the Project

Land acquisition was done under the provisions of the Railways Act, 1989. Schedules of the new Act (Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013) were used in the acquisition process through Entitlement Matrix. Necessary assistance was rendered to Field Units to tackle all issues created by affected persons.

Physical hindrances and issues of possession were addressed with the community participation of Project Affected Persons (PAPs) as well as local administration and representatives of social groups. Wherever necessary, intervention of revenue officials of State has been taken and issues have also been flagged with State Authorities through platforms like Project Monitoring group (PMG).

Transfer of Government Land

Efforts have been made to take over land belonging to different Government Departments/PSUs on government to government transfer basis. Issue of higher valuation of Defence land and land owned by SAIL, Durgapur Steel Plant (DSP) and SAIL Growth Works (SGW) in district Paschim Bardhaman in the State of West Bengal was resolved through inter-ministerial consultations with the Ministry of Defence, Ministry of Steel, PMG and Railway Board.

4.3. Operations & Business Development

4.3.1. Operations

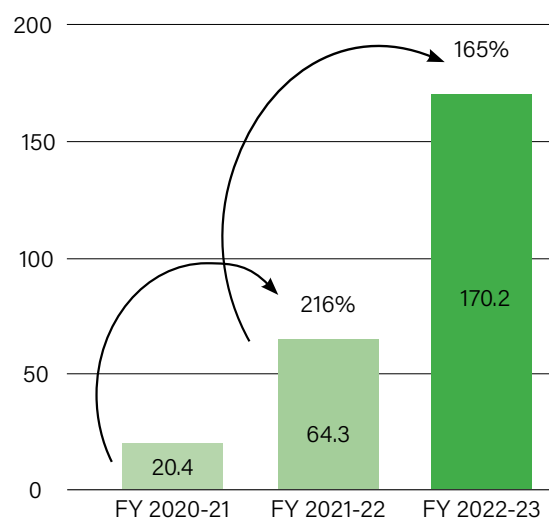
The Company is on a relentless journey of growth and progress as it continually integrates new sections into its extensive network. This capacity expansion, coupled with a resolute mission-oriented approach, has led to remarkable improvements not only in the Company's own Key Performance Indicators (KPIs) but also in the broader economic and logistics infrastructure of India.

As we delve into the Company's operations, we witness a compelling narrative of transformation that turns the visionary aspirations into a tangible and thriving reality. This journey is marked by several pivotal aspects.

Number of Trains Run (Train Trips) : In FY 2022-23, the Company successfully operated an average of 170 trains per day:

DFCR Yearwise : Number of Trains /Day			
Month	FY 2020-21	FY 2021-22	FY 2022-23
Apr		25.7	113.5
May		34.5	129.7
Jun		46.7	148.1
Jul		54.3	154.9
Aug		56.1	159.9
Sep		56.2	154.4
Oct		67.1	150.0
Nov		63.0	175.2
Dec	0.5	77.9	194.0
Jan	20.8	96.0	214.6
Feb	28.1	94.6	222.0
Mar	32.0	99.5	226.1
Total	81.5	771.8	2042.3
Avg/ Month	20.4	64.3	170.2
Growth % over Last Year (LY)		216%	165%

No. of Avg Trains run and % over LY



Number of average Trains run				
FY 2022-23	EDFC	WDFC	Total	% over LY
Apr	48.4	65.1	113.5	341.63%
May	60.6	69.1	129.7	275.44%
Jun	76.3	71.8	148.1	216.98%
Jul	85.0	69.9	154.9	185.32%
Aug	89.3	70.6	159.9	184.83%
Sep	87.7	66.7	154.4	174.63%
Oct	86.8	63.2	150.0	123.45%
Nov	108.4	66.7	175.2	178.04%
Dec	121.9	72.0	194.0	148.88%
Jan	134.6	80.0	214.6	123.60%
Feb	141.6	80.4	222.0	134.62%
Mar	139.7	86.4	226.1	127.24%
Total	1181	862	2042	
Avg/Month	98	72	170	

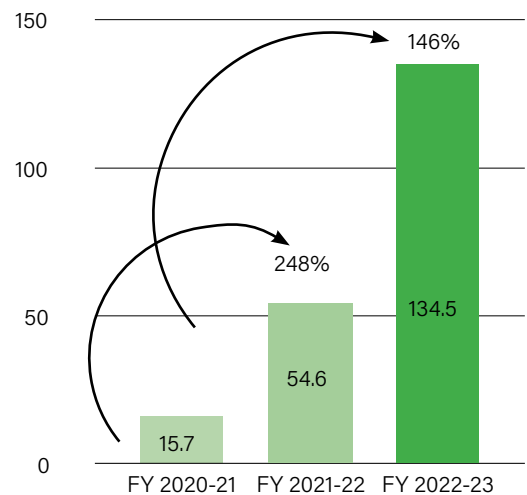
Number of average Trains run				
FY 2021-22	EDFC	WDFC	Total	% over LY
Apr	20.7	5.0	25.7	
May	26.5	8.0	34.5	
Jun	34.3	12.4	46.7	
Jul	30.2	24.1	54.3	
Aug	25.9	30.3	56.1	
Sep	24.1	32.2	56.2	
Oct	31.0	36.1	67.1	
Nov	29.1	33.9	63.0	
Dec	30.0	47.9	77.9	
Jan	31.7	64.3	96.0	360.5%
Feb	27.7	66.9	94.6	236.6%
Mar	26.3	73.2	99.5	210.8%
Total	338	434	772	
Avg/Month	28	36	64	



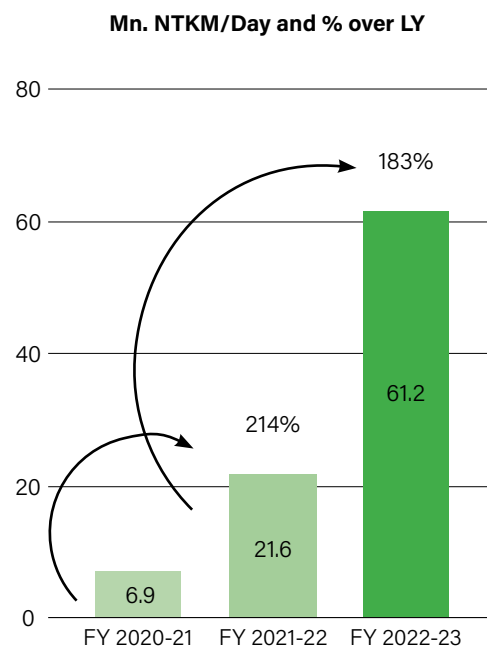
GTKM & NTKM (in millions) : In FY 2022-23, the Company achieved a substantial 134 million gross tonne-kilometers (GTKM) & 61.2 million Net tonne-kilometers (NTKM).

Yearwise GTKM (in Million)			
Month	FY 2020-21	FY 2021-22	FY 2022-23
Apr		18.2	98.3
May		26.5	109.5
Jun		33.5	118.6
Jul		46.8	124.3
Aug		54.8	120.3
Sep		54.9	117.1
Oct		60.8	110.3
Nov		61.6	131.3
Dec	0.6	64.5	141.2
Jan	16.2	74.5	163.3
Feb	20.9	75.3	183.1
Mar	25.1	83.7	196.3
Avg/ Month	15.7	54.6	134.5

Mn. GTKM/Day and % over LY



Yearwise NTKM (in Million)			
Month	FY 2020-21	FY 2021-22	FY 2022-23
Apr		6.9	40.0
May		8.8	45.6
Jun		15.5	51.4
Jul		19.8	54.1
Aug		20.2	52.4
Sep		21.9	51.2
Oct		24.7	44.9
Nov		24.6	55.7
Dec	0.3	25.6	65.3
Jan	6.8	29.5	83.7
Feb	9.4	30.3	92.5
Mar	11.0	31.7	97.9
Avg/ Month	6.9	21.6	61.2

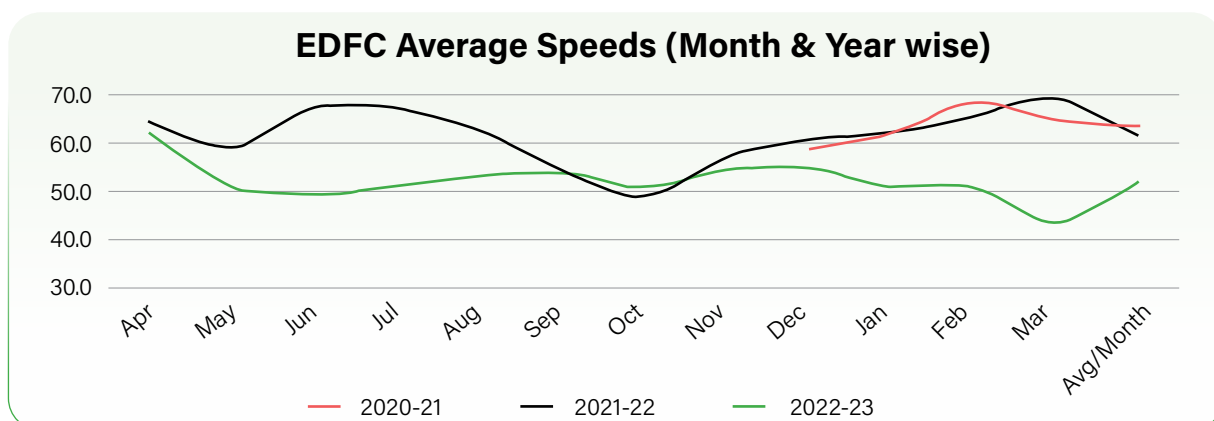


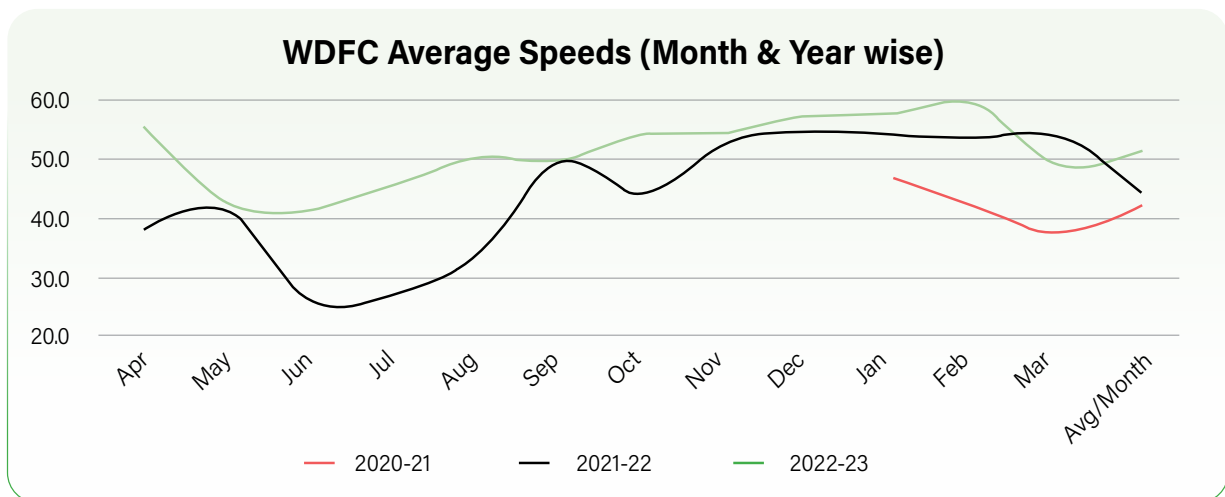
Traffic: It is a general term for any trains moving on the tracks. Revenue traffic (or revenue-earning traffic) consists of traffic for which Indian Railways is paid, as opposed to departmental traffic or non-revenue traffic which is traffic that is conveyed free of charge by Indian Railways.

Goods traffic is measured in net tonne-kilometers (NTKM) - the conveyance of 1 tonne of goods over 1 km, or gross tonne-kilometers (GTKM), where the weight includes the weight of the vehicles and locomotives.

DFC Speed: DFC has achieved impressive average speeds, with the highest recorded at 99.82 kmph. In the fiscal year 2022-23, the EDFC maintained an average speed of 52 kmph, while the WDFC closely followed with an average speed of 51 kmph. These speeds exemplify the efficiency and effectiveness of the DFC in facilitating freight transportation.

Month	EDFC			WDFC		
	FY 2020-21	FY 2021-22	FY 2022-23	FY 2020-21	FY 2021-22	FY 2022-23
Apr		64.5	62.0		38.0	55.5
May		59.0	51.0		41.5	42.5
Jun		67.0	49.5		26.0	41.4
Jul		67.0	51.1		27.0	45.5
Aug		62.5	53.0		33.5	50.1
Sep		54.5	53.9		49.5	49.6
Oct		49.0	51.0		44.0	54.1
Nov		57.0	54.3		52.5	54.4
Dec	58.6	60.5	54.7		55.0	57.4
Jan	61.8	62.0	51.2	47.0	54.0	57.7
Feb	68.3	65.5	50.9	42.0	53.5	59.3
Mar	64.8	69.0	43.7	37.5	54.0	48.7
Avg/Month	63.3	61.5	52.2	42.2	44.0	51.3





Impact of DFC operation: The Dedicated Freight Corridors (DFC) are poised to bring about a significant transformation in the efficiency and speed of freight transportation, addressing several key issues currently faced on the Indian Railways (IR) network. The coexistence of passenger and freight trains on the same track within the Indian Railways (IR) network has long been a challenge. Passenger trains typically take precedence, leading to a decrease in the average speed of freight trains. However, the introduction of DFC promises to revolutionize the landscape of freight transportation in India. The operation of DFC is ushering in a profound transformation in India's freight transportation landscape. It addresses several critical challenges faced by the IR network and brings forth a multitude of benefits:

- **Improved Freight Speed and Congestion Alleviation:** DFC significantly enhancing the average speed of freight traffic while concurrently relieving congestion on IR tracks. This translates into more Passenger trains & improved train punctuality, particularly on highly congested routes.

Data as per IR's yearbook	2018-19	2019-20	2020-21	2021-22
Average speed of Goods Train (kmph)	23.2	23.6	43.2 (Covid period)	37.08

- **Enhanced Turnaround and Reduced Inventory:** DFC fosters better turnaround times for wagons, leading to reduced mandatory inventory levels at powerhouses and various other sectors. This results in a notable enhancement in the reliability of service and an overall superior customer experience.

One of the transformative aspects of DFC is the realization of "just in time" logistics, turning this concept into a tangible reality through real-time tracking capabilities. This technology-driven approach enables precise monitoring and planning of freight movements, erasing the divide between theory and practice.

DFC also boasts IT-enabled accessibility, offering stakeholders invaluable real-time tracking and visibility into cargo status and location. Priority cargo receives special attention, ensuring its swift and secure transportation.

The efficient operation of DFC is poised to bring about substantial cost savings in the transportation of commodities, thus enhancing their competitiveness in the global market. By reducing inventory levels, improving turnaround times, and boosting throughput, DFC plays a pivotal role in mitigating transportation costs. This, in turn, makes the movement of goods more economically viable and globally competitive. Currently, logistics costs in India account for approximately 14-15% of the total GDP, which is relatively high compared to developed countries where it typically falls below 10%.

In essence, DFC is a catalyst for cost-effective freight transportation, aligning India's logistics industry with international standards and promoting economic competitiveness on a global scale.

- **Higher carrying capacity:** Existing track structure of Indian Railways allows trains with 20.32/22.9 Tonnes axle load. The track structure of DFC is designed for carrying axle load of 25T, which can be further upgraded to 32.5 Tonnes axle load. The maximum moving dimension on DFC is also greater than that on Indian Railways. Therefore, bigger wagons with higher carrying capacity can be run over DFC. The DFC is also capable of running long haul

trains with rake length of 1500 meters over its network. The increased freight carrying capacity along with higher average speed contribute to increase the throughput of freight movement.

- **Contribution to growing economy:** DFC will contribute to the growing economy of India by spillover effect of rail transport network. DFC will lead to development of Industrial corridors, New Private Freight Terminals (PFTs) & Goods Sheds, Multi-Modal Logistic Parks & Inland Container Depots along its routes. New feeder lines and sidings will connect underdeveloped but high potential areas of our country with the main stream and give them access to national and international markets. 14 PFT sites have been awarded, INR 2000 Crore investment & 30 MT annual incremental traffic is expected. As on date, 17 Rail connectivity projects are getting linked with the DFC network. 33 Goods shed (26-WDFC, 7-EDFC) have been notified till now. EOI has been invited to develop Gati Shakti Multi-modal Cargo Terminals (GCTs) at 112 stations of DFC and response has been received for 28 locations. First GCT at Rewari has started. Second GCT at New Bhaupur has been awarded.
- **Development of industrial hubs:** Delhi-Mumbai Industrial Corridor along WDFC, connection to inland waterways & Amritsar-Kolkata Industrial Corridor along the EDFC.
- **Boost to export-import traffic:** DFC connects the major industrial hubs, mining areas and ports. Faster connectivity to and fro these areas will give a boost to export-import traffic. A prime example of it is demonstrated in connectivity of West Coast Ports with National Capital Region (NCR), where container traffic from ports on DFC takes almost one-third of the time which it used to take earlier. This reduction in time can open the railway mode of transportation for perishable commodities where time is of the essence.
- **Environmentally friendly mode of transport:** Carbon emission by train transportation is 28 gm. per NTKM, significantly less than 64 gm. per NTKM for road transportation. This makes rail transportation an eco-friendly option. In this process, DFC contributes significantly to the environment by saving 457 million tonnes of CO₂ emissions in 30 years.
- **Safe operations:** There will be no level crossing (more than 861 LCs eliminated by 304 ROBs & 557 RUBs) along the alignment of DFC which will make it much safer for people commuting and dwelling around railway tracks. Advance signalling and safety systems like train protection systems are used on DFC for maintaining safe operation.
- **Innovative services:** The Company has potential to introduce innovative services like Truck on trains (ToT), EMU based parcel express, refrigerated special trains for perishable commodities, e-commerce special trains, triple stack dwarf containers services, etc.
- Powerhouse rakes have moved on DFC alignment, ensuring expeditious supply of coal to thermal power plants and proving to be instrumental in starving off the power crisis and reduction in mandatory reserve levels.
- Effective asset monitoring is done by the Company through innovative Section Availability Performance on a daily basis. to improve efficiency, reduce downtime, and enhance the overall performance of the system.
 - Continuous and rigorous asset monitoring and maintenance its followed for the systematic tracking and upkeep of equipment and infrastructure to ensure safe and reliable operations.
 - 65 HABDs and MVIS already installed and many more in pipeline as predictive and preventive measures.
 - Follow the strict 4 hours corridor block regime for maintenance and upgradation of the systems.
 - Thorough analysis of each and every failure and lesson learnt is disseminated to all concerned.
- With improvement in mobility which assured and timely empty supply siding and Goods sheds associated with DFC has shown significant improvement in originating loading.
- Transit Times between Sonnagar and Dadri was 34 hours; but after connection of EDFC, transit times are in the range of 19-20 hours, an impressive reduction of 40% transit time.
- Essential commodities movement to consumption centers has become speedy. Milk from Palanpur to the NCR region which used to take about 24 hrs has been reduced to 16 hrs. (reduction of approx. 30% of transit time)
- Transit time of EXIM traffic to and fro NCR to Western ports has come down from about 72 hours to 24-28 hours.

- De-congested routes improving mobility, throughput, loading and other KPIs connected zones.

DFCR WTR (in days)				
Corridor	EDFC		WDFC	
Month	FY 2021-22	FY 2022-23	FY 2021-22	FY 2022-23
Apr	0.65	0.53	0.57	0.75
May	0.41	0.50	4.00	0.84
Jun	0.45	0.54	2.19	0.87
Jul	0.43	0.53	1.33	0.76
Aug	0.43	0.52	1.11	0.75
Sep	0.58	0.44	0.87	0.80
Oct	0.72	0.57	0.79	0.79
Nov	0.55	0.67	0.83	0.78
Dec	0.55	0.73	0.85	0.77
Jan	0.55	0.67	0.73	0.75
Feb	0.62	0.74	0.70	0.70
Mar	0.65	0.67	0.67	0.79
Avg	0.55	0.59	1.22	0.78

Indian Railway WTR (in days)							
Month	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Apr	5.47	5.49	5.09	5.47	7.99	4.92	4.57
May	5.35	5.28	5.08	5.35	6.70	5.00	4.23
Jun	5.20	5.26	5.05	5.20	5.72	4.82	4.49
Jul	5.49	5.38	5.21	5.49	5.76	4.92	4.71
Aug	5.72	5.44	5.26	5.72	5.80	5.04	4.82
Sep	5.57	5.37	5.21	5.57	5.21	5.08	4.80
Oct	5.52	5.63	5.02	5.52	5.18	4.83	5.08
Nov	5.45	5.24	5.00	5.45	4.94	4.74	4.92
Dec	5.35	5.12	5.03	5.35	4.72	4.51	4.91
Jan	5.14	4.98	4.89	5.14	4.68	4.46	4.82
Feb	4.99	4.89	4.80	4.99	4.58	4.38	4.76
Mar	4.80	4.68	4.51	4.80	4.42	4.23	4.62
Avg	5.33	5.21	5.00	5.31	5.33	4.74	4.74

Commodity Wise Traffic Streams

Trucks on Train (ToT) loading: Iconic Trucks on Train (ToT) service is operational on the Rewari Palanpur section of WDFC - 238 rakes carrying 4845 Trucks with total earning of INR 14.91 Crore (approx.), saving 11.62 lakh liters of Diesel (approx.), thereby saving the nation's foreign currency and reducing approx. 3075 tonnes of CO₂ emission. The carrying of loaded and empty trucks on flat rail wagons will enable door to door service piggyback on fast and safe movement on tracks.

- Trucks on Train benefits:
 - Reduced Carbon Emission: 28gm vs 64 gm CO₂ Emission/NTKM
 - Less Congestion on Roads (Each ToT rake eliminate 45 trucks off road in one go)
 - Less wear & tear of trucks resulting in reduced expenditure on maintenance
 - Generation of new mandays of work
 - Proper rest to driver and cleaner
 - Savings on diesel import bills

New Rewari - New Palanpur - New Rewari (Route, 641 km on DFC & 720 via Road)						
Month	Rake	Wagon	Tonnage	Earnings (INR)	Diesel Saved (Liters)	CO ₂ Reduction @ 2640 grams/Litre diesel
Aug-2021	2	38	1292	18,16,176	9120	24076800
Sep-2021	8	125	4494	37,79,500	30000	79200000
Oct-2021	44	881	32063	2,65,43,439	211440	558201600
Nov-2021	30	611	24531	1,85,60,043	146640	387129600
Dec-2021	36	697	28741	2,08,67,430	167280	441619200
Jan-2022	22	490	20169	1,46,10,707	117600	310464000
Feb-2022	4	88	3659	27,41,776	21120	55756800
Mar-2022	21	526	21490	1,61,78,809	126240	333273600
Apr-2022	35	424	29587	1,32,27,577	101760	268646400
May-2022	36	645	25963	21,10,01,176	102210	269834400
Total	238	4525	191989	32.93 Cr.	11.62 Lakh	3.06 MT

Sr. No.	Parameter	IR Scenario	DFC's Scenario (ToT Operation)	DFC Advantage
1	Earnings	52 to 60 Lakh i.e., 5.5 Lakh Per Day	12 to 13 Lakh per Day	Double Earnings
2	Turnaround	10 – 11 Days	16 – 18 Hours Maximum 12 Hours Transit + 3 Hours Loading + 3 Hours Unloading	Turnaround of less than one day of Railway Wagons and Trucks
3	Commodity	Billets / Rails / Steel Coils/ etc.	All commodities which can be transported through Road/Rail	Modal Shift
4	Speed	Average Speed not more than 45 kmph, No Assured Transit & Delivery Time	Average Speed near to 90% of Maximum Permitted Speed with Assured Transit & Delivery Time	Better Speeds, Assured Transit & Delivery Time, Ease of Doing Business
5	Loading/ Unloading	Need special equipments for loading/Unloading & Lashing/Packing	No such requirement as cargo itself is driven onto wagons + Manual Lashing done	Ease of Operation

Container Loading: Container rake handling at CONCOR freight terminal at Kathuwas (CMLK), New Swarupganj (CPFS) has improved by 26% and turnaround of container rakes also improved significantly.

CMLK	FY 2021-22			FY 2022-23		
	Rakes	Tonnage	Earnings (INR)	Rakes	Tonnage	Earnings (INR)
Apr				423	466852	33,15,50,081
May				449	484506	33,68,79,294
Jun				452	516350	35,11,15,238
Jul	27	30913	2,20,66,821	400	482557	33,60,59,849
Aug	335	386864	28,44,86,452	416	483276	33,06,76,088
Sep	384	421192	31,06,74,848	362	383720	30,97,17,554
Oct	377	387805	26,30,37,753	402	474935	29,35,96,150
Nov	414	405990	28,82,61,099	339	419739	26,30,50,460
Dec	414	416287	26,71,95,128	377	450594	27,41,10,000
Jan	434	482351	32,83,08,002	429	538148	33,88,95,776
Feb	214	453706	34,52,77,267	382	507345	30,26,50,000
Mar	417	455732	36,31,38,043	418	516230	35,35,47,583
Total	3016	3440840	247.24 Cr.	4849	5724252	382.18 Cr.
Avg/Month	335	382316	27.47 Cr.	404	477021	32 Cr.

CPFS	FY 2021-22			FY 2022-23		
	Rakes	Tonnage	Earnings (INR)	Rakes	Tonnage	Earnings (INR)
Apr				45	44037	2,64,70,122
May				29	41369	2,95,35,297
Jun				38	80345	8,29,62,506
Jul				49	87335	7,45,64,278
Aug				55	109092	10,59,28,941
Sep				38	61987	5,28,61,188
Oct	4	2485	14,28,042	52	84452	6,00,12,469
Nov	64	52827	3,29,76,579	36	58925	4,87,18,368
Dec	76	63249	3,70,19,616	27	41162	2,43,90,000
Jan	72	73081	3,96,72,330	55	78297	4,76,80,673
Feb	72	64780	3,84,58,785	46	61805	2,99,10,000
Mar	71	64902	3,29,67,769	64	89343	4,71,35,340
Total	359	321325	18.25 Cr.	534	838150	63.02 Cr.
Avg/Month	60	53554	3.04 Cr.	45	69846	5.25 Cr.

Cement Loading: Cement sidings of JK Lakshmi Cement at New Banas is up by 45.6%, Shree Cement at New Bangurgram is up by 3.14% & Ultratech Nathdwara Cement at New Keshavganj is up by 29%. The spike in unloading is testament to the freight transportation prowess of DFC.

Cement Plant	FY 2021-22			FY 2022-23			% Variation		
	Rakes	MT	Earnings (INR Crore)	Rakes	MT	Earnings (INR Crore)	Rakes	MT	Earnings (INR Crore)
BNGS	514	1.27	105.25	520	1.39	131.67	1%	9%	20%
LCTS	483	1.39	110.04	646	1.91	160.29	25%	27%	31%
UNCK	479	1.50	95.36	791	2.37	181.70	39%	37%	48%
Total	1476	4.16	310.66	1908	5.67	473.66	23%	27%	34%

Others Loading

Others Loading (Rakes & Million Tonne) and Earnings (INR Crore)									
Cement Plant	FY 2021-22			FY 2022-23			% Variation		
	Rakes	MT	Earnings	Rakes	MT	Earnings	Rakes	MT	Earnings
DBLN	18	0.07	2.75	86	0.30	17.56	79%	77%	84%
SMPN	3	0.01	0.28	0	0.00	0.00			
SDHN	3	0.01	0.18	38	0.05	1.05	92%	86%	83%
KSGN	2	0.01	0.20	0	0.00	0.00			
BAGN	4	0.02	0.99	31	0.06	2.94	87%	75%	66%
BRLN	6	0.01	0.21	26	0.03	0.80	77%	65%	74%
SKNN	0	0.00	0.00	14	0.02	0.63	100%	100%	100%
BHUN	0	0.00	0.00	2	0.00	0.05	100%	100%	100%
CDQN	0	0.00	0.00	1	0.00	0.02	100%	100%	100%
Total	36	0.12	4.61	198	0.47	23.06	82%	74%	80%

Overall loading

Overall Loading (Rakes & Million Tonne) and Earnings (INR Crore)									
Commodity	FY 2021-22			FY 2022-23			% Variation		
	Rakes	MT	Earnings	Rakes	MT	Earnings	Rakes	MT	Earnings
Cement	1476	4.16	310.66	1908	5.67	473.66	22.64%	26.66%	34.41%
Container	3375	3.76	265.50	5383	6.56	445.20	37.30%	42.67%	40.36%
Other	36	0.12	4.61	198	0.47	23.06	81.82%	74.35%	80.00%
ToT	166	0.18	11.17	71	0.07	4.18			
Total	5053	8.21	591.94	7560	12.76	946.10	33.16%	35.66%	37.43%

Apportioned earnings (INR Crore) - as per FOIS

Month	Cumulative	FY 2020-21	FY 2021-22	FY 2022-23
Apr	262.81	0.00	38.01	224.79
May	333.13	0.00	62.36	270.78
Jun	331.67	0.00	69.10	262.57
Jul	360.71	0.00	88.58	272.12
Aug	330.64	0.00	94.09	236.55
Sep	312.35	0.00	91.46	220.89
Oct	339.67	0.00	111.87	227.80
Nov	362.15	0.00	108.79	253.35
Dec	347.72	2.79	94.29	250.64
Jan	454.01	29.28	126.03	298.71
Feb	459.84	41.72	110.45	307.67
Mar	558.04	57.54	138.08	362.43
Total	4452.74	131.33	1133.11	3188.30
Variation % over Last year			763%	181%
Avg/Month	371.06	10.94	94.43	265.69

4.3.2. Business Development

Connecting New Terminals:

Business Development Department is actively engaged in the expansion of new terminals in alignment with the Gati Shakti Multi-modal Cargo Terminal (GCT) Policy of the Indian Railways, as part of the Dedicated Freight Corridor Corporation of India Limited (DFCCIL) network. This initiative involves the integration of multiple rail connectivity projects from various organizations into the DFCCIL network. Notably, there are 2 rail connectivity projects from the National Industrial Corridor Development Corporation (NICDC), 4 from the Container Corporation of India Limited (CONCOR), and 1 each from Pristine Logistics and Navkar. All these projects are seamlessly being incorporated into the DFC network.

An Expression of Interest has been formally issued to assess market dynamics and traffic viability for the development of GCT within the scope of Schedule 1 and Schedule 2 as outlined in the GCT Policy. A total of 14 prospective

applicants have expressed keen interest in establishing cargo terminals at 27 strategically identified stations as part of Schedule 2. The bidding process for potential GCT construction locations on Railway Land, as per Schedule 2 of the GCT Policy, will be initiated soon.

In an open tender process, the Letter of Award (LoA) has been granted to the lowest bidder for the "Development & Operation of Gati Shakti Multi-Modal Cargo Terminal (GCT)" at Line no. 10 of New Rewari Station on DFCCIL/Railway Land under Schedule 2 of the GCT Policy. The winning bidder offered 0% share in the Terminal Access Charge.

Furthermore, to expedite the development of a Multi-modal Logistics Park (MMLP) in New Kanpur, a stakeholders' conference was held. An Expression of Interest has been issued to encourage private sector investments in this project. Impressively, 7 prospective developers with expertise in logistics have already submitted their responses, indicating significant interest in the project.



Reaching out to Potential customers:

Actively engaged in various initiatives to establish connections with potential customers for the Company with focus on fostering active engagement with a diverse range of customers and promoting modal shifts through innovative services such as Trucks on Train (TOT) and Road-Railer options. Our efforts are directed towards reaching out to numerous stakeholders, including:

- o Terminal Management Companies such as Adani Ports and Special Economic Zone Limited and JM Baxi.
- o Key customers like Nabha and Meja Thermal.
- o Container Train Operators (CTOs) like CONCOR and GRFL.
- o Organizations including the Gujarat Chamber of Commerce & Industry, UPSIDA, District Administration in Ambala & Yamuna Nagar, National Highway Authority of India, Bharat Heavy Electricals Limited, Solar Energy Corporation of India Limited, Petronet, National Highways Logistics Management Limited, Pipavav Railway Corporation, Central Warehousing Corporation.
- o Logistics and supply chain giants like DHL Supply Chain, DP World, Kirlskar, Delhivery, Amazon.
- o Cargo aggregators, industrial associations, and terminal developers.

Consistently and routinely conducting meetings with these stakeholders to seek their support and encourage their active participation in establishing mutually beneficial partnerships with the Company. The Company's goal is to collaboratively advance the creation of Private Freight Terminals (PFTs), Multi-Modal Logistics Parks (MMLPs), Freight Terminals, Sidings, and various other essential logistics infrastructure. The aim is to facilitate efficient and sustainable freight transportation solutions together for the benefit of all parties involved.

Efforts for utilizing e-commerce sector in rail transportation:

The Company is pursuing opportunities to tap into the vast potential of the e-commerce sector within the realm of rail transportation. To achieve this ambitious goal, the Company initiated a transformative process, by using Indian Railways'

converted old GS Coaches into state-of-the-art NMGHS coaches. These coaches are specifically designed to enable the efficient transportation of smaller cargo consignments along the DFC network.

In line with these efforts, the Company strategically engaged with leading e-commerce companies with primary objective to encourage and facilitate their shift from road-based cargo transportation to the significantly more efficient and environmentally sustainable rail transport alternatives. The Company is currently in the process of preparing for the imminent launch of small cargo services in the near future.

The Company's commitment to harnessing the potential of the e-commerce sector in rail transportation reflects dedication to offering efficient, eco-friendly, and reliable freight solutions that can benefit both businesses and the environment.

Empanelment of Insurance Consultant to obtain Insurance Policies to insure the Company's Assets and Liabilities:

The Company has successfully developed an extensive network of Dedicated Freight Corridors, a project of utmost national importance operating under the auspices of the Ministry of Railways. This ambitious infrastructure endeavor involves substantial financial commitments from both the Ministry and international financial institutions. Given the inherent operational risks associated with such infrastructure, which encompass unforeseen events and potential human errors leading to financial challenges, the Company is taking proactive measures to secure insurance policies to protect its assets and liabilities.

In order to ensure the most appropriate insurance coverage and the efficient management of these policies throughout their operational lifespan, including claims handling, the Company has engaged the expertise of M/s K.M. Dastur through a transparent evaluation process. Additionally, an inter-disciplinary committee is actively involved in assessing the Company's insurance requirements and collaborating closely with the Insurance Consultant to effectively address these needs. Importantly, the appointment of this consultant comes at no cost to the Company, ensuring that the organization can protect its interests without incurring additional expenses.

Operation of Trucks on Train (TOT) service between New Palanpur and New Rewari

With a triumph of strategic ingenuity, the Company orchestrated the seamless operation of the Trucks on Train (TOT) service between New Palanpur and New Rewari along the illustrious WDFC. This pioneering endeavor has not only been marked by its operational success but also by the grandeur of its fiscal accomplishment, yielding a commendable revenue stream to the tune of INR 4.39 Crore.



The TOT service garnered widespread recognition and admiration among truck operators for freight transportation. Its popularity can be attributed to a range of attractive features, including unmatched speed, unwavering reliability, and uncompromising safety standards. These qualities have not only facilitated seamless cargo movement but have also elevated the overall standard of freight transportation services.



Commencement of commercial operation on new Sections:

In the FY 2022-23, the Company undertook a significant expansion of its railway network, marking a pivotal moment in the evolution of India's transportation infrastructure. Multiple new railway sections were meticulously planned,

constructed, and successfully completed during this period, each representing a vital link in the broader network. These newly established sections are as follows:

- (i) New Kanpur - New Shujatpur
- (ii) New Palanpur to New Sanand North
- (iii) New Palanpur to New Chadotar
- (iv) New Khurja to New Boraki
- (v) New ERC Pt. Deen Dayal Upadhyaya Junction to New Chiraila Pauthu

The Railway Board, recognizing substantial progress and adherence to rigorous quality standards, has accorded its valuable permission for the commencement of commercial operations of goods traffic on these newly inaugurated sections. This significant development marks a momentous milestone in the history of India's railway infrastructure, unlocking new avenues for trade and commerce.

To ensure seamless operation and facilitate transparency, the Company has integrated these newly commissioned stations into its comprehensive Rates Branch System. Moreover, pertinent Inter-Station Distance information, critical for logistics planning and scheduling, is now readily accessible to both the general public and stakeholders. This transparency serves as a testament to the Company's commitment to fostering an environment of open and efficient rail transportation services, thereby bolstering economic growth and connectivity across the nation.

Brownfield Terminals attached with DFCCIL:

In a commendable display of progress and synergy within the realm of rail freight operations, 4 strategically significant Brownfield Terminals have now been seamlessly integrated into the sophisticated Freight Operations Information System (FOIS) by the Railway Board. These terminals, namely CONCOR PFT CMLK at New Ateli, Shree Cement Siding at New Bangurgram, Ultratech Cement Siding at New Keshavganj, and Lakshmi Cement Siding at New Banas, represent crucial nodes within the evolving logistical landscape. The introduction of these terminals into the FOIS ecosystem stands as a testament to the relentless pursuit of excellence within the Indian railway infrastructure.

The transformative potential of DFCCIL is acutely evident in the tangible benefits witnessed since the commencement of this integration. Notably,

a discernible reduction in transit time has been achieved, signalling a noteworthy improvement in the overall performance of these terminals. This outcome is of profound significance, as it directly contributes to the expeditious movement of goods across the railway network, crucial for economic vitality and competitiveness.

Furthermore, the integration has empowered these terminals to display an increased capacity to handle freight rakes, attesting to the system's efficacy in optimizing resource allocation and logistics management. Equally noteworthy is the improved wagon turnaround time, a key metric that underscores the system's proficiency in expediting the loading and unloading processes, ultimately enhancing the throughput capacity of these terminals.

Track Access Charges:

Draft Track Access Charges (TAC) pertaining to the New Khurja-New Bhaupur and New Rewari-New Palanpur sections, amounting to a cumulative sum of INR 1949.15 Crore for the FY 2021-22, have been meticulously drafted and await the approval of the Railway Board.

During FY 2022-23, the quantum of originating loading reached a commendable figure of 12.47 million metric tonnes, thereby generating a

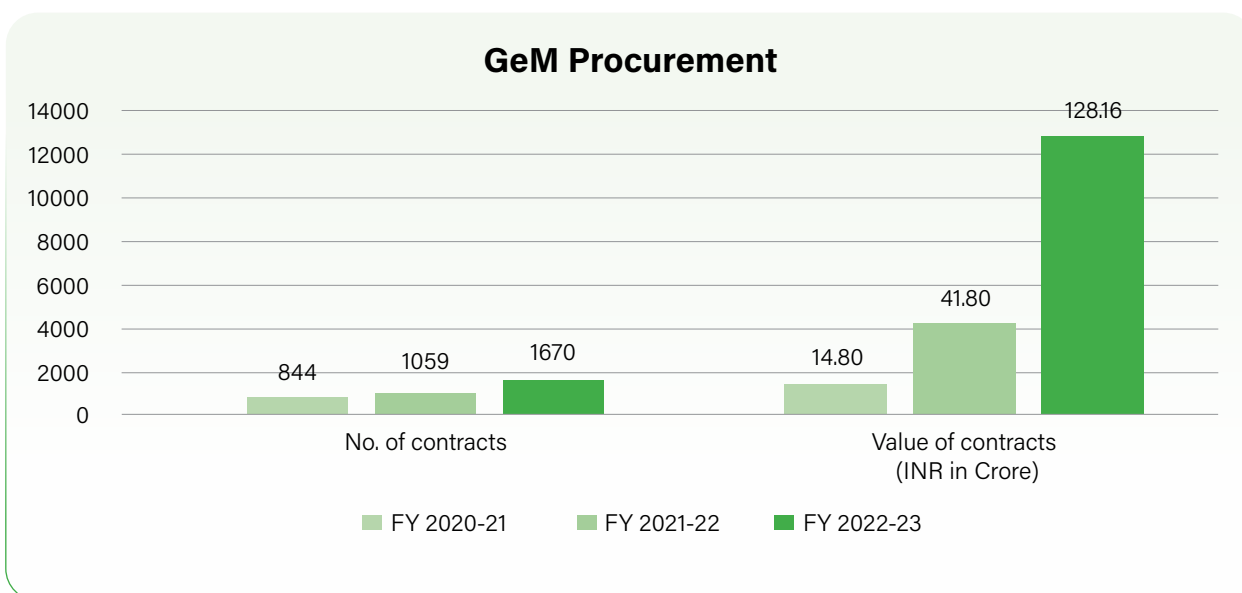
substantial revenue amounting to INR 964.87 Crore. This impressive accomplishment was made possible through the efficient handling of cargo, exemplified by the loading of 11,959 rakes throughout this duration.

Such noteworthy statistics underscore the diligence and efficacy of our operations, marking a testament to our commitment to facilitate seamless freight transportation and contributing significantly to the nation's economic vitality. As we proceed into the future, we remain steadfast in our pursuit of excellence and continued growth in the realm of rail transportation.

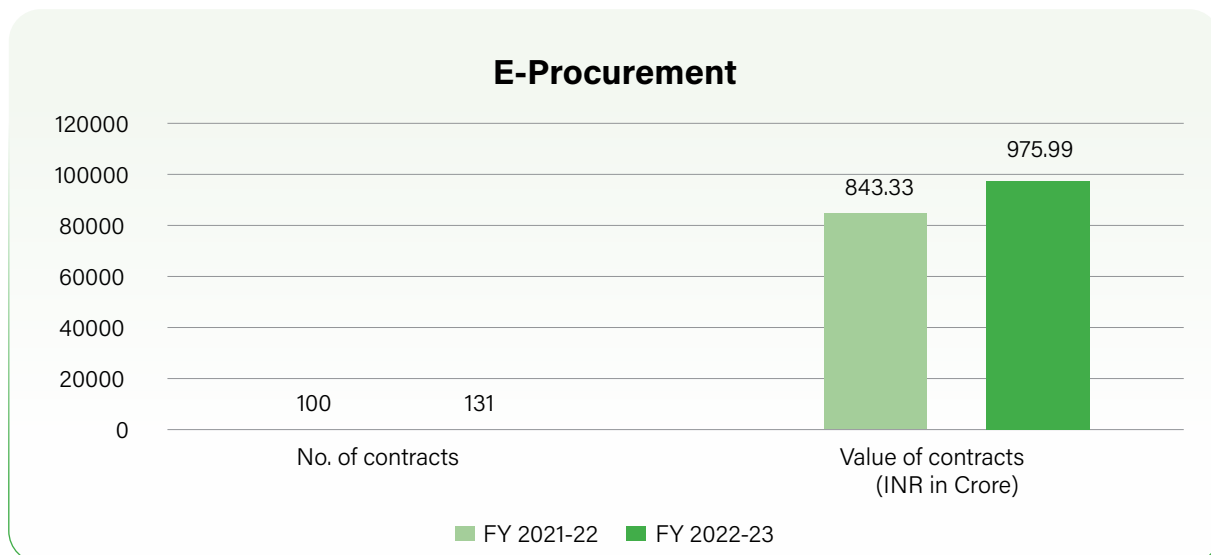
4.4. Procurement

- **Government e-Marketplace (GeM) Procurement:**

The procurement of goods and services of common use took a giant leap in the year 2022-23. Contracts valuing INR 128.16 Crore were placed on GeM during 2022-23, out of which 95.42% of procurement, i.e., INR 122.29 Crore were made from MSME firms. There was a 206.60% increase in GeM Procurement in the year 2022-23 as compared to the year 2021-22. The comparative figures of procurement on GeM portal during last three years are presented hereunder.



- **E-Procurement:** The Works & Service modules of the Indian Railways E-Procurement System (IREPS) was extensively used in the Company in 2022-23 for preparing E-bids as well as online finalisation of tenders for improving transparency and quick decision-making. The buyers were guided for preparing E-bids on IREPS as well as online finalization of tenders for improving transparency and quick decision-making. During the year 2022-23, a total 131 numbers of tenders valuing INR 975.99 Crore have been finalised on IREPS. The comparative figures of e-procurement during last two years are presented hereunder.



- **Make in India Initiative:** The procurement being made are conforming to the provisions of Public Procurement Policy (Preference to Make in India) Order, 2017. The officials involved in procurement have been regularly sensitized for ensuring compliance of the provisions.



- **Training:** Stores/Corporate Office coordinated with the buyers of various departments at Corporate Office and with those of the Field Units and guided them for procurement of items available on GeM Portal. Since the various functionalities on GeM Portal are evolving on continuous basis, in order to make the officials working on GeM platform acquainted with the functionalities, various trainings were organised from time to time in co-ordination with the training team of GeM.
- Stores/Corporate Office prepared and issued the Standard Bid Document for Global Tender for Procurement of Goods to facilitate procurement of goods through global tenders for the items where indigenous sources are not available. Stores/Corporate Office regularly coordinated with Centre for Railway Information Systems (CRIS) for customization of IREPS for specific needs of the Company and coordinated with GeM for resolving day-to-day issues of Field Units and Corporate Office.

5 Management

5.1. Directors

The Company being a wholly-owned Government Company, has been granted exemption from application of Section 152(6) and 152(7) vide MCA Notification dated 13.06.2017. During the year under review, there were changes in the composition of the Board of Directors of the Company on account of appointments and cessations, which are as follows:

5.1.1. Appointments/Extensions during the FY 2022-23.

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

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

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

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

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

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

- **Shri Mukul Saran Mathur, Principal Executive Director (Infrastructure), Railway Board as Part-time Official Director w.e.f. 03.01.2023**

[Vide Railway Board's Order No. 2022/PL/57/10 dated 03.01.2023 and partial modification of order of even no. dated 25.01.2023 appointed by the President of India

with immediate effect till he holds the post of Principal Executive Director (Infrastructure), Railway Board or until further orders, whichever is earlier.]

- **Shri Anil Kumar Lahoti, Chairman & Chief Executive Officer, Railway Board as Part-time Chairman w.e.f. 22.02.2023**

[Vide Railway Board's Order No. 2021/PL/61/2Pt. dated 16.01.2023, appointed by the President of India with immediate effect till he holds the post of Chairman & Chief Executive Officer, Railway Board or until further orders, whichever is earlier. The appointment was made effective from the date of allotment of Director Identification Number (DIN), i.e., 22.02.2023.]

5.1.2. Appointments after the close of Financial Year 2022-23 till the date of report.

- **Smt. Jaya Varma Sinha, Chairman & Chief Executive Officer, Railway Board as Part-time Chairman w.e.f. 06.09.2023**

[Vide Railway Board's Order No. 2021/PL/61/2Pt. dated 06.09.2023, appointed by the President of India with immediate effect till she holds the post of Chairman & Chief Executive Officer, Railway Board or until further orders, whichever is earlier.]

5.1.3. Cessations during the Financial Year 2022-23.

- **Shri Hari Mohan Gupta, Director/ Infrastructure with additional charge of the post of Director/Project Planning w.e.f. 19.04.2022.**

[Vide Railway Board's Order No. 2009/E(O) II/40/31 dated 14.07.2022, relieved from the additional charge of the post of Director/Project Planning w.e.f. on 19.04.2022.]

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

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

- **Shri Vinay Kumar Tripathi, Chairman & Chief Executive Officer, Railway Board as Part-time Chairman of the Company w.e.f. 01.01.2023.**

[Vide Railway Board Order No. 2021/PL/61/2Pt. dated 12.01.2022, ceased to hold office upon superannuation w.e.f. 01.01.2023.]

- **Shri Ravindra Nath Singh, Principal Executive Director (Infrastructure), Railway Board as Part-time Official Director w.e.f 03.01.2023.**

[Vide Railway Board Order No. 2017/PL/61/5 dated 17.06.2019, ceased to hold office upon ceasing to hold office of Principal Executive Director (Infrastructure), Railway Board. Cessation took place w.e.f 03.01.2023.]

5.1.4. Cessation after the close of Financial Year 2022-23 till the date of report.

- **Shri Anil Kumar Lahoti, Chairman & Chief Executive Officer, Railway Board as Part-time Chairman w.e.f 01.09.2023**

[Vide Railway Board's Order No. 2021/PL/61/2Pt. dated 16.01.2023, ceased to hold office upon superannuation w.e.f. 01.09.2023.]

5.2. Director's Responsibility Statement

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

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- the Directors had prepared the annual accounts on a going concern basis; and
- the Directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

5.3. Declaration by Independent Directors

In terms of Section 149(7) of the Companies Act, 2013, Independent Directors, Shri Pawan Palta and Shri Amarnath Yadav have submitted a declaration that

they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013.

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

During the year under review, the particulars of employees to be disclosed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 may be treated as NIL as none of the employees was in receipt of remuneration more than INR 1.02 Crore per annum.

7 Auditors

7.1. Statutory Auditor

Pursuant to the requirements of Section 139(5) of the Companies Act, 2013, the Comptroller and Auditor General (C&AG) of India had appointed M/s Suresh Chandra & Associates, Chartered Accountants as the Statutory Auditor of the Company for the financial year 2022-23. In exercise of powers conferred by the shareholders, the Board of Directors have fixed auditor's remuneration at a fee of INR 14,00,000 (Rupees Fourteen Lakh Only) excluding taxes as per applicable rate, and out of pocket expenses.

7.2. Secretarial Auditor

Pursuant to the requirements of Section 204 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed M/s A. K. Rastogi & Associates, Company Secretaries as the Secretarial Auditor for the financial year 2022-23.

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

7.3.1. Statutory Auditor's Report

The Independent Auditor's Report dated 24.07.2023 submitted by M/s Suresh Chandra & Associates, Chartered Accountants **does not contain any reservation, qualification or adverse remarks and hence, no explanation/comments are required.**

7.3.2. Secretarial Audit Report

The Secretarial Audit Report in Form MR-3 dated 05.09.2023 submitted by M/s A K Rastogi and Associates, Company Secretaries along with Management's Reply are placed at **Annexure A** and **Annexure A1**, respectively.

7.4. Comments of Comptroller & Auditor General

The Comments of the Comptroller & Auditor General of India along with Management's Reply are placed at **Annexure B** and **Annexure B1**, respectively.

7.5. Fraud reported by Auditor

7.5.1. Statutory Auditor

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

7.5.2. Secretarial Auditor

No fraud has been reported by the Secretarial Auditor under section 143(12) read with section 143(14)(b) of the Companies Act, 2013 for the FY 2022-23.

8 Risk Management

8.1. Statement indicating development and implementation of risk management policy

The Company has consistently demonstrated its unwavering commitment to maintain the highest standards of operational excellence. In line with this commitment, the Company has diligently pursued an effective Enterprise Risk Management (ERM) framework to identify, assess, and mitigate risks that could potentially impact its long-term objectives.

In FY 2022-23, considering the Company transitioned from construction phase to operational phase and to recognize the evolving nature of risks associated with operational phase, Company took an initiative to revise its existing ERM policy in line with the globally recognized ISO 31000-2018 standard. This comprehensive framework facilitates a systematic approach to risk identification, analysis, evaluation, treatment, and monitoring across all construction and operational facets of the Company.

The Company recognizes that implementation of Enterprise Risk Management Policy is a collective responsibility that permeates throughout the organization. Therefore, the Company has fostered a risk-awareness culture by promoting employee engagement, training, and awareness programs. By encouraging employees at all levels to actively participate in risk identification and mitigation, the organization aims to enhance its risk management capabilities and establish a resilient corporate ecosystem. The ERM framework is spearheaded by the Risk Management Committee (RMC), which actively ensures that risk management activities across the Company are undertaken as per guidelines and established policies. Further, the Risk Owners at all Field Units/Corporate Office Departments are made responsible for identifying and assessing the risks in their respective areas.

By fostering a risk-awareness culture, engaging stakeholders, and continuously refining its risk management strategies, the Company is poised to achieve sustained business operations aligned with its long-term objectives.

Further, Company is at the forefront of technological advancements aimed at enhancing operational efficiency and quality by developing a Tool which shall perform robust data analysis on the registered defects and risks and generates actionable insights that provide valuable information to decision makers. By leveraging data driven decision-making, company can proactively address systemic issues, implement preventive measures, and allocate resources more effectively.

8.2. Various elements of risk, in the opinion of Board, that may threaten the existence of the Company

Sr. No.	Risk Identified	Mitigation Initiatives by the Company
1.	Disruption of Traffic There is always an impending risk of an accident on the DFC Network owing to various reasons. Any such event may cause serious and prolonged disruptions in Traffic.	Regular inspections and surprise checks are being conducted on the tracks to avert the occurrence of any accident. Equipment with modern technology such as Hot Axle Box Detectors (HABD) and Online Monitoring of Rolling Stock (OMRS) are being installed along the tracks. These are part of Predictive Analytical Maintenance and will help minimize/avert accidents related to equipment failure. 95 HABDs have been installed over DFC so far and these have been installed in almost every block section to detect hot axle. Proof-of Concept of the Machine Vision-based Information (MVIS) is completed in collaboration with IISc, Bangalore. Presently, it is under commercial deployment stage. MVIS will help in the automatic detection of defects and deficiencies such as hanging parts under the bogies, damaged wagons, open doors, under-carriage items, etc., which overcome the limitations of human inspection.

Sr. No.	Risk Identified	Mitigation Initiatives by the Company
2.	Cyber Attacks Working of DFCCIL is predominantly digital. To manage the Operations of Freight Trains, the Company uses an in-house tool Dedicated Freight Information System (DFIS). Therefore, risk to IT infrastructure can pose significant business risks.	In the Company's context it is important that the IT and Operational Technology - Telecom, Signalling, SCADA, etc., where IT infrastructure (Routers, Switches, Firewalls, Endpoints, Servers, etc.) is the underlying enabling setup be proactively assessed for asset & vulnerability identification, risks, their potential impact and mitigation. Any unmitigated vulnerability in the IT and Operational Technology infrastructure can pose unacceptable and potentially catastrophic business risks. Besides working towards the creation of an independent Cyber Security Organisation as recommended by CERT-IN, IT Department is working on a proposal for Cyber Audit of Operational Technology Infrastructure. These two initiatives will help the Company take initial steps towards IT-related Risk Assessment. The aim is to be eventually compliant with the ISO 27001, 27005 and 31000 standards on IT Risk Management.
3.	Contract Management and Contractual Disputes As the contracts are coming towards closure, more and more disputes are expected. The disputes related to change in law, change in scope and prolongation are critical areas wherein several high value claims are expected. With limited expertise available with the Company personnel in proper examination of extension of time and prolongation claims, there is risk of high value claims against the Company.	The Company is taking expert services from technological professionals and experts to support Field Units and Project Management Consultants in critically examining the contractor's claim of time and cost. These professionals are helping the Company in mitigating the risks and correctly assigning the liabilities. The Company has also adopted a system of amicable settlement through conciliation committee for speedier, cost effective, out of court settlement of contractual disputes. This conciliation process is being done through a Conciliation Committee comprising of independent experts of high moral integrity. The Company has also adopted the Vivaad-se-Vishwas scheme announced by the Department of Expenditure, Ministry of Finance for one-time settlement of contractual disputes. Additionally, the Company has taken several proactive measures to reduce the disputes at the early stage. Regular training program on "Effective Contract Management" and "Dispute Resolution" are being conducted by capacity enhancement of Company's personnel dealing with contracts.
4.	Difficulty in handing over encumbrance free land to contractor There have been various issues involved in land acquisition which though have been addressed to the larger extent, few land related issues still exist. The payment of Resettlement and Rehabilitation (R&R) benefits to Project Affected Persons (PAPs) and Mutation of Land required to be addressed.	Regular meetings at higher levels are conducted to expedite the process of land acquisition; co-ordination with the State Government for R&R activities. To fast-track R&R, enhanced cash compensation to the non-title-holder PAPs against housing unit has also been approved and is being disbursed. Regular communication with the land losers to resolve grievances, if any. Prompt disbursement of land award and R&R benefits to PAPs is being ensured with closed liaisoning with DC/ADC/SDO and State Government Authorities. Mutation of land is also being closely monitored with State Government Officials for early transfer of documents to the Zonal Railways.

Sr. No.	Risk Identified	Mitigation Initiatives by the Company
5.	Delay in construction of ROBs/RUBs and Utility Shifting There are delays due to fund constraints with State Governments, delay in shifting/ relocating of utilities by State Agencies, delay in land acquisition on the RoB approaches and delay in construction/ completion by Zonal Railways.	Regular follow-up is done with the concerned State Governments for early land acquisition and utility shifting. The fund is also being provided to State Government, wherever required, with the condition of subsequent adjustment to expedite the construction of ROBs/RUBs. For work being executed by Zonal Railways, the matter is being followed up with them. The issues have been flagged for monitoring by PMG and by the Ministry of Railways.
6.	Risk owing to Disasters Disasters on the DFC network, if any, may be a consequence of human and equipment failures, natural calamities, and acts of sabotage and comprise collisions and derailments of trains, accidents at level crossings, fires on trains; floods, cyclones, earthquakes, bomb blasts, terror attacks	DFCCIL has Disaster management planning already in place. Further, in DFCCIL Contracts there is a provision for necessary risk coverage through Insurance. SWRs (Station Working Rules) are being issued regularly for safe and methodical working. As part of Disaster Management Preparedness - DFCCIL has supplied Two 140T cranes to IR manufactured by JMPW, one for Phulera/NWR which was commissioned on 30.06.2022 and the other for Kanpur which was under commissioning. 3rd crane has been dispatched to Vadodara/WR and the 4th for Saharanpur is under manufacturing at JMPW. - All four ARTs have been supplied by IZNW/NER to Phulera/NWR, Kanpur/NCR, Vadodara/WR & Saharanpur/NR.
7.	Theft of critical assets affecting train operations and safety: Incidents of theft of critical assets like track fittings, signalling equipments, OHEs etc. may affect train operations adversely like loss of punctuality, safety and financial loss to the DFC.	Collection and analysis of theft incidents data helps in identifying black spots for dynamic patrolling by security personnel; Collection of intelligence about habitual miscreants in the locality and sharing law enforcing agencies; patrolling of the affected sections; installation of CCTVs, access control system and anti-theft measures and regular coordination with RPF and civil police.

Apart from the above Risks, the Company is facing a few risks which are not under its control due to their inherent nature. Such risks are as follows:

1. The Company's business i.e., Traffic on DFC Track and subsequent reimbursement of Track Access Charges (TAC) by MoR are substantially dependent on the policies of the Ministry of Railways and operations of Indian Railways. Any policy change or any adverse decision may affect the revenues of the Company. Since this is totally an external factor, out of the Company's control, we have regular discussions and deliberations with the MoR to safeguard the Company's interests.
2. Project Cost escalation due to uncontrollable factors is another major risk being faced by the Company. Labour and material shortages are occurring more frequently. Inflationary pressures are also mounting across the world, as the global economy continues to recover from supply chain disruptions. The global geopolitical situation is also resulting in delays and cost increases in some of the spheres.

9 Particulars of Loans, guarantees and Investments

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

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

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

11 Particulars of contracts or 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 15). Pursuant to Paragraph 25 & 26 of Ind AS 24, entities over which the same government has control or joint control of, or significant influence, then the reporting entity and other entities shall be regarded as related parties. The Company has applied the exemption available for government related entities and have made limited disclosures in the financial statements. Entities with which the Company has significant transactions are MoR, RDSO, Rites Ltd, Konkan, Railtel, IRCTC, Concor, RVNL and CRIS.

Name of Related Party	Nature of Transaction	(INR in Crore)	
		For the year ended	
		31.03.2023	31.03.2022
Ministry of Railways & its constituents	AMOUNT RECEIVED		
	Receipt pending adjustment*	14,865.50	12,544.00
	*Transfer towards Share Application Money (out of receipts) is Nil (PY: INR 16,52,37,00,000 Only)		
	Advance for Land	529.48	1,917.46
	Advance for ROB/RUB	271.79	675.23
	CAPITAL ALLOTTED	1,652.37	-
	AMOUNT PAID		
	For Capital Advances	695.94	689.50
	For Purchase of Inventory	0.02	33.33
	ON BEHALF OF MoR		
	Land facilitation expenses	1.70	21.08
	Cost Sharing towards ROB/RUB - Adjusted	367.88	1,032.96
	Recoverable from MoR - Sonnagar - Dankuni Project	359.85	14.18

(INR in Crore)

Name of Related Party	Nature of Transaction	For the year ended	
		31.03.2023	31.03.2022
Entities under Ministry of Railways	Expenditure on PETS Survey Recoverable from MoR	51.89	36.32
	Outsourced Staff Salary on behalf of MoR	0.92	0.47
	INCOME		
	Track Access Charges	3,141.48	1,949.15
	EXPENSES		
	Renting/ Hiring Charges	2.03	2.34
	Training Expenses	17.22	11.10
	Project Related Expenses	1.65	1.36
	Repair and Maintenance Expenses	25.08	0.18
	Electricity Expenses	13.27	9.18
	AMOUNT PAID/PAYABLE		
	Railway Design and Standards Organization (RDSO)		
	-- Recruitment Expenses	0.13	0.02
	-- Inspection Charges	2.81	0.86
	Rail India Technical and Economic Services Limited (Rites Ltd)		
	-- Advance For ROB/RUB	-	0.54
	-- Project Management Consultancy Services	34.81	41.88
	-- Electrical Repair	-	2.25
	-- Inspection Charges	1.24	1.26
	-- Refund of Security Deposit	-	0.03
	Konkan Railway Corporation Limited		
	-- Advance towards Utility Charges	-	0.10
	Centre for Railway Information System (CRIS)		
	-- Advance for implementation of BMS and TMS Application	0.63	-
	Kolkata Metro Rail Corporation Limited (KMRCL)		
	-- Office Rent	0.83	0.59
	Indian Railway Catering and Tourism Corporation (IRCTC)		
	--Inspection Charges	2.53	0.53
	Rail Vikas Nigam Limited (RVNL)		
	-- Advance for IR Connectivity	-	17.36
	-- Advance for Construction/Purchase of Flat/GH-HO	7.92	-
	-- Advance for Construction of FOB	0.41	-
	-- Payment of Office Rent	0.06	-
	Railtel Corporation of India Limited		
	-- Professional & Consultancy Charges	0.34	0.43
	-- Internet & Telephone Charges	5.59	5.04
	-- Computer & Software Charges	-	0.17
	-- Annual Maintenance Charges	1.34	1.47
	-- Shifting of Utilities	0.64	-
	AMOUNT RECEIVED/ RECEIVABLE		
	Container Corporation of India Limited (CONCOR)		
	-- Application Fee Received for PFT Policy	-	0.10
	-- Overhead Charges	-	0.90
	-- Advance for Deposit Work & Others	19.01	72.00
	-- Sale of Tender	0.20	-
	-- Miscellaneous Income	7.65	-

12 Corporate Social Responsibility

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

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

13.1. Conservation of Energy

- To achieve operational efficiency, the Company has adopted several energy efficiency measures. Variable Refrigerant Flow based Heating Ventilation & Air-Conditioning System (VRF-HVAC), LED type fittings and smart metering-based energy monitoring and control system have been installed at the Company's Corporate Office. To harness solar power, 645 KWP grid interactive solar power modules have been installed at level crossing gates, signalling huts, crossing & junction stations, Operations Control Centre (OCC) Building, Corporate & Regional Offices, Maintenance Depots, etc.
- In Traction applications, Modular OHE requiring least maintenance, ease of interchangeability & corrosion resistant design; Superior composition & profile of contact & catenary wire with improved regulation of OHE tension will ensure efficient OHE system suitable to haul heavy trailing loads at higher speed with 9000/12000 hp electric locomotives. 3-Phase Electric Locomotives (IGBT based 7000KW/9000HP 3 phase locomotives with state-of-the art features such as, VVVF drive, vehicle control unit, vigilance control, constant mode of operation features, etc., which facilitates regeneration of 14%-15% of energy consumed by utilizing the braking energy for traction purpose will be deployed. This is likely to fetch carbon credits under clean development mechanism (CDM) projects of the United Nations Framework Convention on Climate Change (UNFCCC).

- Energy Management System for traction and non-traction application (Supervisory Control and Data Acquisition (SCADA) system has been adopted for remote control and monitoring of the traction and non-traction system from a centralized Operations Control Centre (OCC).

13.2. Technology absorption

- Machine Vision Based Inspection of Rolling Stock (MVIS):** Machine Vision Inspection System (MVIS) is an automated inspection system consisting of high-speed cameras, servers and software. It uses Artificial Intelligence (AI)/ Machine Learning (ML) system to analyse data and generate alert for rolling stock defects while in motion (up to 100 kmph speed) which can effectively replace manual rolling in & out examination system. Presently, no such MVIS system has been installed in India for freight or coaching stock. The Company has taken a lead to develop this system with IISc, Bengaluru and the same has been installed at New Daudkhan on EDFC. The system is under development. MVIS will help in providing the below mentioned benefits-

- Saving of manpower and time.
- The system can detect defects not easily visible to human eye.
- Capable of analysing multiple components simultaneously.
- Can detect rolling stock defects at speeds up to 100 kmph.

- Hot Axle Box Detector (HABD):**

Hot Axle can result in axle breakage, bearing seizure and derailment. Hence, for detecting hot axle over DFC, 70 Hot Axle Box Detector (HABDs) have been installed. HABDs will detect and prevent any failure on this account averting catastrophic consequences and disruption of traffic operation. This is a major technological stride taken by the Company.

13.3. Foreign Exchange Earnings and Outgo

Sr. No.	Details of Foreign Exchange Earnings/Outgo	INR in crore	INR in crore
A.	Foreign Exchange Earnings		Nil
B.	Foreign Exchange Outgo	1470.50	
	Interest Outgo	184.47	
	Tour & Travelling Expenses	0.29	
	L.C Charges on JICA Loan Charges	0.64	
	Commitment fee for Loan	1.48	
	Consultancy (15CA/CB) & Work	789.36	
	Repayment of IBRD Loan	494.26	

14 Material Orders of Judicial Bodies/Regulators

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

15 Compliance with Secretarial Standards

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

16 Annual Return

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

17 Vigilance

Vigilance Department of the Company is being headed by a full time Chief Vigilance Officer (CVO) and supported by a Dy. CVO. Besides, it also comprises of officers from various areas of specialisation like Civil, Electrical, S&T, Finance, HR and Administration. Vigilance has to be seen as a part of the overall risk management strategy of an organization whereby systems and processes are structured in such a manner that scope for corruption is minimised and arbitrariness in decision-making is avoided. The Vigilance Department lays high degree of emphasis on Preventive Vigilance activities. Vigilance Department also focuses on generating awareness among the officials and staff for anti-corruption measures and public procurement principles and processes.

A total of 16 Preventive Checks (PCs) were registered and 17 Preventive Checks (including those of previous FY) were disposed of during the year. The preventive checks included areas and issues related to estimation of tenders, quotation works, cash imprest, passing of bills, check on quality aspects, lease payment, etc. 5 CTE type Intensive Examinations were also carried out during the year.

The Company has a well-defined Complaint Handling Policy which is also available under the Vigilance section on the Company's official website. During FY 2022-23, 45 complaints were received and 45 (including those of previous FY) were disposed of. These complaints were mainly related to irregularities/discrepancies in tendering, execution of contracts, issues related to quality of works, recruitment, payment to contractor, those against employees, land compensation issues, labour laws, etc.

9 system improvements were recommended by the Vigilance Department subsequent to the Investigation.

As per guidelines of the Central Vigilance Commission (CVC), a scrutiny of Internal Audit Report, Statutory Audit Report & C&AG Audit Report was undertaken during the year. A total of 111 IPRs were scrutinised during the year. During the year, Vigilance clearance/status of 1539 officials were given in the year. A total of 12 CVC/Railway Board references were received and disposed of. Nature of these were - adoption of Integrity Pact, information related to enquiries and complaint position, implementation of policies and guidelines issued by CVC during the year, carrying out CTE type inspections, regarding Vigilance Awareness Week, etc. A total of approx. 600 officers/officials were covered under training and awareness generation programs related to Vigilance matters over the year.

Shri V Kannan, Ex-CMD/Vijaya Bank and Smt. Rashmi Verma, IAS (retd.) have been nominated by the CVC as Independent External Monitors (IEMs) in the Company. The IEM is mandated to review independently and objectively whether and to what extent parties have complied with their obligations under the Integrity Pact. IEM is envisaged as an alternative for dispute resolution between the stakeholders.

Vigilance Department contributed to the CVC newsletter 'VIGEYE VANI' that was published during Vigilance Awareness Week-2022. Vigilance Department also contributed to the development of e-learning modules on Vigilance for iGOT-Karmayogi (Integrated Government Online Training) platform which is a digital learning platform for Civil Services Capacity Building.

Vigilance Awareness Week-2022 (VAW) was observed in DFCCIL from 31.10.2022 to 06.11.2022 on the theme "भ्रष्टाचार मुक्त भारत - विकसित भारत: Corruption free India for a developed Nation." A number of steps were undertaken by Vigilance Department for awareness generation as well as to educate the officials regarding issues related to Vigilance. The important events and outreach activities during VAW include - pledge taking ceremony, display of posters and banners, distribution of pamphlets, signature campaign and selfie point, slogan writing competition, essay competition, quiz competition, nukkad-naatak, walkathon, events/ competitions in schools and colleges, Grievance Redressal Camps, Awareness Gramsabha, movie show based on corruption, lectures/discussion sessions on Vigilance related issues, Publishing of Vigilance Journal 'Sanchetna', use of Social Media platforms for awareness generation. In addition to above, as per the instructions of CVC, Vigilance also oversaw a number of Preventive Vigilance cum internal housekeeping activities as a 3 month campaign from 16.08.2022 to 15.11.2022 that includes - Property Management, Management of Assets, Record Management, Technological Initiatives, Updation of guidelines/circulars/manuals and disposal of complaints, undertaken by the Field Units of the Company.

18 Other Compliances

18.1. Rajbhasha

During the FY 2022-23, greater emphasis was laid on maximum use of Official Language and ensuring 100% compliance of Official Language Policy at Corporate Office and Field Units. In this regard, following activities promoting the official language were organised:-

- Quarterly meetings of Official Language Implementation Committee were conducted in every quarter at Corporate Office. The quarterly progress report related to official language were sent to the Ministry of Railways, Ministry of Home Affairs, and Town Official Language Implementation Committee (TOLIC) (Delhi Undertaking-2) within the stipulated period.
- "Hindi Pakhwada" was celebrated at Corporate Office from 14.09.2022 to 28.09.2022, to promote the use and to propagate the Official Language. During the Hindi Pakhwada, various Hindi competitions were organised for the officers and employees of the Company and the first, second and third place winners were awarded by the Managing Director. A Hindi seminar was also organised on Hindi Day during which speeches and lectures were given on the importance of Hindi language.
- 3 Hindi workshop was organised for imparting practical training in Hindi to the officers/employees working in various departments and field units in which about 86 officers/ employees participated.
- Though the bilingualisation of the Company's website (Hindi/English) is an ongoing process, it is constantly updated with necessary modifications.
- To ensure 100% compliance of Section 3(3) of the Official Languages Act, 1963, formats of office orders, circulars, notices, notifications, advertisements, tenders, etc., of routine nature were prepared and issued in bilingual form.
- Parliamentary Committee on Official Language inspected the compliance of Official Language Policy in the office of Chief General Manager at Jaipur, Ahmedabad and Meerut Field Units. The progress of the Company was appreciated by the Committee.
- From time to time, innovative programs to convey the meaning in Hindi by reciting poetry in Indian languages were organised during the year.
- The birth anniversary of famous Hindi poet 'Agyey' was celebrated.
- Departmental Hindi magazine 'Manthan' was published every six months.

- 'Managing Director's Rajbhasha Shield' scheme was introduced for the Field Unit doing best work in Hindi and it was awarded to Jaipur Unit during the year.
- Official language was also included as a subject in all the training programs to be conducted at Heavy Haul Institute, Noida.
- All Field Units of the Company have been notified under rule 10(4) of Official Language Rules, 1976.
- During the year, the Company under the aegis of TOLIC, organized a 'Picture Description Competition' for all TOLIC member offices and the Company's officers/employees participated in various programs and competitions organized by TOLIC.

18.2. RTI Act, 2005

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

The Company has been able to fulfil the mandatory requirements as well as its obligations toward the citizens in providing information sought for by them. The Chief Public Information Officer (CPIO) in the Corporate Office coordinates with the designated Assistant Public Information Officers (APIOs) at Field Units along with the Nodal Officers in Corporate Office for the purpose of obtaining information in the desired format and within stipulated time period from Field Units situated in different geographical locations in the country, as the case may be, so that any information sought concerning Field Units is sent to the applicant in time. Pursuant to the mandatory requirements, the duties and responsibilities of an Appellate Authority have been presently assigned to the General Manager/ Administration. The CPIO represents the Company in the hearings in the Central Information Commission's (CIC) office and ensures implementation of the Hon'ble CIC's order in coordination with the concerned Field Unit or Department/Corporate Office, as the case may be.

During the year 2022-23, total 1290 applications (including 101 Appeal cases) were received and were replied within the stipulated time period. All the replies have been uploaded on the website of the Company which can be accessed at <https://dfccil.com/Home/RTILIST>. The status of RTI replies are updated regularly on the website of the Company.

18.3. Parliament Questions

Dealing with Parliamentary matters calls for utmost accuracy, swiftness and confirmation to the prescribed norms and procedures as laid down by the nodal authorities. An officer has been designated especially for dealing with all Parliamentary matters in coordination with other department in DFCCIL. During the year 2022-23, total 91 Parliament references such as Parliament Questions, matters pertaining to Zero-hour, Lok Sabha Estimate Committee, Public Accounts Committee & Standing Committee on Railways, etc. were received. All the references have been dealt with as per the norms/procedures laid down for dealing with such important references and replied in time.

18.4. MCA-21 E-filing

The Ministry of Corporate Affairs transitioned its e-filing portal from V2 to V3 in phase-wise manner during the FY 2022-23. Accordingly, for the FY under review, the Company filed all the statutory forms and returns electronically with the Registrar of Companies on relevant portal as per the manner and conditions for filing prescribed under Companies (Registration Offices and Fees) Rules, 2014. The financial statements for the year under review will be filed in accordance with the requirements of section 134 read with Companies (Filing of Documents and Forms in Extensible Business Reporting Language) Rules, 2015.

18.5. Department of Public Enterprises - Memorandum of Understanding

For FY 2022-23, the Company has been exempted from the applicability of MoU Guidelines vide DPE Letter No. M-03/0012/2021-DPE(MoU) dated 30.11.2021.

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

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

20 Change in nature of business

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

21 Maintenance of Cost Record

The Company is not required to maintain cost records as per the provisions of Section 148(1) of the Companies Act, 2013 since the said section is not applicable to the Company.

22 Valuation with reference to one time settlement and loan taken from banks and financial institutions

During the FY, no one-time settlement has been done with any bank or financial institution. Hence, the requirement of disclosing the difference of details between amount of valuation done at the time of one-time settlement and the valuation done at the time of taking loan from banks or financial institutions is not applicable to the Company.

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

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal Act), 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. No complaint was received during the year.

24 Corporate Governance

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

The Corporate Governance Report comprises the following:

- Certification of Financial Statements by Chief Executive Officer and Chief Financial Officer is placed at **Annexure D1**.
- A declaration signed by Managing Director affirming the compliance with the Code of Business Conduct and Ethics by Board Members and Senior Management Personnel during the year 2022-23 is placed at **Annexure D2**.

- A Certificate from Company Secretary in Practice regarding compliance of Corporate Governance Guidelines issued by Department of Public Enterprises is placed at **Annexure D3**.
- A Management Discussion and Analysis Report is placed at **Annexure E**.

25 Acknowledgement

The Board of Directors wish to place on record their sincere thanks to the Ministry of Railways, the State Governments,

the Zonal Railways, the Statutory Authorities and to the Government Agencies for their support and patronage.

The Board of Directors acknowledge with thanks the co-operation extended by Comptroller & Auditor General, the Statutory Auditors and the Bankers of the Company.

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

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

Date: 20.09.2023
Place: New Delhi

Hira Ballabh
Director/Finance & CFO
DIN: 08738632

Ravindra Kumar Jain
Managing Director
DIN: 08641707

Annexure A

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH 2023

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

To,

The Members

Dedicated Freight Corridor Corporation of India Limited

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

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 (CIN: U60232DL2006GOI155068)** for the financial year ended on 31st March 2023. 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 verification of the Company's books, papers, minute books, 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 ended on 31st March 2023 (audit period) 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, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2023 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; - **NOT APPLICABLE**
- (iii) The Depositories Act, 1996 and the regulations and bye-laws framed thereunder; - **NOT APPLICABLE**
- (iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; - **NOT APPLICABLE**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable to the company as the shares of the company are not listed with stock exchanges during audit period).
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

As explained by the Management, following laws/regulations/rules are specifically applicable to the Company based on their sector/industry:-

1. The Railways (Amendment) Act, 2008
2. National Rehabilitation & Resettlement Policy, 2007
3. The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013
4. Environment Impact Assessment Notification, 2006
5. The Wildlife (Protection) Act, 1972
6. The Forest (Conservation) Act, 1980
7. The Ancient Monuments and Archaeological Sites and Remains (Amendment and Validation) Act, 2010
8. Coastal Regulation Zone Notification, 2011

We further report that compliances/ processes/ systems under other specific applicable laws (as applicable to the Industry) are being relied on the basis of periodical certificate under internal compliance system submitted to the Board of Directors of the Company.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards as amended from time to time issued by the Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Stock Exchange(s) and SEBI (Listing Obligations and Disclosures Regulations), 2015 **(Not applicable to the Company during audit period)**

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc., mentioned above **subject to the following observation:**

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors except that there is no Woman Director on the Board. In this regard, section 149(1) read with rule 3 of Companies (Appointment & Qualification of Directors) Rules, 2014 inter alia provide that every public company having paid up share capital of one hundred crore rupees or more shall appoint at least one woman director. Accordingly, Dedicated Freight Corridor Corporation of India Limited is also required to appoint at least one woman director but the company has not complied with the provision of Act regarding appointment of Woman Director. As such the Registrar of Companies, NCT of Delhi & Haryana vide Order No. ROC/D/Adj/2022/Section149(1)/6205 dated 19.10.2022 has imposed a penalty of INR 2,31,500 on the Company which has been challenged before Regional Director, Northern Region by the Company.

We further report that:

Generally, adequate notice was given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance and in some cases at shorter notice, 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. Majority decision was carried through while the dissenting members' views are captured and recorded as part of the minutes.

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.

We further report that during the audit period the Company had following major events/ actions bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.;

1. Total 812 Rkm of DFC network was commissioned in FY 2022-23. Cumulative 2089 km out of 2843 km (73.5%) of DFC has been commissioned till March 2023.
2. Palanpur-Sanand North (Including Palanpur Connecting Line) (152 km) section of WDFC was commissioned for freight trains during the FY 2022-23.
3. Khurja-Dadri (46 km) section of EDFC was commissioned for freight trains during the FY 2022-23 which facilitated the seamless train operation between EDFC to WDFC and vice-versa.
4. Shujatpur-New Ahruara Road (195 km) broad gauge double line electrified section of EDFC was commissioned for freight trains during the FY 2022-23.
5. Bhaupur-Bhimsen (50 km) broad gauge double line electrified section of EDFC was commissioned for freight trains during the FY 2022-23.
6. Rewari-Dadri (127 km) of WDFC was commissioned and made operational during the FY 2022-23.
7. Khurja-Khatauli (134 km) broad gauge single line section of EDFC was commissioned for freight trains during the FY 2022-23.
8. Bhestan-Sanjan broad gauge double line electrified section (108 km) of WDFC was commissioned along with Indian Railways connectivity on 31.03.2023.
9. State-of-the-art Operations Control Centre (OCC) was commissioned at Ahmedabad on 30.03.2023 which will act as nerve for the entire route of 1506 km of WDFC.

For A. K. Rastogi & Associates
Company Secretaries

Sd/-
(A. K. RASTOGI)
Proprietor
FCS No: 1748
CP No.: 22973
UDIN: F001748E000947297

Place: Ghaziabad
Date: 05.09.2023

Annexure to Secretarial Audit Report

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

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

1. Maintenance 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 and happening of events, etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the Management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For A. K. Rastogi & Associates
Company Secretaries

Sd/-
(A. K. RASTOGI)
Proprietor
FCS No: 1748
CP No.: 22973
UDIN: F001748E000947297

Place: Ghaziabad
Date: 05.09.2023

Annexure – A1

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

Comment of Secretarial Auditor	Management Reply to the Comment of Secretarial Auditor
The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors except that there is no Woman Director on the Board. In this regard, section 149(1) read with rule 3 of Companies (Appointment & Qualification of Directors) Rules, 2014 inter alia provide that every public company having paid up share capital of one hundred crore rupees or more shall appoint at least one woman director. Accordingly, Dedicated Freight Corridor Corporation of India Limited is also required to appoint at least one woman director but the company has not complied with the provision of the Act regarding appointment of Woman Director. As such the Registrar of Companies, NCT of Delhi & Haryana vide Order No. ROC/D/Adj/2022/Section149(1)/6205 dated 19.10.2022 has imposed a penalty of INR 2,31,500 on the Company which has been challenged before Regional Director, Northern Region by the Company.	As per Article 81(1) of Articles of Association of the Company – The President shall have powers to appoint- (a) Full-time Chairman or, Part-time Chairman, Full-time Managing Director(s) or a Full-time Chairman-cum-Managing Director and other Full-time Directors; (b) The Directors representing the Government of India and/or any State Government; and (c) Other Directors including Independent Directors in consultation with the Chairman. The Directors appointed by the President shall hold office until removed by him or until their resignation, retirement, death or otherwise. Since, the power to appoint Directors on the Board of the Company is dealt by Ministry of Railways, representations requesting appointment of Woman Director have been made to the Ministry.

*After the issue of the Secretarial Audit Report dated 05.09.2023, vide Railway Board's Order No. 2021/PL/61/2 Pt. dated 06.09.2023, Smt. Jaya Varma Sinha has been appointed as the Part-time Chairman on the Board of the Company. In this regard, since the Company has a Woman Director on the Board, the Company is not in non-compliance of second proviso to section 149(1) of the Companies Act, 2013 as on date.

Annexure B

संख्या/डी. जी.ए./आर.सी/AA-DFCCIL/78-31/2023-24/428

दिनांक: 15.09.2023

सेवा में,
प्रबंध निदेशक
डेडीकेटेड फ्रेट कोरीडोर कॉर्पोरेशन ऑफ इंडिया लिमिटेड
5वीं मंजिल, सुप्रीम कोर्ट मेट्रो स्टेशन बिल्डिंग कॉम्प्लेक्स
नई दिल्ली – 110001

महोदय,

विषय: 31 मार्च 2023 को समाप्त वर्ष के लिए डेडीकेटेड फ्रेट कोरीडोर कॉर्पोरेशन ऑफ इंडिया लिमिटेड के वित्तीय विवरणों पर कंपनी अधिनियम 2013 की धारा 143(6)(b) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ।

मैं, डेडीकेटेड फ्रेट कोरीडोर कॉर्पोरेशन ऑफ इंडिया लिमिटेड के 31 मार्च 2023 को समाप्त वर्ष के वित्तीय विवरणों पर कंपनी अधिनियम 2013 की धारा 143(6)(b) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ अग्रेषित कर रहा हूँ।

कृपया इस पत्र की संलग्नको सहित प्राप्ति की पावती भेजी जाये।

संलग्न : यथोपरि

ह०/-
डॉ. नीलोत्पल गोस्वामी
महानिदेशक (रेलवे वाणिज्यिक)

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 ON 31ST MARCH 2023.

The preparation of Financial Statements of Dedicated Freight Corridor Corporation of India Limited for the year ended 31st March 2023 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the Standards on Auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 24.07.2023.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Dedicated Freight Corridor Corporation of India Limited for the year ended on 31st March 2023 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditor and is limited primarily to inquiries of the Statutory Auditor and Company personnel and a selective examination of some of the accounting records.

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

A. Comment on Balance Sheet

Non-Current Assets

- (a) Property, plant and equipment (Note No. 3) –
INR 35,95,237.40 Lakh.
- (b) Capital work in progress (Note No. 4) –
INR 41,62,129.09 Lakh.

The above amount represents the expenditure incurred by the Company on the construction of the Eastern and Western

Dedicated Rail Freight Corridors. The Company has entered into a Concession Agreement with the Ministry of Railways (MoR) to implement the project and operate and maintain the new Railway for a concession period of 30 years. As per clause 5.9 of the concession agreement, the Ministry of Railways will utilise the network and pay Track Access Charges to the Company.

The clarification given (February 2023) by the Ministry of Railways for the same neither gives the controlling rights to the Company nor confirms that the assets created by DFCCIL would be owned by it even after the expiry of the concession period of 30 years.

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

The Company has recognized infrastructure created under the Concession Agreement as 'Property, Plant and Equipment / Capital Work-in-Progress' in violation of Ind-AS 115. The same should have been depicted as 'Intangible Assets/ Financial Assets'. Therefore, Property, Plant and Equipment is overstated by INR 35,95,237.40 Lakh, Capital Work-in-Progress is overstated by INR 41,62,129.09 Lakh and correspondingly Intangible Assets/ Financial Assets (under development) is understated by INR 77,57,366.49 Lakh.

A similar comment was issued by the Comptroller & Auditor General of India on the financial statements of the Company for the financial year 2020-21 and 2021-22.

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

Sd/-

Dr. Nilotpal Goswami

Director General of Audit
Railway Commercial, New Delhi

Place: New Delhi
Dated:15.09.2023

Annexure - B1

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

Comment of Comptroller and Auditor General of India	Management Reply to the Comment of Comptroller and Auditor General of India
COMMENT ON BALANCE SHEET Non-Current Assets Property, Plant & Equipment - INR 35,95,237.40 Lakh - Note 3 Capital Work-in-Progress - INR 41,62,129.09 Lakh - Note 4 The above amount represents the expenditure incurred by the Company on the construction of the Eastern and Western Dedicated Rail Freight Corridors. The Company has entered into a Concession Agreement with the Ministry of Railways (MoR) to implement the project and operate and maintain the new Railway for a concession period of 30 years. As per clause 5.9 of the concession agreement, the Ministry of Railways will utilise the network and pay Track Access Charges to the Company. The clarification given (February 2023) by the Ministry of Railways for the same neither gives the controlling rights to the Company nor confirms that the assets created by DFCCIL would be owned by it even after the expiry of the concession period of 30 years. As per Para 11 of Ind AS 115 (Appendix-D), such infrastructure created under Service Concession Agreement cannot be recognized as Property, Plant and Equipment. The Company has recognized infrastructure created under the Concession Agreement as Property, Plant, and Equipment/ Capital Work-in-Progress' in violation of Ind-AS 115. The same should have been depicted as 'Intangible Assets/ Financial Assets.' Therefore, Property, Plant and Equipment is overstated by INR 35,95,237.40 Lakh, Capital Work-in-Progress is overstated by INR 41,62,129.09 Lakh and correspondingly Intangible Assets/ Financial Assets (under development) is understated by INR 77,57,366.49 Lakh. A similar comment was issued by the Comptroller & Auditor General of India on the Financial Statements of the Company for the financial year 2020-21 and 2021-22.	It is clearly mentioned in Sl. 4 in Scope of Appendix D to IND AS 115 as follows- <i>"This Appendix gives guidance on the Accounting by operators for Public-to-Private Service Concession Arrangements".</i> As DFCCIL is not a Private Sector Entity, Appendix D to Ind AS 115 is not applicable to DFCCIL. Further, the Management approached MoR seeking clarification and appropriate instructions in the above matter. MoR vide its letter no. 2021/infra/6/17 dated 11.01.2022 has examined the matter in the backdrop of C&AG comments and has decided as under – (i) Amount spent on construction of DFCs shall continue to be capitalised in the book of accounts of DFCCIL and therefore ownership and control of assets will vest with DFCCIL. (ii) MoR will not capitalise the assets built by DFCCIL in its books of account. (iii) Arrangement between DFCCIL and MoR cannot be treated as Public-Private Arrangement. It is also clarified that as of now DFCCIL is MoR's PSU (with 100% equity holding by Government of India) and not a private sector entity. MoR vide its letter No. 2021/Infra/6/17 dated 10.02.2023 reiterated that as per Cabinet decision for formation of DFCCIL, DFCCIL will own the assets created by them and amount spent on creation of such assets shall continue to be capitalized in the books of account of DFCCIL and that this clarification may be treated as part of Concession Agreement; and accordingly, based on the said communication, in the preparation and presentation of its financials for the year 2022-23, the Management has continued its accounting treatment and disclosures as hitherto.

Annexure C

Annual Report on CSR Activities

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

1. Brief outline on CSR Policy of the Company:-

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

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

Consequent to introduction of the Companies Act, 2013, a new CSR Policy of DFCCIL was formulated which was approved by the Board of Directors in its 47th meeting held on 13.11.2014. Based on the recommendations of the CSR Committee in its meeting held on 16.08.2022, the Board of Directors decided not to make any allotment for CSR activities for the financial year 2022-23 since 2% of the average net profit of three immediately preceding financial years was negative.

2. Composition of CSR Committee:-

Designation in Committee	From 01.04.2022 till 28.07.2022	From 29.07.2022 till 31.03.2023
Chairman	Shri B Ramana Kumar Independent Director	Shri Hari Mohan Gupta Director (Infrastructure)
Members	Shri Amarnath Yadav Independent Director	Shri Amarnath Yadav Independent Director
	Shri Hari Mohan Gupta Director (Infrastructure)	Shri Pawan Palta Independent Director
Special Invitee	Shri Hira Ballabh Director (Finance)	Shri Hira Ballabh Director (Finance)

During the financial year 2022-23, one meeting of the Corporate Social Responsibility Committee was held on 16.08.2022.

Name of Member/ Special Invitee	Total meeting held during tenure	No. of meeting attended during tenure
Shri B Ramana Kumar	NA	NA
Shri Hari Mohan Gupta	1	1
Shri Amarnath Yadav	1	1
Shri Pawan Palta	1	1
Shri Hira Ballabh	1	1

3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company:-

The Composition of the CSR Committee, CSR Policy and CSR Projects approved by the Board of Directors can be accessed at <https://dfccil.com/Home/DynemicPages?MenuId=72>.

4. Provide the details of impact assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):-

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

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:-

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in INR)	Amount required to be set-off for the financial year, if any (in INR)
1.	2019-20	Nil	Nil
2.	2020-21	Nil	Nil
3.	2021-22	46,46,434	Nil
Total		46,46,434	Nil

6. Average net profit of the company as per section 135(5): INR (45,19,12,333)

7. (a) Two percent of average net profit of the company as per section 135(5): **NIL**
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **NIL**
- (c) Amount required to be set off for the financial year, if any: **NIL**
- (d) Total CSR obligation for the financial year (7a+7b-7c): **NIL**
8. (a) CSR amount spent or unspent for the financial year.

Total Amount Spent for the Financial Year (in INR)	Amount Unspent (in INR)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
INR 24,30,500	Nil	Nil	Nil	Nil	Nil

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent in the current financial Year (in INR) *	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
1.	CII Saksham Phase-IV, MoU 2019-20 through Confederation of Indian Industries (CII)	II	Yes	Rajasthan, Maharashtra, U. P.	Jaipur, Ajmer, Bandikui, Mumbai, Khurja, Tundla	24,30,500*	No	CII	Not Required

***Note:-**

Status of CII - Saksham Phase IV (MoU 2019-20) up to Financial Year 2022-23 (INR in Lakh)					
Description	Estimated expenditure as per MoU	Actual expenditure incurred	Payment made to CII and adjusted in Company's books of accounts up to FY 2021-22	Payment made to CII and adjusted in company's books of accounts for the FY 2022-23	Cumulative total expenditure up to FY 2022-23
A	B	C	D	E	F
DFCCIL's Share (83.33%)	100	67.125	42.82	24.305	67.125
CII's Share (16.67%)	20	13.425	N/A	N/A	N/A
Total Project Cost (100%)	120	80.55	N/A	N/A	N/A

- (d) Amount spent in Administrative Overheads : **NIL**
- (e) Amount spent on Impact Assessment, if applicable : **NIL**
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e) : **INR 24,30,500**

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in INR)
(i)	Two percent of average net profit of the company as per section 135(5)	In Negative
(ii)	Total amount spent for the financial year	24,30,500
(iii)	Excess amount spent for the financial year [(ii)-(i)]	24,30,500
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	24,30,500

9. (a) Details of Unspent CSR amount for the preceding three financial years: **NIL**
- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): **NIL**
10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year **(Asset-wise details)**:
- (a) Date of creation or acquisition of the capital asset(s) - **Not Applicable**
- (b) Amount of CSR spent for creation or acquisition of capital asset(s) - **Not Applicable**
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.- **Not Applicable**
- (d) Provide details of the capital asset(s) created or acquired (Including complete address and location of the capital asset) - **Not Applicable**
11. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per section 135(5) - **Not Applicable**

Sd/-
Ravindra Kumar Jain
 Managing Director
 DIN: 08641707

Sd/-
Hari Mohan Gupta
 Director (Infrastructure)
 (Chairman/CSR Committee)
 DIN: 08453476

Not Applicable
 [Person Specified under clause (d)
 of sub-section(1) of section 380 of the Act]
 (Wherever Applicable)

Corporate Governance Report

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

The Company believes that the best levels of transparency and accountability in all areas of its operations and in all of its transactions will enable it to achieve its goals and objectives. The Company places key value in the philosophy of "Speed, Sincerity, and Success". Corporate Governance is the application of best management practices, compliance of laws, rules, regulations and adherence to standards to accomplish the objectives. For this reason, the Company continually strives to uphold the corporate governance concepts, such as "Accountability, Responsibility, Transparency, and Fair Disclosures" in managing its business.

2 Board of Directors

2.1. Composition of the Board

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

- Chairman & Chief Executive Officer of Railway Board as Part-time Chairman.

- Five Full-time Functional Directors including Managing Director.
- One Part-time Official Director from Ministry of Railways, Government of India.
- One Part-time Official Director from NITI Aayog.
- Four Non-official Part-time/Independent Directors including one from Financial Institution depending on requirement.

2.2. Strength of the Board

In terms of Article 81(1) of the Articles of Association of the Company, the President of India has the power to appoint Directors of the Company. As on the date of report, the total strength of the Board of Directors of the Company is ten, comprising of one Part-time Chairman, five Whole-time Directors including Managing Director, one Part-time Official Director from Ministry of Railways, Government of India, one Part-time Official Director from NITI Aayog and two Part-time Non-official Directors.

The detail pertaining to Appointments/Cessations of Directors to/from Board of the Company during the FY 2022-23 and during the period after the end of the FY till the date of this report is mentioned under Point 5 "Management" of the Director's Report.

2.3. Particulars of Directors, their Directorships, attendance in the Board Meetings held during the FY 2022-23 and in the last Annual General Meeting:

Sr. No.	Particulars of Directors	No. of Directorship/ Chairmanship in other companies including DFCCIL	No. of Committee Membership/ Chairmanship in other companies including DFCCIL	No. of Board Meetings held during 2022-23 (during the respective tenure of Directors)	No. of Board Meetings attended (during the respective tenure of Directors)	Last Annual General Meeting attended
1.	Shri Vinay Kumar Tripathi Chairman & CEO/Railway Board & Part-time Chairman/DFCCIL (DIN - 09463988) (Held office from 12.01.2022 to 31.12.2022)	3*	0	5	5	Yes
2.	Shri Anil Kumar Lahoti Chairman & CEO/Railway Board & Part-time Chairman/DFCCIL (DIN - 10053659) (Held office from date of allotment of DIN, i.e., 22.02.2023 to 31.08.2023)	3**	0	1	1	N/A

Sr. No.	Particulars of Directors	No. of Directorship/ Chairmanship in other companies including DFCCIL	No. of Committee Membership/ Chairmanship in other companies including DFCCIL	No. of Board Meetings held during 2022-23 (during the respective tenure of Directors)	No. of Board Meetings attended (during the respective tenure of Directors)	Last Annual General Meeting attended
3.	Smt. Jaya Varma Sinha Chairperson & CEO/Railway Board & Part-time Chairman/ DFCCIL (DIN - 09295401) (Holds office since 06.09.2023)	3***	0	N/A	N/A	N/A
II. Functional Directors (Whole-time Directors)						
1.	Shri Ravindra Kumar Jain Managing Director (DIN - 08641707) (Holds office since 11.12.2020)	1	0	6	6	Yes
2.	Shri Hira Ballabh Director (Finance) (DIN - 08738632) (Holds office since 05.05.2020)	1	AC/DFCCIL (Member)	6	6	Yes
3.	Shri Nanduri Srinivas Director (Operations & Business Development) (DIN - 08763509) (Holds office since 15.06.2020)	1	0	6	6	Yes
4.	Shri Hari Mohan Gupta Director (Infrastructure) (DIN - 08453476) (Holds office since 13.10.2020)	1	CSRC/DFCCIL (Member from 20.12.2021)	6	5	Yes
5.	Shri Hari Mohan Gupta Director (Project Planning) (L/A) (DIN - 08453476) (Held Additional Charge from 01.04.2021 till 18.04.2022)	N/A	N/A	N/A	N/A	N/A
6.	Shri Pankaj Saxena Director (Project Planning) (DIN - 09399859) (Holds office since 19.04.2022)	1	0	5	5	Yes
III. Part-time Official Director (Nominee Director)						
1.	Shri Ravindra Nath Singh PED(Infrastructure)/ Railway Board & Nominee Director/DFCCIL (DIN - 08488013) (Held office from 20.06.2019 till 02.01.2023)	2****	NRC/DFCCIL (Chairman till 28.07.2022)	4	4	Yes
2.	Shri Sudhendu Jyoti Sinha Advisor(Infrastructure Connectivity)/NITI Aayog & Nominee Director/DFCCIL (DIN- 09560426) (Holds office since date of allotment of DIN, i.e., 04.04.2022)	1	0	6	3	No

Sr. No.	Particulars of Directors	No. of Directorship/ Chairmanship in other companies including DFCCIL	No. of Committee Membership/ Chairmanship in other companies including DFCCIL	No. of Board Meetings held during 2022-23 (during the respective tenure of Directors)	No. of Board Meetings attended (during the respective tenure of Directors)	Last Annual General Meeting attended
3.	Shri Mukul Saran Mathur PED(Infrastructure)/ Railway Board & Nominee Director/DFCCIL (DIN - 07361718) (Holds office since 03.01.2023)	2*****	NRC/DFCCIL (Member from 28.02.2023)	1	1	N/A
IV. Part-time Non-official Directors (Independent Director)						
1.	Shri B. Ramana Kumar (DIN- 08523013) (Held office from 29.07.2019 till 28.07.2022)	1	AC/DFCCIL (Chairman till 28.07.2022) NRC/DFCCIL (Member till 28.07.2022) CSRC/DFCCIL (Chairman till 28.07.2022)	3	3	N/A
2.	Shri Pawan Palta (DIN - 08480388) (Holds office since 09.11.2021)	2*****	AC/DFCCIL (Member) NRC/DFCCIL (Member) CSRC/DFCCIL (Member from 29.07.2022)	6	6	No
3.	Shri Amarnath Yadav (DIN - 09428165) (Holds office since date of allotment of DIN, i.e., 07.12.2021)	1	AC/DFCCIL (Member from 29.07.2022) NRC/DFCCIL (Member) CSRC/DFCCIL (Member)	6	6	No

* Shri Vinay Kumar Tripathi held the office of Director in National High Speed Rail Corporation of India Limited (CIN: U60200DL2016GOI291002) and NRTU Foundation (CIN:U80904DL2018NPL333437) along with holding Directorship in DFCCIL.

** Shri Anil Kumar Lahoti held the office of Director in National High Speed Rail Corporation of India Limited (CIN: U60200DL2016GOI291002) and NRTU Foundation (CIN: U80904DL2018NPL333437) along with holding Directorship in DFCCIL.

***Smt. Jaya Varma Sinha is holding the office of Director in National High Speed Rail Corporation of India Limited (CIN: U60200DL2016GOI291002) and NRTU Foundation (CIN: U80904DL2018NPL333437) along with holding Directorship in DFCCIL.

**** Shri Ravindra Nath Singh held the office of Director in National High Speed Rail Corporation of India Limited (CIN: U60200DL2016GOI291002) along with holding Directorship in DFCCIL.

***** Shri Mukul Saran Mathur is holding the office of Director in National High Speed Rail Corporation of India Limited (CIN: U60200DL2016GOI291002) along with holding Directorship in DFCCIL.

***** Shri Pawan Palta is holding the office of Director in LTR Smartapp Private Limited (CIN: U72900PB2019PTC049614) along with holding Directorship in DFCCIL.

NOTES:

1. The Directorships held by the Directors are within the limits laid down under Section 165 of the Companies Act, 2013. For reckoning the limit of public companies in which a person can be appointed as director, directorship in private companies that are either holding or subsidiary company of a public company is included.
2. For the purpose of reckoning Membership/ Chairmanship in Board Committees, the Audit Committee, Corporate Social Responsibility Committee and Nomination and Remuneration Committee of public and private companies are considered.
3. The acronym "AC" denotes "Audit Committee", "NRC" denotes "Nomination and Remuneration Committee" and "CSRC" denotes "Corporate Social Responsibility Committee".
4. The acronym "N/A" denotes "Not Applicable" as the concerned Directors have joined the Board after the FY 2022-23.

2.4. Board Meetings

During the FY 2022-23, the Board of Directors met six times to transact business. The meetings of the Board of Directors of the Company were held on below-mentioned dates-

Meeting	Dates
1st Meeting	11.04.2022
2nd Meeting	30.06.2022
3rd Meeting	27.07.2022
4th Meeting	19.09.2022
5th Meeting	09.11.2022
6th Meeting	28.02.2023

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

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

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

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

and enrichment from Japan (Railway Management), Malaysia (ICLIF - Advance Management), Singapore (INSEAD - Advance Management), Germany (UIC) and the US (Oracle).

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

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

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

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

- **Shri Anil Kumar Lahoti, Chairman & Chief Executive Officer/Railway Board as Part-time Chairman w.e.f 22.02.2023 (Date of allotment of DIN) till 31.08.2023**

Shri Anil Kumar Lahoti, IRSE Officer of 1984 batch, is a graduate in Civil Engineering with Gold Medal from Madhav Institute of Technology and Science, Gwalior and did his Master of Engineering (Structures) from University of Roorkee (IIT, Roorkee). During his illustrious career of over 36 years in Railways, he has worked in various capacities in Central, Northern, North Central, Western and West Central Railways and in Railway Board.

Previously, Shri Lahoti has worked as General Manager, Central Railway and also looked after the charge of GM, Western Railway for several months. His stint as General Manager is credited with achieving highest ever freight and parcel traffic in terms of tonnage carried and revenue earned including running of the highest number of Kissan Rails. He also brought about record improvement in revenue by non-fare opportunities, sale of scrap and extensive ticket checking drives. He successfully steered and resolved the vexed issue of expansion of air conditioned sub-urban services in Mumbai. During his tenure, Central Railway recorded a quantum jump in execution and commissioning of infrastructure projects and commissioned the long awaited 5th & 6th line between Diva and Thane in Mumbai.

He has worked as Divisional Railway Manager, Lucknow, Northern Railway, where he took several initiatives to improve freight movement on the Lucknow-Varanasi-DDU route as an alternative to the congested Ghaziabad-Prayagraj-DDU route. His stint saw a substantial improvement in passenger amenities and cleanliness standards at stations in Lucknow division. As Chief Administrative Officer (Construction) and Chief Engineer (Construction) in Northern Railways, he executed a large number of infrastructure projects of New Lines, Doubling and multi-tracking of track, yard remodelling, important bridges, station construction, etc. The Anand Vihar Terminal in Delhi and the iconic Ajmeri Gate side station building of New Delhi station were planned and constructed by him. He was also closely associated with planning for redevelopment of New Delhi Station as a World Class station including commercial development of land and air space.

During his stint as Executive Director and Director in Railway Board, he took several policy, planning and procurement initiatives on safety, infrastructure maintenance, rehabilitation and upgradation of permanent way, particularly for raising speeds of operation and carriage of higher axle loads. He formulated and implemented a comprehensive Master Plan for Complete Mechanisation of Track Maintenance with state-of-the-art machines for improving quality of track maintenance. He also took several initiatives for optimising cost of maintenance by framing a well-researched objective maintenance criteria and developing a cost effective model for track maintenance organisation. He is credited with meticulous planning and successful implementation of rail grinding maintenance on Indian Railways.

He has taken training in Strategic Management and Leadership programs at Carnegie Mellon University, Pittsburgh, USA; Bocconi School of Management, Milan, Italy; and Indian School of Business, Hyderabad. He has carried out studies of development of stations in Hong Kong, Japan, UK, Germany and Switzerland including commercial development on railway land. He has also visited several countries in connection with developments in track technology and track maintenance machines.

- **Shri Mukul Saran Mathur, Principal Executive Director(Infrastructure)/Railway Board as Part-time Official Director w.e.f 03.01.2023**

Shri Mukul Saran Mathur, IRTS 1988 batch officer, is a Law and Management Graduate (from Delhi University and MDI Gurgaon, respectively) and has done Executive Leadership Programme from SDA, Bocconi School of Management, Milan, Italy. Shri Mathur has previously worked as Principal Chief Operations Manager, Principal Chief Commercial Manager West Central Railway, Chief Operations Manager/Northern Railway, DRM Waltair (Vishakapatnam), Executive

Director/PPP (Ministry of Railways) and Director Transport Planning (Ministry of Railways). He has also worked as the Head of Asia office of International Union of Railway.

He has played a key role in initiating port/mine connectivity projects through PPP, Dedicated Freight Corridor Project, High Speed Train Project, FDI on Indian Railways and was involved in conceptualization and finalization of key infrastructure projects. He was instrumental in forming the PPP policy of 2012 and advised the drafting of concession agreements of different PPP models. He has vast experience in dealing with international transport issues and has closely worked with international organizations like UNESCAP, BIMSTEC, UIC, IHHA, SAARC, ADB. As DRM, he was instrumental in rebuilding of 100 feet high KK Line Bridge in a hilly terrain in 58 days and construction of 6 m wide FOB in Vizainagaram in 88 days.

For his contributions, he was awarded General Manager Award in 1995, Railway Ministry National Award for efficiency in 2005, Change Agent Award from Railway Ministry in 2018, Leadership Excellence Award from Ministry of Railways in 2019 and Safaigiri Award in 2019 from India Today Group. His articles have been published in national dailies (Indian Express and Financial Express), Le Rail (French Journal) and IIM Ahmedabad Journal in the past. As an avid sportsman, he has built top class sports infrastructure in Vishakhapatnam, organized National Championships for boxing and weightlifting and has mentored the National Cricket Team of the Railways as Chief Selector and Manager.

- **Smt. Jaya Varma Sinha, Chairman & Chief Executive Officer/Railway Board as Part-time Chairman w.e.f 06.09.2023**

Smt. Jaya Varma Sinha, Chairman & Chief Executive Officer, Railway Board has been appointed as the Chairman of the Company w.e.f. 06.09.2023. Prior to being appointed as the Chairman & Chief Executive Officer, Railway Board, Smt. Sinha was holding office as the Member (Operations & Business Development), Railway Board whereby she was responsible for the overall transportation of the freight and passenger services on Indian Railways. Smt. Sinha is an alumnus of Allahabad University and she joined the Indian Railway Traffic Service (IRTS) in 1988. Her career of over 35 years in the Indian Railways includes serving as the Additional Member (Traffic Transportation), Railway Board. She has worked on diverse verticals spanning operations, commercial, IT and vigilance. She has been the first woman to be appointed as Railway Advisor in the High Commission of India in Dhaka, Bangladesh during which the famous Maitri Express from Kolkata to Dhaka was inaugurated. She has a keen interest in photography.

2.6. Board Evaluation

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

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

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

2.7. Training of Board Members

The Board Members and Senior Management Personnel are nominated for various training programs from time to time. New Directors joining the Board are provided

with documents about the Company which include the Company's profile, Memorandum and Articles of Association, Brochure, previous Annual Reports, MoU Documents, DPE Guidelines on Corporate Governance, terms of reference of various committees of the Board.

3 Board Committees

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

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

3.1. Audit Committee

3.1.1. Composition

The composition, quorum, role, and terms of reference of the Audit Committee are in accordance with section 177 of the Companies Act, 2013, read with rule 6 of the Companies (Meetings of the Board and its Power) Rules, 2014, rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and Chapter 4 of the DPE Corporate Governance Guidelines, 2010 as amended from time to time. The Audit Committee was originally constituted on 14.03.2008 and has been reconstituted as and when there has been a change in directors. During FY 2022-23, the Audit Committee was reconstituted one time and the composition thereof during the FY 2022-23 was as follows:

Designation in Committee	From 01.04.2022 till 28.07.2022	From 29.07.2022 till 31.03.2023
Chairman	Shri B Ramana Kumar Independent Director	Shri Amarnath Yadav Independent Director
Members	Shri Hira Ballabh Director (Finance)	Shri Pawan Palta Independent Director
	Shri Pawan Palta Independent Director	Shri Hira Ballabh Director (Finance)
Special Invitee	Shri Hari Mohan Gupta Director (Infrastructure)	Shri Hari Mohan Gupta Director (Infrastructure)

Chairman of the Audit Committee was overseas and could not attend the 16th Annual General Meeting held on 26.09.2022 and had nominated Director/Finance to answer shareholder queries.

3.1.2. Meetings

During the FY 2022-23, seven meetings of the Audit Committee were held on 20.05.2022, 27.06.2022, 12.07.2022, 20.07.2022, 15.09.2022, 13.01.2023 and 06.03.2023 respectively.

Name of Member	Total meetings held during the tenure of Member	No. of meetings attended during the tenure of Member
Shri B. Ramana Kumar	4	4
Shri Pawan Palta	7	6
Shri Amarnath Yadav	3	3
Shri Hira Ballabh	7	7

3.1.3. Terms of Reference

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

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

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

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

The role of the Audit Committee shall include the following-

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

- Disclosure of any related party transactions; and
- Qualifications in the draft audit report.

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

Explanation: The term "related party transactions" shall have the same meaning as contained in the Accounting Standard 18, issued by the Institute of Chartered Accountants of India.
18. Review with the Independent Auditor the co-ordination of audit efforts to assure completeness of coverage, reduction of redundant efforts, and the effective use of all audit resources.

19. Consider and review the following with the independent auditor and the management:
 - The adequacy of internal controls including computerized information system controls and security; and
 - Related findings and recommendations of the Independent Auditor and Internal Auditor, together with the management responses.
20. Consider and review the following with the Management, Internal Auditor and the Independent Auditor:
 - Significant findings during the year, including the status of previous audit recommendations
 - Any difficulties encountered during audit work including any restrictions on the scope of activities or access to required information.
21. Carrying out any other function as is mentioned in the terms of reference of the Audit.

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

In terms of Clause 4.5 of the Chapter-4 of the DPE Guidelines, 2010 the Committee shall review the following information-

1. Management discussion and analysis of financial condition and results of operations.
2. Statement of related party transactions submitted by Management.
3. Management letters/letters of internal control weakness issued by the Statutory Auditors.
4. Internal audit reports relating to internal control weakness.
5. The appointment and removal of the Chief Internal Auditor shall be placed before the Audit Committee; and
6. Certification/declaration of financial statements by the Chief Executive/Chief Finance Officer.

Additional Terms of Reference for the Audit Committee in terms of section 177(4) of the Companies Act, 2013 as prescribed by Board of Directors in its 45th Meeting held on 13.06.2014.

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

1. The recommendation for Nomination and Remuneration and terms of appointment of auditors of the company;

2. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
3. Examination of the financial statement and the auditors' report thereon;
4. Approval or any subsequent modification of transactions of the company with related parties;
5. Scrutiny of inter-corporate loans and investments;
6. Valuation of undertakings or assets of the company, wherever it is necessary;
7. Evaluation of internal financial controls and risk management systems;
8. Monitoring the end use of funds raised through public offers and related matters; and
9. To oversee the vigil mechanism and to provide for adequate safeguards against victimization of employees and directors who avail of the 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.

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

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

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

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

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

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

1. The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company.
2. All powers, as may be required, for executing the Scope of the Audit Committee.
3. The Audit Committee shall have authority to investigate into any matter in relation to the items specified in sub-section (4) of section 177 of the Companies Act, 2013, or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the company.

3.2. Nomination and Remuneration Committee

3.2.1. Composition

The composition, quorum, role, and terms of reference of the Nomination and Remuneration Committee are in accordance with section 178 of the Companies Act, 2013, read with rule 6 of Companies (Meetings of Board and its Powers) Rules, 2014 and rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014, and Chapter 4 of the DPE Corporate Governance Guidelines, 2010 as amended from time to time. The Committee was constituted on 13.08.2015 by dissolving and merging erstwhile HR Committee and Remuneration Committee. During FY 2022-23, the Nomination and Remuneration Committee was reconstituted two times and the composition thereof during the FY 2022-23 was as follows:

Designation in Committee	From 01.04.2022 till 28.07.2022	From 29.07.2022 till 27.02.2023	From 28.02.2023 till 31.03.2023
Members	Shri Ravindra Nath Singh Nominee Director, MoR	Shri Ravindra Nath Singh Nominee Director, MoR	Shri Mukul Saran Mathur Nominee Director, MoR
	Shri B Ramana Kumar Independent Director	-	-
	Shri Pawan Palta Independent Director	Shri Pawan Palta Independent Director	Shri Pawan Palta Independent Director
	Shri Amarnath Yadav Independent Director	Shri Amarnath Yadav Independent Director	Shri Amarnath Yadav Independent Director
Special Invitee	Shri Nanduri Srinivas Director (OP&BD)	Shri Nanduri Srinivas Director (OP&BD)	Shri Nanduri Srinivas Director (OP&BD)
	Shri Hari Mohan Gupta Director (Infrastructure)	Shri Hari Mohan Gupta Director (Infrastructure)	Shri Hari Mohan Gupta Director (Infrastructure)

3.2.2. Meetings

During the FY 2022-23, two meetings of the Nomination and Remuneration Committee were held on 28.06.2022 and 26.07.2022 respectively.

Name of Member	Total meetings held during the tenure of Member	No. of meetings attended during the tenure of Member
Shri Ravindra Nath Singh	2	2
Shri B. Ramana Kumar	2	2
Shri Pawan Palta	2	2
Shri Amarnath Yadav	2	2
Shri Mukul Saran Mathur	N/A	N/A

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

3.2.3. Terms of Reference

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

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

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

Note: With reference to clause 2.5 of the Code of Business Conduct and Ethics for Board Members and Senior Management Personnel duly approved by the Board, the term "Senior Management Personnel" shall mean personnel of the Company who are members of its core management team excluding Board of Directors and would comprise all members of management one level below the Whole-time Directors including all functional heads.

2. The Nomination and Remuneration Committee shall recommend to the Board a policy, relating to the remuneration of the Senior Management and other employees.
3. The Nomination and Remuneration Committee shall, while formulating the policy under point (2) ensure that-
 - Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - Remuneration to senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

3.3. Corporate Social Responsibility Committee

3.3.1. Composition

The composition, quorum, role, and terms of reference of the Corporate Social Responsibility Committee are in accordance with Section 135 of the Companies Act, 2013. The Committee was constituted on 13.06.2014 and has been reconstituted as and when there has been a change in directors. During FY 2022-23, the Corporate Social Responsibility Committee was reconstituted one time and the composition thereof during the FY 2022-23 was as follows:

Designation in Committee	From 01.04.2022 till 28.07.2022	From 29.07.2022 till 31.03.2023
Members	Shri B Ramana Kumar Independent Director	Shri Pawan Palta Independent Director
	Shri Amarnath Yadav Independent Director	Shri Amarnath Yadav Independent Director
	Shri Hari Mohan Gupta Director (Infrastructure)	Shri Hari Mohan Gupta Director (Infrastructure)
Special Invitee	Shri Hira Ballabh Director (Finance)	Shri Hira Ballabh Director (Finance)

3.3.2. Meetings

During the FY 2022-23, one meeting of the Corporate Social Responsibility Committee was held on 16.08.2022.

Name of Member	Total meetings held during tenure	No. of meetings attended during tenure
Shri B. Ramana Kumar	N/A	N/A
Shri Amarnath Yadav	1	1
Shri Pawan Palta	1	1
Shri Hari Mohan Gupta	1	1

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

3.3.3. Terms of Reference

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

The Corporate Social Responsibility Committee shall, -

1. Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act, 2013;
2. Recommend the amount of expenditure to be incurred on the activities referred to in point (1); and
3. Monitor the Corporate Social Responsibility Policy of the company from time to time.

4 Independent Directors' Meeting

In terms of Section 149(8) read with Schedule IV "Code for Independent Directors" of the Companies Act, 2013, the Independent Directors' Meeting was held on 27.12.2022 which was attended by all the Independent Directors through video-conferencing.

5 Remuneration

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

The Part-time Official Directors (Government Nominee Directors) on the Board of the Company do not draw any remuneration from the Company. They draw remuneration from the Government only as Government Officials. The Part-time Non-official Directors (Independent Directors) are paid sitting fees for the Board/Committee Meetings attended during the FY.

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

Name and Designation	Salary and Allowances	Other Benefits and Perks	Performance Linked Incentive	Total
Shri Ravindra Kumar Jain (Managing Director)	INR 51,61,579	INR 9,38,337.15	Nil	INR 60,99,916.15
Shri Hira Ballabh (Director/Finance & CFO)	INR 45,80,479	INR 9,88,963.85	Nil	INR 55,69,442.85
Shri Nanduri Srinivas (Director/OP&BD)	INR 48,50,880	INR 6,73,027.80	Nil	INR 55,23,907.80
Shri Hari Mohan Gupta (Director/Infrastructure)	INR 50,27,184	INR 9,36,099.81	Nil	INR 59,63,283.81
Shri Pankaj Saxena (Director/Project Planning)	INR 43,76,454	INR 9,57,506.15	Nil	INR 53,33,960.15
Ms. Meenu Kapoor (Company Secretary)	INR 26,34,030	INR 4,06,437.05	Nil	INR 30,40,467.05
Total	INR 2,66,30,606	INR 49,00,371.81	Nil	INR 3,15,30,977.81

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

Name of Director	Sitting Fees paid**	Total no. of Board Meetings and Committee Meetings attended
Shri B. Ramana Kumar	INR 1,80,000	9
Shri Pawan Palta	INR 3,00,000	15
Shri Amarnath Yadav	INR 2,40,000	12
Total	INR 7,20,000	36

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

6 Annual General Meetings

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

AGM	Year	Venue	Date	Time
14th	2019-20	Committee Room, 2nd Floor, Rail Bhawan, Raisina Road, New Delhi-110001	17.12.2020	15:00 Hrs
15th	2020-21	Committee Room, 2nd Floor, Rail Bhawan, Raisina Road, New Delhi-110001	16.11.2021	15:30 Hrs
16th	2021-22	Committee Room, 2nd Floor, Rail Bhawan, Raisina Road, New Delhi-110001	26.09.2022	15:00 hrs

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

7 Audit Qualifications

Detailed information regarding reservation, qualification or adverse remarks by auditors along with Management's reply may be referred from Point 7.3 "Explanation/comments by Management on reservation, qualification or adverse remarks by auditors" of the Directors' Report.

and Ethics was received from all the Board Members and Senior Management Personnel. A declaration signed by Managing Director affirming the compliance with the Code of Business Conduct and Ethics by Board Members and Senior Management Personnel during the FY 2022-23 is placed at **Annexure D2**.

8 CEO/CFO Certification

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

9 Other Disclosures

- No materially significant related party transactions except those which been disclosed vide Note 35 to the Financial Statements have been reported.
- All the items of expenditure debited in the books of account of the Company are for the purpose of project execution entrusted to the Company and are related to project execution.
- There are no personal expenses incurred for the Board of Directors.
- The net administrative expenses as a percentage of total expenses have increased from 3.28% in 2021-22 to 4.99% in 2022-23.

10 Code of Business Conduct and Ethics

A Code of Business Conduct and Ethics for the Board Members and Senior Management Personnel based on the Model Code of Conduct suggested in the DPE Guidelines on Corporate Governance, 2010 as approved by the Board of Directors, is placed on the website of the Company at <https://dfccil.com/Home/DynemicPages?MenuId=71>. An annual affirmation to the Code of Business Conduct

11 Corporate Communication

Recognising that effective corporate communication is essential in promoting and strengthening the brand recall of an organisation, the Company has established a dedicated Corporate Communication department. This department develops and implements strategic communication plans, both internally and externally, to ensure consistent engagement with all stakeholders. Additionally, it plays a vital role in managing crisis communication and addressing any potential reputational risks that may arise.

The commissioning of major sections of DFC has enhanced its reputation. Shri Narendra Modi, Hon'ble Prime Minister, Shri Ashwini Vaishnaw, Hon'ble Union Minister for Railways, Communications, Electronics & Information Technology and other ministers have notably emphasised the Company's pivotal contribution to nation-building. This acknowledgement from the Government has enabled the Company to gain massive traction in Print, Electronic and Digital media.

The Company's online presence is dynamic and far-reaching, spanning numerous social media platforms, including Twitter, Facebook, YouTube, Koo, Instagram and LinkedIn. It enjoys a substantial following among diverse stakeholders and the public at large. These platforms showcase major milestones, accomplishments, inaugurations, project highlights, events, participation in exhibitions and so on, demonstrating the Company's active engagement on social media channels. The status of the Company's Social Media presence as on 31.03.2023 is as below:

Particulars	Twitter handle (verified)	Facebook page (verified)	Youtube Channel (verified)	Koo Handle (Verified)	LinkedIn Page
Page/Account/Channel created on	09.09.2015	26.06.2015	03.12.2015	03.12.2021	03.08.2022
No. of followers	28430+	46700+	24040+	38750+	4060+
No. of followers added in the FY	4130	27000	1320	33600	4060

- **Press Releases:** Press releases are periodically disseminated to Journalists showcasing various commissioning and operating milestones of the Company. Over 22 press releases were issued to the national media during the FY.
- **One-on-one interaction with the media:** The direct interaction of the Managing Director of the Company with press correspondents of leading news organisations was organised and interviews were published in different leading newspapers. A media tour was organised for the national media to cover the dedication to the nation of the 62 km New Palanpur-New Mahesana section of the WDFC and the 13 km-long New Palanpur-New Chatodar Section (Palanpur bypass line) on 30.09.2022.
- **Coverage in Electronic Media:** There has been extensive coverage of DFC in leading electronic and digital media channels.
- **Coverage in Print Media:** During the period, local media coverage covering various facets of DFC's construction and completion of important segments has been covered in English, Hindi and other regional languages.
- **Printing of Publicity Material:** The Company's brochure is updated regularly, along with booklets, with each and every development.
- **Participation in exhibitions:**

a. Exhibition on Nation Building & CPSEs held during June 9 to 12, 2022

Smt. Nirmala Sitharaman, Hon'ble Minister of Finance & Corporate Affairs and Sh. Bhupendra Patel, Hon'ble Chief Minister of Gujarat, visited the DFCCIL stall on 09.06.2022 and expressed keen interest in the progress and the operational sections of DFC as well as the future corridors at the exhibition on "Nation Building & CPSEs" during the Iconic Day celebrations by the Department of Public Enterprises. The exhibition organised by DPE, the governing department for all the Central Public Sector Enterprises (CPSEs), was organised at the Mahatma Mandir Exhibition and Convention Centre in Gandhinagar, Gujarat. The Company stall displayed the entire alignment of the Eastern and Western Dedicated Freight

Corridors, which included the sections already commissioned, the ones completed and those in progress. The various technological, engineering, operational and business development milestones were also showcased in the exhibition.



b. Innorail 2022

The High-tech DFCCIL stall at the Innorail 2022 exhibition, organised during November 17 to 19, 2022 at RDSO, Lucknow, showcased various technological and innovative achievements such as cyber signalling and the in-house developed Dedicated Freight Information System (DFIS), which piqued the interest of visitors.



- **Publishing of Advertisements:** Advertisements are released in national and regional newspapers covering land acquisition, tenders, opening of sections and recruitment periodically. The Company's Corporate Communication Department prints all advertisements related to tenders or other notifications in newspapers from the Corporate Office. For FY 2022-23, an amount of INR 2,51,12,006 was spent on advertisements.
- **Corporate Films:** Corporate films on DFC have been created to communicate certain details about the organisation to internal and external stakeholders.
- **Communication Strategy:** The Company's Communication Strategy aims at informing an array of stakeholders, including government agencies, the Ministry of Railways, the media, opinion makers, lending agencies and the society at large, about the progress of one of Independent India's most significant infrastructure projects. This is achieved by disseminating information about the progress of the project and milestones, among others, to the stakeholders.

12 Whistle Blower Policy

The Company believes in creating a culture where it should be safe for all the employees to raise concerns about any

unethical practices or misconduct. The policy provides a framework to enable employees wishing to raise a concern about serious irregularities within the Company without fear of victimization. The policy covers Protected Disclosures by employees of the Company including those on deputation. The Company is committed to ensuring that no unfair treatment is meted out to a Whistle Blower by virtue of his/her having reported a Protected Disclosure under this Policy in good faith including protection against discrimination, harassment, threat or intimidation, termination/suspension of service, disciplinary action and victimization. A person making a Protected Disclosure under this Policy can request the CVO for such protection. Complete details regarding the Whistle-blower Policy of the Company can be accessed from <https://dfccil.com/Home/DynemicPages?MenuId=175> as available on the website. Moreover, it is affirmed that no personnel has been denied access to the Audit Committee.

13 Compliance Certificate

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

Annexure D1

Managing Director and Director (Finance)/ CFO Certification

We have reviewed the Financial Statements including the Balance sheet, Statement of Profit & Loss, Cash Flow Statement, Statement of Changes in Equity and related explanatory notes for the financial year 2022-23 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, the 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.

Place: New Delhi
Date: 19.09.2023

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

Sd/-
Ravindra Kumar Jain
Managing Director
DIN: 08641707

Annexure - D2**Declaration by Managing Director Regarding Compliance with the Code of Business Conduct and Ethics by Board Members and Senior Management during Financial Year 2022-23**

I, Ravindra Kumar Jain, Managing Director of Dedicated Freight Corridor Corporation of India Limited do hereby declare that all the functional members of the Board of Directors and the Senior Management Personnel have affirmed compliance of the Code of Business Conduct and Ethics during financial year 2022-23.

Place: New Delhi
Date: 16.05.2023

Sd/-
Ravindra Kumar Jain
Managing Director
DIN: 08641707

Annexure - D3

Compliance Certificate on Corporate Governance

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

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 (CIN: U60232DL2006GOI155068)** [hereinafter referred to as ("**the Company**")]] for the Financial Year ended on 31st March 2023 as stipulated in Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 issued by Department of Public Enterprise (DPE), Ministry of Finance, 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. I 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 me.
4. I certify that in respect of the aforesaid financial year ended on 31st March 2023, 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. I certify that in respect of the aforesaid financial year ended on 31st March 2023, the Company has complied with various provisions of the Guidelines with respect to its Corporate Governance.

For **Balika Sharma & Associates**
Company Secretaries

Sd/-
(Balika Sharma)
Proprietor
FCS No.: 4816
CP No.: 3222
UDIN: F004816E000914703

Place: New Delhi
Date: 01.09.2023

Annexure E

Management Discussion and Analysis

1. The Indian Economy Overview

The Indian economy navigated a complex macroeconomic environment to close the fiscal year 2022-23 with a growth rate of 7.2%, outpacing the 7% projection by the Reserve Bank of India and the Government. This uptick was largely propelled by robust private investments and substantial capital spending by the Government, along with an increase in service exports in dollar terms. Yet, this optimistic performance rides on the back of significant challenges associated with high inflation, particularly rising food and energy prices. It has also largely eroded consumer purchasing power.

The fiscal year 2022-23 saw the Indian economy grow at 7.2%, primarily driven by private investments and surging service export.

2. Outlook for the Indian Economy

Looking ahead, the Indian economy is set to maintain a positive trajectory, with projections for the fiscal year 2024 indicating a growth rate of 6.5%. Both the Reserve Bank of India and the Government echo this sentiment, underlining a consistent economic outlook. Adding to this optimism are the Purchasing Managers' Index (PMI) figures for both manufacturing and service sectors, along with business confidence surveys conducted by the RBI, which collectively provide solid ground for anticipating a stable economic expansion. While it is important to acknowledge that the global stage presents a blend of geopolitical complexities and economic uncertainties, these external factors have so far been managed adeptly. Despite a modest dip in Foreign Direct Investment and a notable reduction in Venture Capital/Private Equity investments in the fiscal year 2022-23, the overarching outlook for the Indian economy remains largely positive, benefitting from robust domestic fundamentals and strategic governance.

3. Industry Structure and Developments

The Indian freight transportation and logistics sector is on a promising trajectory, projected to grow at a compound annual growth rate (CAGR) of 6.46% between 2023 and 2029. The landscape is increasingly defined by burgeoning consumer

demands, expansion of e-commerce, and sustained government focus on infrastructure, as evidenced by **the Union Budget allocation of INR 2.4 trillion to the railway sector alone.**

Against this backdrop, the Dedicated Freight Corridor (DFC) emerges as a pivotal component in India's logistics strategy. Designed to streamline the transport of essential bulk commodities such as coal, cement, and food grains, DFCs offer an efficient and cost-effective alternative to the more traditional, yet inefficient, road networks. **Approximately 74% of the DFC network has been commissioned**, and the advantages are palpable. Industries situated along the DFC, particularly cement companies, have experienced expedited freight evacuation. Moreover, the development of Gati Shakti cargo terminals at DFC stations are poised to serve as a catalyst for enhancing last-mile connectivity, particularly beneficial for the burgeoning e-commerce sector in India, which is expected to grow to USD 163 Billion by 2026.

Additionally, India's Export and Import (EXIM) trade is surging, marking a 15.7% increase in the FY 2022-23, reaching a valuation of USD 1,662 billion. The WDFC has seen a notable uptick in container movement and could be instrumental in facilitating this trend. Also, there is an evident willingness to innovate within the sector; the use of modified NMG coaches for small cargo transportation is a case in point.

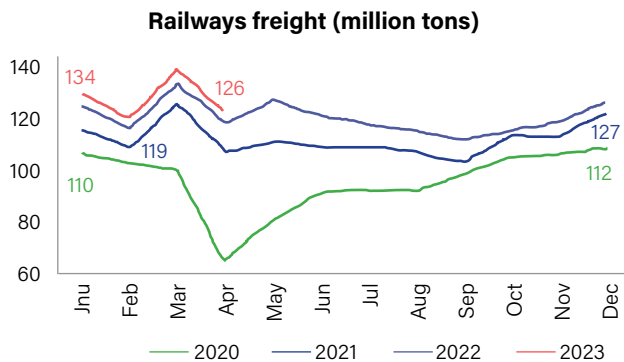
However, despite these advances, there are challenges that warrant attention. The sector still grapples with road congestion, safety issues and environmental concerns associated with heavy reliance on roadways. For DFC to reach its full potential, collaboration with other transport modes is crucial, as is a strong focus on technological upgradation to keep pace with new-age supply chain demands.

As we look ahead, the Indian freight and logistics sector appears to be at a transformative juncture. With the Government's sustained focus on infrastructure development and the industry's drive for efficiency, there is a strong basis for anticipating that the freight and logistics sector will continue to be a robust contributor to India's economic landscape. This sector has the potential to be more than a conduit for goods; it could very well become a conduit for sustainable growth and economic vitality in the years to come.

Sources:

<https://pib.gov.in/PressReleasePage.aspx?PRID=1942795#:~:text=But%20in%202022%2D23%2C%20the,growth%20of%20the%20Indian%20economy.>
https://assets.ey.com/content/dam/ey-sites/ey-com/en_in/topics/tax/india-economic-pulse/2023/06/ey-india-economic-pulse-06-2023.pdf

Union Budget allocates INR 2.4 trillion to railway sector
74% of Dedicated Freight Corridor (DFC) commissioned



4. Vision and Mission of the Company

4.1. Vision

To create a partnership with Indian Railways for retaining and expanding the market share of rail freight transport through efficient and reliable customer-centric services and to promote sustainability.

4.2. Mission

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

- To build a corridor with appropriate technology that enables Indian Railways to regain its market share of freight transport by creating additional capacity and guaranteeing efficient, reliable, safe and cheaper options for mobility to its customers.
- To set up multimodal logistic parks along the DFC to provide complete transport solution to customers.
- To support the Government's initiatives towards ecological sustainability by encouraging users to adopt railways as the most environment friendly mode for their transport requirements.

5. Swot Analysis

5.1. Strengths

Infrastructure and Technological Advancements

The Company has established itself as a unique entity with the capability of constructing a world-class, exclusive corridor for the swift and high-capacity movement of freight. This is not only India's first

railway project executed with international funding from esteemed organisations such as the World Bank and JICA but also the world's first electrified dedicated freight corridor suitable for running double stack containers. The deployment of state-of-the-art technology is evident in its Overhead Equipment (OHE) installation utilising Automatic Wiring Trains. Moreover, for the first time in India, the organisation has successfully integrated the direct interface of Multisection Axle Counter (MSAC) with Electronic Interlocking, thereby elevating its technological infrastructure.

Operational Excellence

The Company has emerged as the pioneer in India in running faster, higher, and longer heavy-haul trains, leading to a quantum leap in transportation capacity. It is also the first organisation in the nation to operate scheduled time-tabled goods trains with guaranteed transit times. These operational strengths are well-aligned with the real-time train operation monitoring through its Dedicated Freight Information System (DFIS). This system closely interacts with IT systems of the Indian Railways such as Freight Operations Informations System (FOIS), Control Office Application (COA) and Track Management System (TMS), thereby ensuring seamless operation.

Safety and Efficiency

The organisation has made noteworthy strides in safety through the use of state-of-the-art technologies such as the Machine Vision-based Inspection of Rolling Stock, deployed in collaboration with the Indian Institute of Science, Bangalore. Further, safety measures include Hot Axle Box Detectors placed strategically before approaching stations. These technological deployments not only prevent accidents but also promote efficiency, with a remarkably low manpower requirement of 0.82 per track kilometre. Additionally, the level crossing-free network amplifies both road and rail safety.

Strategic Development and Cost-Efficiency

The Company contributes significantly to the reduction of logistics costs by increasing efficiency across its operations. The development of industrial hubs along its freight corridors connected to inland waterways demonstrates strategic foresight. Its robust network ensures seamless connectivity to major seaports in Gujarat and Maharashtra, thereby boosting export-import traffic and fostering integration with both domestic and global supply chains.

source:

https://assets.ey.com/content/dam/ey-sites/ey-com/en_in/topics/tax/india-economic-pulse/2023/06/ey-india-economic-pulse-06-2023.pdf

<https://www.mordorintelligence.com/industry-reports/india-freight-logistics-market/market-size>

<https://www.thehindubusinessline.com/companies/indian-e-commerce-market-to-reach-163-billion-by-2026-report/article66675624>

<https://pib.gov.in/PressReleasePage.aspx?PRID=1916220>

- **Social Responsibility and Governance**

Equally significant is the Company's transparent and robust mechanism for the rehabilitation and resettlement of project-affected people, which ensures a transparent disbursement of compensation. This showcases the Company's commitment to ethical practices and social responsibility.

5.2. Weaknesses

- **Financial and Operational Constraints**

The Company's financial sustainability is compromised due to its dependency on the Ministry of Railways and other external organisations for funding. This reliance extends to operational aspects, as the Company depends on Indian Railways for both traffic and the supply and maintenance of rolling stock.

- **Limited Business Autonomy**

The Company faces restrictions in decision-making, particularly concerning freight tariffs and business development. It operates as a concessionaire, not a landowner, which limits its operational freedom.

- **Safety and Disaster Management**

The Company's alignment parallel to the Indian Railways network raises safety risks. Additionally, the Company has limited capacity to manage disasters and relies on external resources for emergency responses.

- **Operational Inefficiencies**

Train detentions at interchange points with Indian Railways negate the Company's advantage in offering higher-speed freight services.

- **Crew Management**

The Company's dependency on Indian Railways for trained crew and an inadequate monitoring system presents challenges for operational efficiency.

5.3. Opportunities

- **Business Development and Multi-modal Logistics**

The Company possesses significant prospects for business development in the logistics sector. The faster and timely movement of containers to ports, e-commerce parcels, and other types of cargo provide substantial opportunities. Furthermore, the organisation has the capability to become an industry leader in offering seamless multimodal logistic solutions, particularly because of its existing network that offers significant connectivity to major ports, inland waterways, and the broader Indian Railways network.

- **Technological and Project Consultancy**

Given its prior experience in constructing the Eastern and Western Dedicated Freight Corridors, the Company

has the opportunity to offer consultancy services in areas such as Contract Management, Technological Innovation, and Project Management. This can be offered to domestic as well as global clients, thereby creating an avenue for diversifying revenue streams.

- **Infrastructure and Research Development**

The Company has substantial scope for developing multi-modal logistic parks and freight terminals at various locations. Collaborations with Delhi Mumbai Industrial Corridor Development Corporation Limited (DMICDC) and Amritsar Kolkata Industrial Corridor (AKIC) further enhance traffic on the DFC. Moreover, there is a potential for the Company to establish a research facility for heavy-haul operations and partner internationally to set new operational standards.

- **National Infrastructure Integration**

The Company's network connects three major metro cities, providing a unique opportunity for exclusive cargo routes. It could potentially expand its role in integrated transport development to align with the National Infrastructure Pipeline. This includes running Road Railer services for door-to-door solutions.

5.4. Threats

- **Financial and Operational Limitations**

The Company's financial sustainability faces threats from uncertainties in funding for capital and revenue expenditure. Its Concession Agreement with the Ministry of Railways is time-bound and limits its operational scope.

- **Regulatory and Legal Risks**

Changes in laws and regulations affecting land acquisition and other operations could adversely impact performance. Additionally, ongoing high-value disputes may jeopardize its financial and operational stability if arbitration outcomes are unfavourable.

- **Competition and Infrastructure**

Upgradation of feeder routes by Indian Railways is crucial for the Company to benefit fully from its network. The development of alternative transport systems such as highways and inland water transport could also pose competitive threats.

- **Resource and Supply Chain Constraints**

The Company's reliance on Indian Railways for rolling stock, and its dependency on state governments for land acquisition and other approvals, may lead to operational delays and impact its competitiveness.

▪ **Strategies to Overcome Shortcomings**

The Company aims to address its weakness systematically. The overall goal is to solidify its role as a major player in India's economic landscape while simultaneously ensuring the efficient and effective delivery of services.

▪ **Enhancing Organisational Fortitude**

The Company recognises the importance of its role in economic development, having received high commendations in this regard. To sustain this positive image and secure continued support from pivotal stakeholders such as the Ministry of Railways and international organisations like the World Bank and JICA, the Company aims to focus on its proven skills in project implementation and technical innovation.

▪ **Bridging the Gap between Services and Public Needs**

In an effort to build a stronger brand, the Company is turning its attention to public relations. The objective is to highlight how its logistics services are not just economical and eco-friendly, but also have a positive impact on the daily lives of the general public. This approach is expected to strengthen the organisation's connection with the broader community.

▪ **A Multi-faceted Approach to Operational Efficiency**

For seamless execution of its projects, the Company is streamlining its dispute resolution mechanisms, allowing for quicker settlements and maintaining its reputation as an organisation focused on implementation rather than litigation. An online dashboard is in the works to keep all stakeholders informed of the status of various disputes. Moreover, in operational terms, the Company is entrusting more power to its Field Units, which are at the forefront of project implementation. This decentralisation allows for swifter decision-making, thereby facilitating the progress of work. Additionally, coordination with Zonal Railways for upgrading feeder routes is a high priority, and where delays are serious, intervention from the Railway Board is being sought.

▪ **Preparedness for Unforeseen Events**

When it comes to emergency management, the Company is investing in the development of in-house Emergency Response Teams (ERTs). These teams are designed to handle derailments and other emergency scenarios that may arise, thereby mitigating the organisation's reliance on external entities.

▪ **Flexibility and Future Adaptation**

To gain a competitive edge, the Company is pursuing the possibility of having a more flexible approach in setting freight tariffs. It is also considering the acquisition of special rolling stocks to meet future market demands.

▪ **Fostering Public Relations through Brand Image Development**

The Company recognises the necessity of a strong brand image that transcends mere operational accomplishments. A targeted public relations strategy will focus on showcasing the Company's unique technical innovations, project implementation capabilities, proficiency in contract management, and expertise in land acquisition.

6. Outlook for the Company

The Company has garnered significant recognition for its role in revolutionising India's transportation sector, with particular commendation from the Honourable Prime Minister, who labelled the initiative a 'Game Changer' for the nation's economic development. The Company has put forth a new standard for freight trains—making them faster, heavier, and longer. As for maintaining quality and safety, measures are being implemented, including adequate training for field staff to align them with international best practices. The Company achieved a substantial milestone in the financial year 2022-23 by commissioning 812 km of track in the Eastern and Western DFCs. This brings the total operational network to 2,089 km, enhancing connectivity significantly. Additionally, as of 31.03.2023, the Company's operational efficiency is reflected in its performance metrics, such as the number of trains run, tonnage moved and the speeds achieved.

7. Way Forward

The development of Dedicated Freight Corridors (DFCs) is pivotal for streamlining freight transportation in India. The Company is focusing on transitioning from the project phase to full-scale operations. This involves linking the existing infrastructure to feeder routes and driving business development to attract new traffic to the DFC network. Equally important is the application of the Company's core competencies, gained from project implementation to technological innovation, in diverse areas such as consultancy and global infrastructure projects. Brand positioning is also a priority, with the Company positioning itself as a leader in efficient, cost-effective and sustainable infrastructure initiatives.

Concurrent development of industrial corridors alongside the DFCs is vital for mutual growth. Despite initial plans being laid out years ago, progress on these corridors has been relatively slow and should be accelerated. On the logistical front, the inherent punctuality offered by DFCs provides a competitive advantage, offering opportunities for Indian Railways to diversify into unconventional cargo segments. To make the most of this opportunity, Multi-modal Logistics Parks ought to be strategically developed along the DFC network. Further, private entities should be allowed to run freight trains on DFC tracks, a model successfully implemented in various countries

that might not only enhance service standards but also attract foreign investment.

Additionally, there exists a compelling case for the Company to pass on some operational cost savings to customers by revising tariffs. This action would grant Indian Railways a competitive edge and significantly aid the broader industry by reducing logistics costs. Going forward, three new DFCs have been proposed—the East West Corridor, the North South Corridor and the East Coast Corridor—with Detailed Project Reports currently in development. These new additions aim to bolster India's infrastructure, aligning the country more closely with developed nations globally. By implementing these key initiatives in a focused manner, the Company and Indian Railways can unlock the full transformative potential of DFCs.

8. Credit Ratings

The Company's commitment to financial discipline and prudent management of resources is evidenced by the high credit ratings it has received from leading agencies. With enhanced credit ratings assigned by CRISIL, ICRA, CARE and India Ratings, the Company has a strong financial position. The ratings have bolstered the Company's financial profile, affirming it as a trustworthy and stable entity in its operational context.

Credit Rating of the Company as reported by Credit Rating Agencies

Name of Credit Rating Agency	CRISIL	ICRA	CARE	India Ratings
Credit Rating Obtained	CRISIL AAA/Stable	ICRA AAA/Stable	CARE AAA/Stable	IND AAA/Stable
Latest date of Report	19.04.2023	03.07.2023	01.03.2023	05.08.2022

9. Capital Expenditure on Project Execution

As on March 31, 2023, the Company had incurred a cumulative expenditure on project execution, excluding land costs, amounting to INR 83,514.57 Crore. During FY 2022-23, the gross capital expenditure specifically allocated for project execution was INR 12,897.57 Crore. Detailed insights into the capital expenditure can be found in Para 3.1 of the Directors' Report. Further, the Company has received formal clarification from the Ministry of Railways, confirming that the ownership of these assets resides with the Company. This clarification adds an additional layer of security to the Company's financial and operational standing.

10. Risk Management

A statement indicating the development and implementation of risk management policy along with the identification of various risks, in the opinion of the Board of the Company that may threaten the existence or operations of the Company is placed at Para 8 of the Directors' Report.

11. Internal Control Systems

Internal control constitutes an essential aspect of an organisation's governance, impacted by both the management and personnel. Internal control measures are designed to address various risks and offer reasonable assurance that the entity achieves its objectives in a manner that is orderly, ethical, economical, efficient and effective. Moreover, it safeguards resources against loss, misuse and damage. The Company has well-established systems and processes aligned with these objectives, appropriately scaled to its size and complexity. Notably, as internal control is an ongoing exercise, the management is dedicated to its continuous improvement for maximised efficacy.

In line with these operational standards, the Statutory Auditor has provided an annexure, referred to as **Annexure C** to the Independent Auditor's Report. This focuses on the Internal Financial Control and complies with clause (i) of sub-section 3 of section 143 of the Companies Act, 2013. The report confirms that, in all material respects, the Company

maintains an adequate internal financial control system over financial reporting. Further, these controls were confirmed to be operating effectively as on March 31, 2023. This validation from an external auditor serves to fortify the Company's robust financial governance mechanisms.

12. Prioritising ESG

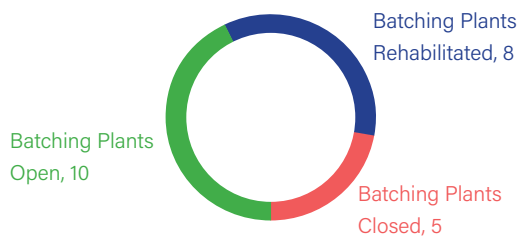
Energy Management

The Company has undertaken several energy-saving measures. Utilising 5-star rated electrical equipment and LED lights, the Company aims to substantially reduce energy consumption. A solar capacity of 645 KWP has been installed to meet a substantial amount of the energy requirement through renewable sources.

Waste Management

The Company diligently addresses waste management. During FY 2022-23, eight batching plants were rehabilitated and five were closed. Innovative 'Waste to Wonder' practices have been employed for effective utilisation of waste material in various construction activities.

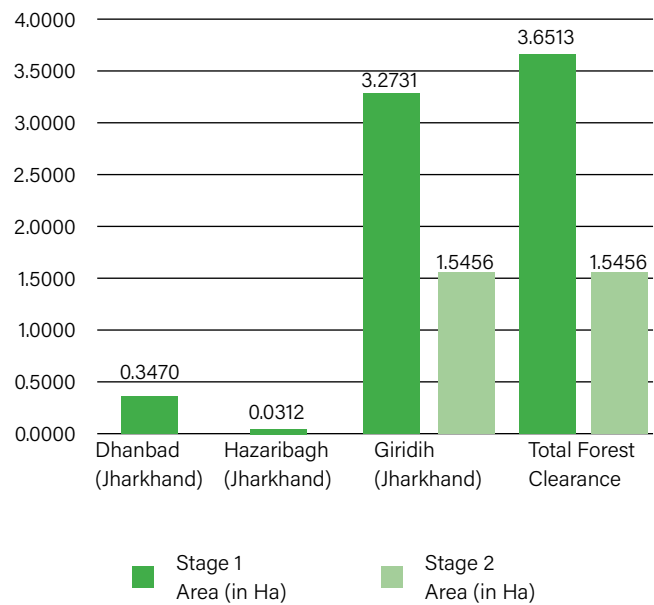
BATCHING PLANT ACHIEVEMENT DURING FY 2022-23



Biodiversity Conservation

The Company prioritises environmental conservation, as evident from the acquired forest clearances. A significant tree plantation drive resulted in over 100,000 trees being planted as part of the Green Belt Development along the Dedicated Freight Corridors.

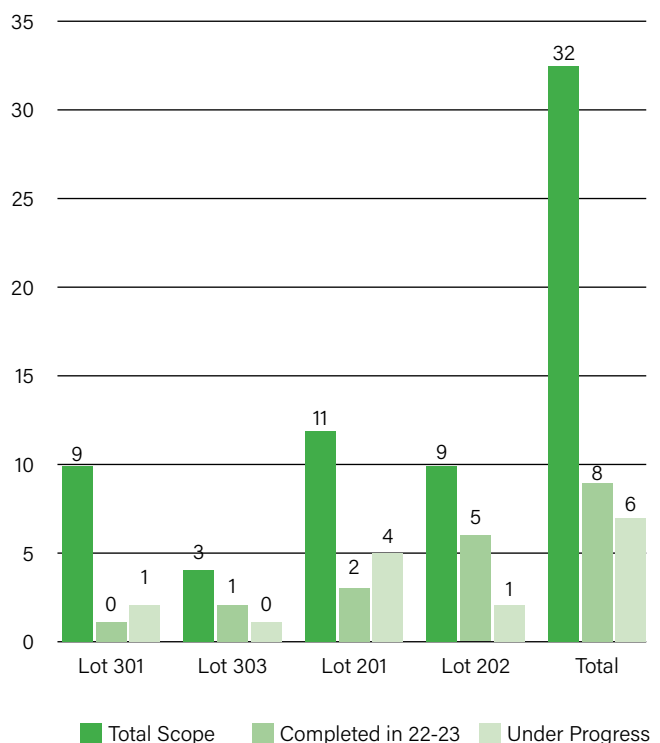
Forest Clearances



Noise Management

Understanding the impact of noise pollution, the Company has erected noise barriers, especially near sensitive areas such as schools and hospitals within a 100 m radius of the DFC tracks. During FY 2022-23, eight such barriers were installed, with six more currently under construction. These barriers aim to attenuate train noise by approximately 10-15 dB (A). Notably, this is the first time such an initiative has been undertaken in any railway project in India.

Installation of Noise Barriers in 22-23



Total Scope	Installed in FY 2022-23	Under Progress
32	8	6



Noise Barrier at Sensitive receptors in Ch+190+600 in Prayagraj East

▪ Social Safeguards

The focus on social safeguards remains strong, with 27 Million safe working hours achieved during FY 2022-23. Gender-based violence is stringently monitored, adhering to World Bank guidelines. So far, no incidents associated with gender-based discrimination have been reported.

▪ Resolving public grievance/arbitration and court cases

In the financial year 2022-23, the Company successfully disposed of 82.6% of MP-related grievances, 84% of CPGRAMS cases and 85.7% of public grievances. Additionally, 43.6% of filed court cases and 97.4% of arbitration cases have been resolved.

FY 2022 - 23

Particulars	Grievances			Arbitration Cases	Court Cases
	MP	CPGRAMS	Public Grievances		
Filed	23	132	168	1813	823
Disposed	19	111	144	790	802

13. Human Resource

The Human Resources Department is instrumental in serving the key interests of the Company, focusing its efforts on nurturing, supporting and safeguarding its most valuable asset—its team members. In a dynamic operating environment, the department remains steadfast in delivering high-quality services, thereby facilitating the Company's business objectives through the cultivation of enhanced HR core competencies. Further, the department fosters an environment conducive to innovation and facilitates consistent learning and the empowerment of employees. All these efforts are undertaken within a collaborative framework that is both challenging and supportive, presenting mutual growth opportunities for both the employees and the organisation as a whole. In all these endeavours, the HR department remains firmly grounded in both ethical and professional standards.

Manpower Mobilisation

For the Company to function effectively, the strategic placement of the right manpower at the right places and at the right time is essential. Considering the long-term objectives and requirements of the organisation, manpower has been sourced and inducted through various channels. Specifically, 869 individuals were recruited through open market channels, 6 through permanent or immediate absorption and another 6 via campus recruitment. In addition to these new hires, 168 retired government employees have been re-engaged or inducted as consultants or advisors across various departments for specialised roles. During the past year, 57 individuals also joined the Company on a deputation basis. The Department of Public Enterprise has granted a special exemption, allowing 341 positions below Board level to bypass the rule of immediate absorption, effective until March 31, 2023.

As a result of these strategic efforts, the total workforce strength of the Company as on March 31, 2023, stood at 3,216. This tally includes 2,635 permanent employees, 227 individuals on deputation and 354 who are either re-employed or serving in other contractual roles.

3,216

Total Workforce Strength

2,635

Permanent Employees

227

Employees on Deputation

354

Re-employed/Contractual

The Company's workforce is further divided into various grades, ranging from executive to non-executive roles, providing a comprehensive snapshot of the skill and responsibility levels within the organisation.

S. No.	Grade	Numbers
1.	MD	01
2.	Dir	04
3.	CVO	01
3.	E9	04
4.	E8	37
5.	E5-E7	161
6.	E2-E4	563
7.	E0-E1	910
8.	N5-N7	741
9.	N1-N4	794
	Total	3,216

Promotions

During the year under review, the Company promoted 265 employees across various departments. This development reflects the Company's objective to recognise and reward employee contributions and performance.

265

Employees Promoted

Learning and Development

The Company realises the crucial role of learning and development in driving sustainability. It implements focused initiatives aimed at the skill enhancement and knowledge development of its workforce.

The Company's Training School - Heavy Haul Institute, Noida

The Heavy Haul Institute (HHI) in Noida serves as a hub for continuous learning. The current infrastructure accommodates 240 students across four lecture halls. Additionally, 79 twin-occupancy rooms are operational. Model rooms for hands-on training across multiple operational areas are being planned.

World Bank Trainings

Besides the Company's internal programmes, a meticulously planned training regimen is prepared annually in collaboration with the World Bank. During FY 2022-23, 392 employees underwent various training sessions, contributing to a total of 1,413 training mandays. Multiple areas, such as Contract Management and Risk Management, were covered.

Internships

A practical learning opportunity was offered to 15 students across diverse functions and additionally, 11 students from various educational institutions participated in regular internships.

Foreign Exposure

International training opportunities have also been provided to select senior officials, enhancing their perspective and understanding of global best practices.

1,413

Total Training Mandays

392

Employees Trained

Employee Grievances

A grievance redressal cell has been operationalised to monitor and address issues faced by team members. In the reporting year, all 65 registered grievances have been successfully resolved.

Industrial Relations

The Company has successfully maintained congenial industrial relations. Employee participation in decision-making processes and a transparent working environment have played pivotal roles in fostering this positive culture.

Celebrations of special events and ceremonies have further helped build a united and motivated workforce.

14. Information Technology

The Company has implemented advanced technology to improve operational efficiency, using applications like e-office, SAP and Dedicated Freight Information System (DFIS). Significant upgrades were made to the SAP platform during FY 2022-23, and grievances in the Human Resources Module were resolved, streamlining leave management and reimbursement applications. Also, new features were introduced in the FICO module for various tasks, including Bank Guarantee Maintenance and Bank Reconciliation. On the other hand, the Material Management Module was customised to meet the organisation's needs. These improvements were supported by continuous online and offline training, updated user manuals and CBTs on the intranet for employee access.

While the Company stays abreast of evolving technology, it is aware of the potential risks associated with cybersecurity and data protection. Consequently, it is identifying the risks and developing comprehensive risk mitigation strategies that encompass its applications as well as its Information Technology (IT) and Operational Technology (OT) infrastructure.

15. Policy Initiatives

Human Resource

The following are the major policies that were released during the year:

- Financial assistance in case of death or permanent incapacitation (total permanent disability) of an employee
- Re-employment and Re-engagement Policy of Retired Government/PSU employees in DFCCIL
- Post-retirement medical scheme (PRMS) in DFCCIL
- Re-designation policy
- Periodical medical examination of Safety category staff
- Revised guidelines on pay fixation
- Amendment in DFCCIL medical rules
- Procedure for payment of Night Duty Allowance and National Holiday Allowance
- Rationalisation of post in S&T, Electrical and Civil Department of DFCCIL
- Rates of honorarium for internal and external faculty members for delivering lectures
- Record retention schedule for DFCCIL
- Hours of work and period of rest (HOER) Rules, 2005

- Empanelment of hospitals for indoor/outdoor medical treatment with a view to provide medical services and healthcare treatments benefits to DFCCIL employees and their dependents.

Finance

A comprehensive review of existing manuals was carried out and manuals related to Finance, Accounts as well Internal Audit were issued.

Technical

Mechanical

For running single New Modified Goods (NMGHs) coach, a policy initiative was undertaken by the Mechanical department to attach NMGHs coach with BLC rakes between New Rewari and New Palanpur/New Sanand on WDFC.

To ensure safe running of trains over DFC routes, a policy decision has been taken to install Hot Axle Box Detector (HABD) in every block section in both up and down direction, preferably 8- 10 km before the station, for timely detection and stopping of trains at the nearest station in the direction of movement.

Use of technological advancement to replace the manual detection of rolling stock defects in trains is the need of the hour. The Company's Mechanical Department has taken a policy decision to install Machine Vision Inspection of Rolling Stock System (MVIS) at New Daudkhan (DAQN) of EDFC to screen all DN trains and detect rolling stock defects using Artificial intelligence and Machine learning in collaboration with Indian Institute of Science, Bengaluru.

Signal and Telecommunication

A policy initiative has been taken to improve the maintenance of signalling and telecom gears of DFCCIL. An inspection checklist for S&T department has been circulated for improving the quality of inspection by officials.

The following policy initiatives have been taken to improve safety in train operations:

- Inspection of the sections by a multi-disciplinary team headed by GM/TS has been started to identify lapses in maintenance and safety risks.
- Joint inspection of points and crossings by Civil and S&T teams has been started.
- Joint inspection of electrical connections and fire alarm equipment by Electrical and S&T teams has commenced.

Electrical

Tower wagons are the most vital machines used for maintenance of OHE assets. To maintain tower wagons, the Company uses a comprehensive Maintenance Policy. As per tower wagon maintenance policy, major overhauling of

tower wagon will be done in Indian Railways' maintenance workshops and loco shed, and regular maintenance of tower wagons will be outsourced to various equipment manufacturers.

Tower wagon driver is a safety category ex-cadre post for Electrical Department. Since tower wagon drivers are responsible for running tower wagons, their carelessness may result in safety hazards. To ensure selection of competent candidate for the post of tower wagon drivers, a minimum eligibility criteria has been defined.

To attract the most competent staff to work as tower wagon drivers, an incentive scheme in the form of running mileage allowance is being followed in the Company.

The organisation works effectively only when the role and responsibilities of its officials are unambiguously defined. Duties and responsibilities of electrical officials at different level of the hierarchy has been defined in policy directive issued by the Corporate Office.

To improve reliability of electrical assets, it is necessary that various electrical assets are regularly inspected by an electrical officer. The yard stick for minimum inspections to be done by electrical officers has been defined.

To improve visibility of location number plates on OHE mast in yards, especially in foggy weather, the Company has decided to provide retro reflective number plates on main line drop arm of all the portals in all its yards.

Civil

Improvement in track maintenance

Benefits of the use of B-Scan machines in Ultra Sonic Flaw Detection (USFD) testing

- **Accurate flaw detection:** B-Scan USFD provides detailed and accurate information about the presence, location and size of flaws or defects within rail. It allows inspectors to visualise and interpret the scan results in real-time, enabling more precise flaw detection and characterisation.
- **Enhanced visualisation:** B-Scan USFD generates a two-dimensional cross-sectional image of the inspected object, allowing inspectors to visualise the internal structure and flaws. This visual representation aids in identifying defects such as cracks or inclusions, which may not be easily detectable using other inspection methods.
- **Quantitative measurements:** B-Scan USFD enables quantitative measurements of flaw dimensions such as flaw length, depth and width. This information is crucial for evaluating the severity of defects and determining whether they meet acceptance criteria or require further investigation or repair. This has small memory size, therefore, it can be stored, and any lapse in USFD testing can be determined later and responsibility can be fixed.

- Flaw growth rate can also be monitored by B-Scan method.

Benefits of the use of Off Track Temper in place of crowbar for isolated track attention.

- **Improved track stability:** Off-track tempering helps to enhance the stability of railway tracks by ensuring proper alignment and reducing the risk of lateral movement. This helps to prevent derailments and maintain the overall safety and reliability of the railway system.
- **Reduced maintenance:** By implementing off-track tempering techniques, the need for frequent maintenance and realignment of tracks can be minimised. Proper packing and alignment help distribute the load evenly, reducing the occurrence of track irregularities and subsequent maintenance interventions.
- **Increased track longevity:** By ensuring proper packing and alignment, off-track tempering can extend the lifespan of railway tracks. Improved stability and reduced stress on the track infrastructure result in less fatigue and wear, ultimately leading to lower maintenance costs and longer track life.
- **Enhanced operational efficiency:** Well-packed and aligned tracks contribute to improved operational efficiency of the railway system.
- **Cost savings:** By reducing the need for frequent maintenance, minimising track damage, and extending the lifespan of tracks, off-track tempering can lead to cost savings for railway authorities. It helps optimise maintenance budgets, improve resource allocation, and reduce downtime associated with track repairs and realignment.

Benefits of destressing of track by rail tensor wherever required

- **Improved track stability:** De-stressing the railway tracks through tensors helps reduce internal stresses within the track structure. This enhances track stability by redistributing and minimising the residual stresses, reducing the risk of track deformations and displacements. The result is a more stable and reliable track system, which contributes to improved safety and smoother train operations.
- **Enhanced fatigue resistance:** Residual stresses in railway tracks can contribute to fatigue crack initiation and propagation. By de-stressing the tracks using tensor techniques, the internal stresses are relieved, reducing the likelihood of fatigue failure. This improves the fatigue resistance of the tracks and increases their longevity.
- **Enhanced track safety:** De-stressing the tracks improves track stability and reduces the risk of track failures, such as rail fractures or track buckling. This

enhances the safety of train operations by minimising the chances of derailments and accidents caused by track-related issues.

- We know that de-stressing without rail tensor has already given us problems and we are creating mitigation strategies around it.

16. Innovation

DFCCIL has prioritised innovation to enhance its operations and unlock its full potential. Focused innovations reaffirm the Company's commitment to develop solutions that optimise freight transportation in the country, further strengthening India's rail infrastructure. The Company has also ensured safety with innovative measures to reduce accidents and protect cargo. The Company promotes innovation by adapting to changing market needs, enhancing data management through advanced technologies and continually evolving to provide better services, optimise costs and meet the evolving demands of freight transportation in India.

- The adoption of eco-friendly geotextiles for slope protection works on high embankments, where direct turfing is not recommended. On the other hand, installing these geotextiles is economical, easy and time-saving.
- A Service and Diagnostic (S&D) system is provided for supervising the health of signalling equipment to enable the maintenance of signalling equipment with optimum manpower and reduce the Mean Time to Repair (MTTR) of the equipment.
- The contractor conducts Factory Acceptance Test (FAT) for testing the application logic of Electronic Interlocking (EI) at Original Equipment Manufacture (OEM) premises, that is, in Bangalore. In the Rooma-Shujatpur section, the Company has also decided to setup FAT for testing the application logic of EI at OCC Prayagraj; the work has been done in 3 shifts each day. By setting FAT at the Company Prayagraj office, considerable time and additional expenditure on travel/lodging, etc. were saved.
- The Karanavati River, a tributary of the River Ganges, meanders dangerously close to the EDFC Track for about 150 metres, making the stretch prone to heavy erosion during floods. A specially designed flexible concrete mattress, which was constructed by duly anchoring the mattress up to the scouring level of the river. The concrete mattress is designed to be hard enough to prevent erosion, flexible enough to absorb possible unevenness in the riverbed and anchored enough to prevent uplift. This is one of the engineering marvels of this corridor.
- Tubular steel sections are the best replacements for conventional ones because of their usefulness and comparatively better properties. In Bow String Girder launching, the Company used tubular structures in trestles as temporary structures instead of conventional sections of steel in CC cribs. A study reveals that up to 40-50% cost savings have been achieved by using tubular sections. The fact that tubular steel sections take up less room than CC cribs is yet another advantage.
- Instead of a Roller-based skid for sliding Bow String Girders, a Poly Tetra Fluro Ethylene (PTFE) pad has been used in the DDU Unit. Roller-based skidding includes nuts, bolts, fasteners and more, which add more friction and increase maintenance cost of the skidding method.
- To prevent flooding of Roads Under Bridges (RUBs) and avoid dangerous movement in RUBs in case of heavy rains, the Jaipur Unit has developed the RUB Flooding Alert System. This system generates an alarm as water levels rise in RUBs and activates pumping mechanisms to remove water from the RUBs. The status can be monitored through a dedicated dashboard.
- Reconditioning of Rail by Robotic Technology - Wheel burn occurred in the section of Hrapur Bangurgram (HPRN-BGMN) on the down line. To rectify these spots, the Ajmer Unit employed Robotic Technology for the reconditioning of the Heavy Haul (HH) rail.
- 100% use of Off Tack Tampers (OTT) is being ensured in the Ajmer Unit for regular maintenance of the track and for attending Oscillation Monitoring System (OMS) peaks. Trials from all vendors and the most effective tampers are now procured through GeM.
- To provide a resting area for the crew, Type-II quarters are quickly converted into Temporary Running Rooms at Palanpur. A dormitory for Executive and Multi-tasking Staff was developed in lieu of quarters.
- A Bridge Transition system using 3 layers of Geo cell of 200 mm thickness and Blanket material on the approach of 21 major bridges in CTP-13 has been utilised.

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 financial statements of Dedicated Freight Corridor Corporation of India Limited ("DFCCIL" or "the Company"), which comprise the Balance sheet as at March 31, 2023, and the statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended, and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its loss, Total Comprehensive Income/ (Loss), the Changes in Equity and Cash Flows for the year ended as on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the audit of the Financial Statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

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

Emphasis of Matter

Attention is drawn to the following notes –

- a) Note No. 41 to the Financial Statement as regards the accounting treatment and disclosures made by the Management in respect of transactions and balances resulting from the execution of the Concession agreement between the Ministry of Railways (MoR) and the Company, to implement the project of construction of Eastern and

Western Dedicated Rail Freight Corridors and to operate and maintain the new railway for a period of 30 years. Pending a response to the clarification sought by the Company from the MoR, on the accounting treatment and disclosures made by the Company, while finalizing its financial statement for the year 2020-21, recognized the infrastructural expenditure as 'Property, Plant and Equipment/ Capital work-in-progress; which as per C&AG was stated as in violation of IND AS 115; and as per the EAC of ICAI opinion, the consideration received by the Company (not considered as a public sector entity), would result in consideration being classified partly as financial assets and partly as intangible assets.

Based on subsequent clarification/response/ re-affirmation from the MoR (on 11.01.2022), the Company continued to follow the same accounting treatment in the preparation and presentation of its financial statements for the year 2021-22. However, C&AG commented on financial statements for the year ended March 31, 2022 on the accounting treatment adopted by the Company.

MoR vide its letter No. 2021/Infra/6/17 dated 10.02.2023 has reiterated that, as per Cabinet decision for formation of DFCCIL, DFCCIL will own the assets created by them and amount spent on creation of such assets shall continue to be capitalized in the books of DFCCIL and that this clarification may be treated as part of Concession Agreement. Accordingly, based on the said communication, the Management has, as hitherto, continued its accounting treatment and disclosures, in the preparation and presentation of its financial statements for the year 2022-23.

- b) Note No. 23 to the Financial Statements with regard to the Track Access Charge (TAC) receivable amounting to INR 5,38,052.11 Lakh (Previous Year: INR 2,23,904.15 Lakh) where the Management has stated that the amounts are good and recoverable with regard to which there is exchange of communication inter se the Company and MoR for formal approval.

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

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 information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the Financial Statements and our Auditor's Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Rules, 2016, as amended from time to time, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial 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, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if,

individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and

timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143 (11) of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to information and explanation given to us, we give in the **Annexure-A**, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. The Comptroller and Auditor General of India has issued directions indicating the areas to be examined in terms of section 143(5) of the Companies Act, 2013. On the basis of written representation received from the Management, we give our report on the matters specified in the **Annexure-B**.
3. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Financial Statements, i.e., Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this report are in agreement with the Books of Account.
 - d) In our opinion, the aforesaid Financial Statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
- e) Pursuant to the Notification No. G.S.R. No. 463(E) dated 05.06.2015 issued by Ministry of Corporate Affairs, Government of India, the provisions of section 164(2) of the Companies Act, 2013 regarding disqualification of directors, are not applicable to the Company, being a Government Company.
- f) We are enclosing herewith a report in **Annexure-C** for our opinion on adequacy of internal financial controls system in place in the Company and the operating effectiveness of such controls.
- g) Pursuant to the Notification No. GSR 463(E) dated 05.06.2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of section 197 of the Companies Act, 2013, are not applicable to the Company, being a Government Company; and
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements – Refer Note No. 32 to the Financial Statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There was no amount required to be transferred to the Investor Education and Protection Fund by the Company. Hence, there is no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by

- the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The company has neither declared nor paid any dividend during the year.
- vi. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from 01.04.2023, and accordingly, reporting under rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For **Suresh Chandra & Associates**

Chartered Accountants

FRN: 001359N

UDIN: 23500369BGZHMS8411

Sd/-

(Ved Prakash Bansal)

Partner

Membership Number: 500369

Place: New Delhi

Date: 24.07.2023

Annexure A

to the Independent Auditor's Report

The Annexure referred to in Paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Dedicated Freight Corridor Corporation of India Limited on the Financial Statements for the financial year ended March 31, 2023, we report that-

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

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

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

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

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

(c) Based on the information and explanations given to us and on the basis of our examination of the records of the Company, we report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the Financial Statements included under Property, Plant and Equipment are held in the name of the Company as at the Balance Sheet date.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.

(e) According to the information and explanations given to us, no proceedings have been initiated during the year or are pending against the Company for holding any benami property under the Benami Transactions

(Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii. (a) Physical verification of the inventory has been carried out by the management in accordance with the perpetual inventory programme, at regular intervals during the year. In our opinion, the frequency of such verification is reasonable having regard to the size of the Company and the nature of its business. The Company is maintaining proper records of inventory. No material discrepancies were noticed on verification between the physical stocks and the book records.

(b) According to information and explanations given to us and on the basis of our examination of the records of the Company, the Company doesn't have sanctioned working capital in excess of five crores rupees in aggregate, from banks or financial institutions on the basis of security of current assets.

iii. According to information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made investments in, companies, firms, Limited Liability Partnerships, and granted unsecured loans to companies, firms, Limited Liability Partnerships or other parties, during the year. Accordingly, paragraph 3(iii) (a), (b), (c), (d), (e), (f) of the order is not applicable.

iv. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, or made any investments, or provided any guarantee and security to the parties covered under section 185 and 186 of the Act.

v. The Company has not accepted any deposit or amounts from the public within the meaning of section 73 to 76 of the Act and the rules made there under to the extent notified. Hence, reporting under clause 3(v) of the Order is not applicable.

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

vii. In respect of statutory dues:

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

There were no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable except the following –

Nature of Dues	Amount (In Lakh)	Pending Since
Provident fund	4.78	More than 6 months
New Pension Scheme	168.27	More than 6 months

- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023, on account of disputes are given below:

Name of the Statute	Nature of Dispute	Amount in Lakh	Period (Assessment Year)	Forum where Dispute is Pending
Income Tax Act, 1961	Income Tax	0.23	2013-14	ACIT-TDS
Income Tax Act, 1961	Income Tax	37.12	2017-18	CIT (Appeals)
Income Tax Act, 1961	Income Tax	68.96	2019-20	CIT (Appeals)
Income Tax Act, 1961	Income Tax	15.09	2021-22	CIT (Appeals)
Grand Total		121.40	-	-

- viii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. (a) The Company has not defaulted in repayment of loan or other borrowings or in the payment of interest thereon to the lenders.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The term loans raised during the year were applied for the purpose for which the same has been raised.
- (d) On an overall examination of the financial statements of the Company, the Company has not raised any funds on short-term basis which has been used during the year for long-term purposes.
- (e) The Company does not have any subsidiary, associate or Joint venture. hence, reporting under clause 3(ix)(e) of the Order is not applicable.
- (f) The Company does not have any subsidiary, associate or joint venture and hence, reporting on clause 3(ix)(f) of the Order is not applicable.
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence, reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence, reporting under clause 3(x)(b) of the Order is not applicable.
- xi. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under section 143(12) of the Companies Act, 2013 has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company and hence, reporting under clause (xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the Financial Statements as required by the applicable Indian Accounting Standards.
- xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered the Internal Audit Reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of

India Act, 1934. Hence, reporting under clause 3(xvi)(a) of the Order is not applicable.

- (b) As explained to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year. Hence, reporting under clause 3(xvi)(b) of the Order is not applicable.
- (c) As explained to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, therefore, sub clause (c) and (d) are not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and during the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date.

We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- xx. There are no unspent amounts towards Corporate Social Responsibility (CSR) requiring a transfer to a Fund specified in Schedule VII to the Companies Act, 2013 in compliance with second proviso to section 135(5) of the said Act. Accordingly, reporting under clause 3(xx)(a) and clause 3(xx)(b) of the Order is not applicable for the year.
- xxi. As the company does not have any Subsidiary/Joint Venture entities, the Consolidated Financial Statements are not prepared. Hence, reporting under clause 3(xxi) of order is not applicable.

For **Suresh Chandra & Associates**

Chartered Accountants

FRN: 001359N

UDIN: 23500369BGZHMS8411

Sd/-

(Ved Prakash Bansal)

Partner

Membership Number: 500369

Place: New Delhi

Date: 24.07.2023

Annexure B

to the Independent Auditor's Report

The Annexure referred to in Paragraph 2 under the heading 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Dedicated Freight Corridor Corporation of India Limited on the Financial Statements for the financial year ended March 31, 2023.

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

S. No.	Directions	Reply
1	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implication of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implication, if any, may be stated.	Yes, the Company has system in place to process all the accounting transactions through IT system and Company is currently using "Tally.Server-9" package for the same. Further, the Company is in the process of implementation of SAP for accounting transactions. As per information and explanations given to us and during the course of our audit we have not come across any accounting transaction which were outside the IT system and have financial implications.
2	Whether there are any restructuring of an existing loan or cases of waiver/ write off of debts/ loans/ interest/ etc., made by a lender to the Company due to Company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case lender is a Government Company, then this direction is also applicable for Statutory Auditor of lender Company).	According to information and explanations given to us, there is no restructuring of any existing loan or cases of waiver/ write-off of debts/ loan/ interest/ etc., made by a lender to the Company due to Company's inability to repay the loan. Therefore, there is no financial impact which needs to be accounted for.
3	Whether funds (grant/ subsidy/ etc.) received/ receivable for specific schemes from Central/ State agencies were properly accounted for/ utilised as per its term and conditions? List the cases of deviation.	According to information and explanations given to us, the Company has not received any fund from Central / State agencies for specific schemes. Hence, this clause is not applicable. Therefore, no deviations need to be reported.

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

For **Suresh Chandra & Associates**

Chartered Accountants

FRN: 001359N

UDIN: 23500369BGZHMS8411

Sd/-

(Ved Prakash Bansal)

Partner

Membership Number: 500369

Place: New Delhi

Date: 24.07.2023

Annexure C

to the Independent Auditor's Report

(Referred to in Paragraph 3(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Dedicated Freight Corridor Corporation of India Limited of even date).

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

We have audited the internal financial controls over financial reporting of Dedicated Freight Corridor Corporation of India Limited ("the Company") as at March 31, 2023, in conjunction with our audit of the Financial Statements of the Company for the period ended on that date.

Opinion

In our opinion and according to the information and explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

For **Suresh Chandra & Associates**

Chartered Accountants

FRN: 001359N

UDIN: 23500369BGZHMS8411

Sd/-

(Ved Prakash Bansal)

Partner

Membership Number: 500369

Place: New Delhi

Date: 24.07.2023

Balance Sheet

as at March 31, 2023

(All amounts in INR Lakh, unless otherwise stated)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
A. ASSETS			
I. Non-Current Assets			
(a) Property, plant and equipment	3	3,595,237.40	2,275,957.10
(b) Capital work-in-progress	4	4,162,129.09	4,154,858.77
(c) Other intangible assets	5	16.82	8.35
(d) Intangible assets under development	6	2,147.20	2,147.20
(e) Right-of-use assets	7	1,048.86	3,183.40
(f) Financial assets			
(i) Other non-current financial assets	8	2,780.36	2,503.26
(g) Deferred tax assets (net)	10	-	-
(h) Other non-current assets	11	523,650.10	613,862.72
Total Non Current Assets		8,287,009.83	7,052,520.80
II. Current Assets			
(a) Inventories	9	1,553.36	-
(b) Financial assets			
(i) Trade Receivables	12	538,052.11	223,904.15
(ii) Cash and cash equivalents	13.1	5,811.58	37,749.33
(iii) Other Balances with Banks	13.2	89,679.78	51,248.93
(iv) Other current financial assets	8	113,900.43	36,126.06
(c) Current tax assets (net)	14	1,240.13	1,428.27
(d) Other current assets	11	98,332.75	89,043.52
Total Current Assets		848,570.14	439,500.26
Total Assets		9,135,579.97	7,492,021.06
B. EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	15	1,572,899.50	1,407,662.50
(b) Other equity	16	24,694.88	191,813.71
Total Equity		1,597,594.38	1,599,476.21
Liabilities			
I. Non-Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	17	3,739,623.52	3,242,207.43
(ii) Lease liabilities	22	900.44	875.85
(iii) Other financial liabilities	18	447,069.30	338,740.73
(b) Provisions	19	7,085.35	4,210.36
(c) Deferred tax liabilities (net)	10	9,939.79	1,409.92
(d) Other non-current liabilities	20	44,197.56	47,511.15
Total Non-Current Liabilities		4,248,815.96	3,634,955.44
II. Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	17	95,084.68	72,873.51
(ii) Lease Liabilities	22	34.02	2,294.65
(iii) Trade payables	21		
a) Total outstanding dues of micro enterprises and small enterprises		40.49	6.58
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		306.81	9.77
(iv) Other financial liabilities	18	3,128,811.92	2,062,637.69
(b) Other current liabilities	20	29,800.78	77,928.44
(c) Provisions	19	35,090.93	41,838.77
Total Current Liabilities		3,289,169.63	2,257,589.41
Total Liabilities		7,537,985.59	5,892,544.85
Total Equity and Liabilities		9,135,579.97	7,492,021.06
Summary of Significant Accounting Policies	2.1		

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

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

Sd/-
(Ved Prakash Bansal)
Partner
Membership Number: 500369
UDIN: 23500369BGZHMS8411

Place: New Delhi
Date: 24.07.2023

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

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

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

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

Statement of Profit and Loss

for the year ended March 31, 2023

(All amounts in INR Lakh, unless otherwise stated)

Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
Income			
I Revenue from Operations	23	314,147.96	194,915.31
II Other income	24	6,743.99	7,504.50
III Total income (I + II)		320,891.95	202,419.81
Expenses			
(a) Employee benefits expense	25	20,032.55	14,350.50
(b) Finance costs	26	140,704.76	89,670.53
(c) Depreciation and amortization expense	27	123,971.19	83,355.47
(d) Other expenses	28	29,629.29	15,164.78
(e) Corporate Social Responsibility expense	36	24.31	85.75
IV Total Expense		314,362.10	202,627.03
V Profit/ (loss) before exceptional items and tax (III-IV)		6,529.85	(207.22)
VI Exceptional Items		-	-
VII Profit/ (loss) before tax (V-VI)		6,529.85	(207.22)
Tax expense:			
(a) Current tax		-	-
(b) Deferred tax		8,500.12	4,015.98
(c) Adjustment of tax relating to earlier periods		-	(2,607.94)
VIII Total tax expense		8,500.12	1,408.04
IX Profit/(loss) for the year (VII-VIII)		(1,970.27)	(1,615.26)
Other Comprehensive Income/ (Loss)	29		
(A) (i) Items that will not be reclassified to profit or loss			
Re-measurement gains/ (losses) on defined benefit plans		118.19	(453.14)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(29.75)	103.68
(B) (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax on items that will be reclassified to profit or loss		-	-
X Total other comprehensive income/ (loss) for the year, net of tax		88.44	(349.46)
XI Total comprehensive income/(loss) of the year, net of tax (IX + X)		(1,881.83)	(1,964.72)
XII Earnings per share: (Face value INR 1,000 per share)	30		
1) Basic (Amount in INR)		(1.26)	(1.15)
2) Diluted (Amount in INR)		(1.26)	(1.15)
Summary of Significant Accounting Policies	2.1		

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

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

Sd/-
(Ved Prakash Bansal)
Partner
Membership Number: 500369
UDIN: 23500369BGZHMS8411

Place: New Delhi
Date: 24.07.2023

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

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

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

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

Statement of Cash Flows

for the year ended March 31, 2023

(All amounts in INR Lakh, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
I. Cash flow from operating activities:		
Profit/ (Loss) before tax	6,529.85	(207.22)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortization expense	123,971.19	83,355.47
Loss on sale of assets	33.47	41.82
Gain on lease modification	(0.08)	-
Interest income on financial assets	(5,246.58)	(3,819.01)
Unrealized foreign exchange fluctuation	1,218.52	(1,210.16)
Finance Cost	140,704.55	89,913.87
Operating profit before working capital changes	267,210.92	168,074.77
Change in working capital:		
(Increase)/ Decrease in other financial assets	(35,751.47)	(9,997.73)
(Increase)/ Decrease in Trade Receivable	(314,147.96)	(194,915.31)
(Increase)/ Decrease in other assets	(64,163.68)	(75,412.95)
Increase / (Decrease) in other financial liabilities	(537.36)	(23,113.54)
Increase / (Decrease) in provisions	(35,142.53)	16,832.75
Increase / (Decrease) in other liabilities	(2,773.39)	(14,381.65)
(Increase) / Decrease in Inventories	(1,553.36)	-
Cash Generated / (used in) operations	(186,858.83)	(132,913.66)
Net Income Tax (Paid)/ Refund	184.76	(547.46)
Net Cash generated from /(used in) operating activities	(186,674.07)	(133,461.11)
II. Cash flow from investing activities:		
Purchase of Capital work-in-progress, Intangible asset under development	(1,110,084.62)	(1,161,462.04)
Purchase of Property, Plant & Equipments and Intangible Assets	(21,260.76)	(14,949.97)
Sale of Property, Plant & Equipments	34.79	35.58
Net movement in other Bank Balances	(44,346.20)	(25,499.62)
Interest received	5,144.81	3,658.28
Net Cash Generated/ (Used in) Investing Activities	(1,170,511.98)	(1,198,217.77)
III. Net cash flow from financing activities:		
Proceeds from Share Application Money	-	165,237.00
Receipt / (Payments) out of Earmarked Land Funds	(37,376.61)	34,992.49
Net Fund Received/(Utilised) from MoR	1,024,344.52	677,730.84
Proceeds from Long Term Borrowings	502,552.71	586,592.90
Repayment of Long Term Borrowings	(77,878.52)	(58,043.51)
Payment of principal portion of lease liabilities	(2,291.49)	(2,663.74)
Interest Expense Paid	(84,102.31)	(61,979.74)
Net Cash generated/ (Used in) Financing Activities	1,325,248.30	1,341,866.24
Net change in Cash & cash equivalents (I+II+III)	(31,937.75)	10,187.34
Cash and cash equivalents as at the beginning of the year	37,749.33	27,561.99
Cash and cash equivalents at the end of the year (Note No. 13.1)	5,811.58	37,749.33
Components of Cash and Cash Equivalents		
With banks - on current account and deposits with banks	5,811.58	37,749.33
Total Cash and Cash equivalent	5,811.58	37,749.33

Statement of Cash Flows

for the year ended March 31, 2023

Cash Flow has been prepared under the Indirect Method" as set out in Indian Accounting Standard (Ind AS) 7 - Statement of Cash Flows

Changes in liabilities

(All amounts in INR Lakh, unless otherwise stated)

Particulars	As at April 1, 2022	Cash Flows	Non-cash change on account of EIR Adjustment, Foreign Exchange Fluctuation and Discounting effect	As at March 31, 2023
Long Term Borrowings	3,315,080.94	424,674.19	94,953.06	3,834,708.19
Deposits/ Retention money	25,941.96	355.29	1,349.58	24,237.08
Total	3,341,022.90	425,029.48	96,302.64	3,858,945.28

(All amounts in INR Lakh, unless otherwise stated)

Particulars	As at April 1, 2021	Cash Flows	Non-cash change on account of EIR Adjustment, Foreign Exchange Fluctuation and Discounting effect	As at March 31, 2022
Long Term Borrowings	2,731,049.03	528,549.39	55,482.53	3,315,080.94
Deposits/ Retention money	49,548.82	23,075.89	530.97	25,941.96
Total	2,780,597.85	551,625.27	56,013.50	3,341,022.90

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

(All amounts in INR Lakh, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(i) Gross amount required to be spent by the Company during the year	-	-
(ii) Amount spent during the year	24.31	85.75
Nature of CSR Activities:-		
i) Construction/ acquisition of any asset	-	-
ii) For purposes other than (i) above		
a) Payment for eradicating hunger, poverty and promoting preventive healthcare and sanitation projects	-	-
b) Payment for setting up of Oxygen Generator Plant at DDU Hospital	-	42.93
c) Payment for educational & employment enhancing vocation skills	24.31	42.82
d) Others	-	-
	24.31	85.75
(iii) Total of Previous Years Shortfall	-	29.33
(iv) Shortfall At the End Of The Year	-	-

Summary of Significant Accounting Policies

Note 2.1

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

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

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

Sd/-
(Ved Prakash Bansal)
Partner
Membership Number: 500369
UDIN: 23500369BGZHMS8411

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

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

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

Place: New Delhi
Date: 24.07.2023

Statement of Changes in Equity

for the year ended March 31, 2023

A. Equity share capital

(All amounts in INR Lakh, unless otherwise stated)

Particulars	Number of Shares	Amount
Equity shares of INR 1000 each issued, subscribed and fully paid		
As at April 1, 2021	140,766,250	1,407,662.50
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance as at April 1, 2021	140,766,250	1,407,662.50
Issue of Share Capital during the year	-	-
As at March 31, 2022	140,766,250	1,407,662.50
Equity shares of INR 1000 each issued, subscribed and fully paid		
As at April 1, 2022	140,766,250	1,407,662.50
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance as at April 1, 2022	140,766,250	1,407,662.50
Issue of Share Capital during the year	16,523,700	165,237.00
As at March 31, 2023	157,289,950	1,572,899.50

B. Other equity

(All amounts in INR Lakh, unless otherwise stated)

Particulars	Share application money pending allotment	Reserves & Surplus Retained earnings	Other comprehensive income (Net of Taxes)	Total
As at April 01, 2021	-	28,958.32	435.35	29,393.67
Profit/(loss) for the year	-	(1,615.26)	-	(1,615.26)
Other comprehensive income / (loss) for the year*	-	-	(349.46)	(349.46)
MAT Credit Lapsed#	-	(852.24)	-	(852.24)
Total comprehensive income for the year	-	(2,467.50)	(349.46)	(2,816.96)
Shares issued during the year	-	-	-	-
Share application money received during the year	1,65,237.00	-	-	1,65,237.00
Balance at March 31, 2022	1,65,237.00	26,490.82	85.89	1,91,813.72
As At April 1, 2022	1,65,237.00	26,490.82	85.89	1,91,813.72
Profit/(loss) for the year	-	(1,970.27)	-	(1,970.27)
Other comprehensive income / (loss) for the year*	-	-	88.44	88.44
Total comprehensive income for the year	-	(1,970.27)	88.44	1,89,931.89
Shares issued during the year	(1,65,237.00)	-	-	(1,65,237.00)
Share application money received during the year	-	-	-	-
Balance at March 31, 2023	-	24,520.55	174.33	24,694.89

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

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

Notes:

Retained earnings represents accumulated profit of Company as on March 31, 2023.

Summary of Significant Accounting Policies

Note 2.1

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

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

Sd/-
(Ved Prakash Bansal)
Partner
Membership Number: 500369
UDIN: 23500369BGZHMS8411

Place: New Delhi
Date: 24.07.2023

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

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

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

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

Notes to the Financial Statements

Note 1: Corporate Information

Dedicated Freight Corridor Corporation of India Limited ("DFCCIL" or "the Company") is a public company incorporated and domiciled in India having its registered office in Delhi. The Company has been registered on 30.10.2006 under the provisions of the Companies Act, 1956. DFCCIL has been setup under the administrative control of Ministry of Railway for the construction, maintenance and operation of the Dedicated Freight Corridor from Rewari to JNPT (Western Dedicated Freight Corridor) and from Ludhiana to Dankuni (Eastern Dedicated Freight Corridor) and maintains its principal place of business at Delhi.

The registered office of the Company is located at 5th Floor, Supreme Court Metro Station Building Complex, New Delhi – 110001.

Note 2: Basis of preparation of Financial statements

These financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with section 133 of the Companies Act, 2013 and relevant presentation requirements of the Companies Act, 2013 as amended. The Financial Statements have been prepared as per Division II of Schedule III 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 INR and all values are rounded off to the nearest two decimals of Lakh, unless otherwise stated.

Note 2.1: Significant accounting policies

a) Basis of measurement

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

b) Functional and presentation currency

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

c) Use of judgments and estimates

In preparing these Financial Statements, Management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in

the preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates.

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

i. Judgements

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

Leases:

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

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

ii. Assumptions and estimation uncertainties

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

- Measurement of defined benefit obligations: key actuarial assumptions;
- Recognition of deferred tax assets: availability of future taxable profit against which carry-forward tax losses can be used;

Notes to the Financial Statements

- Impairment test: key assumptions underlying recoverable amounts, including the recoverability of development costs;
- Useful life of property, plant and equipment and intangible assets
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources
- Income Tax: determining provision for income taxes.

d) Current versus non-current classification

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

Assets:

An asset is treated as current when it is:

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

All other assets are classified as non-current.

Liabilities:

A liability is current when:

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

All other liabilities are classified as non-current.

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

Operating Cycle

The operating cycle of an entity is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. The Company recognizes twelve months period as its operating cycle.

e) Property, plant and equipment

Recognition and measurement

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

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

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

Subsequent Measurement

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

Depreciation

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

Depreciation on property plant and equipment is provided on Straight Line Method using the useful life specified in Schedule II of the Companies Act, 2013 except in case of certain assets where the useful life has been determined based on the technical evaluation done by the Management's Expert or as per Para 219 of Indian Railways Finance Code Volume I, as management is of the opinion

Notes to the Financial Statements

that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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

Particulars	Useful life as per Schedule II	Useful life used based on Para 219/ Technical evaluation
EDP Assets (includes computers, laptops, server etc.)	3 to 6 Years	3-8 Years
Office Equipment	5 Years	5-10 Years
Machinery	15 Years	5-40 Years*
Building and other civil structure	60 years	50 years*
Viaduct, Bridges, Tunnels, Culverts	30 years	50-100 years*
Track Works:		
Earth Works	Not Available	10-100 years*
Track Main Line	Not Available	5-35 years*
Track Yard Line	Not Available	5-50 years*
Electrical assets such as Overhead equipments and SCADA	Not Available	4-80 years*
Signalling & Telecom Equipments	13-18 years	3-40 years*

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

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

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

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

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

Residual value of the assets/ components of assets having life less than 30 years has been considered based on the technical

evaluation carried out by the engineers of the Company.

Assets purchased during the year costing INR 5,000 or less are depreciated fully in the year of purchase.

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.

Research & Development Expense under Intangible Assets as per Ind AS 38

Research costs are expensed as incurred. Further, development costs is capitalized when Technical and Commercial feasibility of the project is demonstrated and future economic benefits are probable.

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

Notes to the Financial Statements

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

Notes to the Financial Statements

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 (EIR) 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/ losses are not subsequently transferred to Statement of Profit and Loss. However, the group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

Derecognition of financial liabilities

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

Modifications of financial assets and financial liabilities

Financial assets

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

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

Financial liabilities

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

h) Revenue from contract with customer

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

ii. Track Access Charges

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

Notes to the Financial Statements

iii. Interest Income

Interest income is recognized using the Effective Interest Rate ('EIR') method. The EIR is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate to the net carrying amount of the financial asset. The EIR is computed on the basis of the expected cash flows by considering all the contractual terms of the financial instrument. The calculation includes all fees, transaction costs, and all other premiums or discounts paid or received between parties to the contract that are an integral part of the effective interest rate.

- iv. Other items of Income are accounted for as and when the right to receive is established.
- v. Service charge income is recognised as per terms of contract.

i) Foreign currency translation

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

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

j) Employee benefits

i. Short-term employee benefits

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

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

ii. Defined contribution plans

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

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

(c) Post Retirement Medical Scheme

iii. Defined benefit plans

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

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

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

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

The Company has defined benefit plan namely 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

Notes to the Financial Statements

- (c) Leave travel concession
- (d) Ex-Gratia Payment

k) Borrowing Costs

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

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

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

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

Notes to the Financial Statements

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 of 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 cash generating units (CGUs).

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

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

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

o) Leases

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

Company as a lessee

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

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the

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

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

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

ii) Lease liabilities

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

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

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

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

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

Company as a lessor

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

p) Cash and cash equivalents

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

q) Segment Reporting

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

The Board of Directors of the Company have been identified as being the chief operating decision maker by the Management of the company. Refer Note 33 for segment information presented.

r) Miscellaneous

- i. Liquidated damages are recognised at the time of actual recovery. Whether or not liquidated damages should be adjusted against the project cost would depend upon the fact whether the liquidated damages are directly identifiable with the project and whether, in fact, they are received for mitigating extra project

cost to be incurred by the Company, which will be capitalised as part of the project cost. Where and to the extent the liquidated damages meet the aforesaid stipulations in affirmative, the same will be adjusted with the cost of the project. Otherwise the same will be accounted for as income.

- ii. Insurance claims are accounted for based on Management's best assessment of the quantum of loss & coverage thereof in terms of Insurance Policy. Any shortfall/excess are adjusted on the settlement of claims. Claim towards loss of CWIP, for which Insurance are obtained by Contractors under the provisions of respective contract agreement, are not accounted in the books of the Company.
- iii. Liabilities for goods in transit/ Capital works executed but not certified are not provided for, pending inspection and acceptance by the corporation.
- iv. Claims including price variation are accounted for on acceptance.
- v. Dividends and interim dividends payable to the Company's shareholders are recognized as changes in equity in the period in which they are approved by the shareholders and the Board of Directors respectively.

s) Inventory

Inventories including loose tools are valued at the lower of cost (determined on weighted average basis) and net realisable value.

t) Application of New Accounting Pronouncements effective from April 01, 2023:

MCA vide Notification No. G.S.R. 242(E) dated 31.03.2023 has issued the Companies (Indian Accounting Standards) (Amendment) Rules, 2023 which amends following Ind AS:

- Ind AS 102, Share-based Payments
- Ind AS 103, Business Combinations
- Ind AS 107, Financial Instruments: Disclosures
- Ind AS 109, Financial Instruments
- Ind AS 115, Revenue from Contracts with Customers
- Ind AS 1, Presentation of Financial Statements
- Ind AS 12, Income Taxes
- Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors

The amendments are applicable for annual periods beginning on or after 01.04.2023. The Company has evaluated the amendments and the impact is not expected to be material.

Notes to the Financial Statements

Note 3 : Property, Plant and Equipment

(All amounts in INR Lakh, unless otherwise stated)

Particulars	Leasehold premises improvement	Office/ Station building	Viaduct, Bridges, Tunnels, Culverts	Track Work	Electrical Equipments	Signalling & Telecom Equipments	Plant & Equipments	Office equipments	Furniture and Fixtures	EDP assets	Total
Gross Block											
As at April 01, 2021	422.74	73,974.83	264,607.38	668,867.27	232,746.36	137,148.70	2,977.43	784.80	1,655.47	1,309.22	1,384,494.20
Add: Additions made during the year	-	47,965.48	248,498.93	404,708.92	170,275.53	104,161.19	14,156.09	175.75	279.82	330.01	990,551.72
Less: Disposals / adjustments during the year	-	-	-	-	-	-	-	(9.74)	(69.13)	(112.15)	(191.02)
Less: Transfer to Capitalisation	-	-	-	-	-	-	-	-	-	-	-
Add: Acquisitions through Business Combinations	-	-	-	-	-	-	-	-	-	-	-
Add/Less: Amount of Change due to revaluation	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2022	422.74	121,940.31	513,106.31	1,073,576.19	403,021.89	241,309.88	17,133.53	950.81	1,866.16	1,527.08	2,374,854.90
As at April 01, 2022	422.74	121,940.31	513,106.31	1,073,576.19	403,021.89	241,309.88	17,133.53	950.81	1,866.16	1,527.08	2,374,854.90
Add: Additions made during the year	-	58,649.75	875,098.07	154,398.01	181,564.40	152,070.66	20,174.33	274.50	317.43	480.27	1,443,027.43
Less: Disposals / adjustments during the year	-	-	-	-	-	-	-	(17.08)	(46.88)	(133.25)	(197.21)
Add: Acquisitions through Business Combinations	-	-	-	-	-	-	-	-	-	-	-
Add/Less: Amount of Change due to revaluation	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2023	422.74	180,590.06	1,388,204.39	1,227,974.20	584,586.29	393,380.53	37,307.86	1,208.24	2,136.71	1,874.10	3,817,685.12
Depreciation and impairment											
As at April 01, 2021	375.91	823.48	2,286.21	8,295.61	2,159.31	2,188.66	91.34	306.58	530.36	785.93	17,843.39
Add: Depreciation charge for the year	10.61	3,889.59	12,707.39	40,822.20	11,371.61	11,415.00	362.99	149.09	176.64	242.26	81,147.38
Less: On disposals / adjustments during the year	-	-	-	-	-	-	-	(7.62)	(13.53)	(71.83)	(92.98)
Add/Less: Amount of Change due to revaluation	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2022	386.52	4,713.08	14,993.60	49,117.81	13,530.92	13,603.66	454.34	448.06	693.48	956.36	98,897.80
As at April 01, 2022	386.52	4,713.08	14,993.60	49,117.81	13,530.92	13,603.66	454.34	448.06	693.48	956.36	98,897.80
Add: Depreciation charge for the year	22.00	5,851.34	45,894.46	36,057.92	16,911.88	17,055.25	1,137.60	210.72	185.38	351.44	123,677.99
Less: On disposals / adjustments during the year	-	-	-	-	-	-	-	(5.48)	(11.62)	(110.97)	(128.06)
Add/Less: Amount of Change due to revaluation	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2023	408.51	10,564.41	60,888.06	85,175.73	30,442.80	30,658.91	1,591.93	653.30	867.24	1,196.83	222,447.72
Net book value											
As at March 31, 2023	14.23	170,025.64	1,327,316.33	1,142,798.47	554,143.49	362,721.62	35,715.93	554.94	1,269.47	677.27	3,595,237.40
As at March 31, 2022	36.23	117,227.23	498,112.71	1,024,458.36	389,490.97	227,706.22	16,679.19	502.76	1,172.69	570.73	2,275,957.10

Note: During the year, the Company has commissioned following five sections (PY : one section Madar to New Palanpur (357.195 km) on 08.10.2021) :-

1. Shujatpur to Rooma (134.018 km) on 06.06.2022
2. New Palanpur to New Bhandu (62.153 km) on 15.11.2022
3. New Palanpur to New Chadotor (14.643 km) on 21.11.2022
4. New ERC DDU to New Chiralia Pauthu (136.750 km) on 30.12.2022
5. New Bhandu to Sanand North (88.107 km) on 16.03.2023

Notes to the Financial Statements

Note 4 : Capital Work-in-Progress*

(All amounts in INR Lakh, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	4,154,858.77	3,801,520.08
Add: Additions made during the year	1,429,051.21	1,341,758.09
Less: Disposals during the year	-	-
Less: Transfer to Capitalisation	(1,421,780.89)	(975,610.05)
Add: Acquisitions through Business Combinations	-	-
Less: Other Adjustments	-	(12,809.35)
Add/Less: Amount of Change due to revaluation	-	-
Closing Balance	4,162,129.09	4,154,858.77

*Capital Work-in-progress mainly comprises track, earthwork, bridges and other electrical equipment. During the year, an amount of INR 1,84,140.23 Lakh (PY: INR 1,10,079.90 Lakh) has been capitalized on account of Borrowing Cost as per Ind AS 23 Borrowing Cost.

Capital work-in-progress (CWIP) Ageing Schedule

(All amounts in INR Lakh, unless otherwise stated)

As at March 31, 2023	Amount in CWIP for a period of				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in progress (EDFC & WDFC)					
EDFC	408,757.36	300,730.15	370,867.76	506,727.08	1,587,082.35
WDFC	526,870.93	789,018.88	687,338.64	571,818.28	2,575,046.73
Projects temporarily suspended	-	-	-	-	-
	935,628.30	1,089,749.03	1,058,206.40	1,078,545.37	4,162,129.09

(All amounts in INR Lakh, unless otherwise stated)

As at March 31, 2022	Amount in CWIP for a period of				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in progress (EDFC & WDFC)					
EDFC	418,628.91	508,288.31	390,568.47	483,985.82	1,801,471.50
WDFC	871,384.34	766,055.05	482,082.66	233,865.21	2,353,387.27
Projects temporarily suspended	-	-	-	-	-
	1,290,013.25	1,274,343.36	872,651.13	717,851.03	4,154,858.77

Capital work-in-progress (CWIP) Completion Schedule

(All amounts in INR Lakh, unless otherwise stated)

As at March 31, 2023	To be completed in				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
EDFC	1,587,082.36	-	-	-	1,587,082.36
WDFC	2,149,792.63	425,254.11	-	-	2,575,046.73
	3,736,874.98	425,254.11	-	-	4,162,129.09

(All amounts in INR Lakh, unless otherwise stated)

As at March 31, 2022	To be completed in				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
EDFC	860,722.59	940,748.91	-	-	1,801,471.50
WDFC	561,058.53	1,449,565.94	342,762.80	-	2,353,387.27
	1,421,781.12	2,390,314.84	342,762.80	-	4,154,858.77

Notes to the Financial Statements

Note 5 : Other Intangible Assets

(All amounts in INR Lakh, unless otherwise stated)

Particulars	Licenses/ Softwares	Total
Gross block		
As at April 01, 2021	261.53	261.53
Add: Additions during the year	8.30	8.30
Less: Disposals / adjustments during the year	-	-
Add: Acquisitions through Business Combinations	-	-
Add/Less: Amount of Change due to revaluation	-	-
As at March 31, 2022	269.83	269.83
As at April 01, 2022	269.83	269.83
Add: Additions during the year	14.22	14.22
Less: Disposals / adjustments during the year	-	-
Add: Acquisitions through Business Combinations	-	-
Add/Less: Amount of Change due to revaluation	-	-
As at March 31, 2023	284.05	284.05
Amortisation and impairment		
As at April 01, 2021	253.63	253.63
Add: Amortisation charge for the year	7.84	7.84
Less: On disposals / adjustments during the year	-	-
Add/Less: Amount of Change due to revaluation	-	-
As at March 31, 2022	261.47	261.47
As at April 01, 2022	261.47	261.47
Add: Amortisation charge for the year	5.76	5.76
Less: On disposals / adjustments during the year	-	-
Add/Less: Amount of Change due to revaluation	-	-
As at March 31, 2023	267.23	267.23
Net book value		
As at March 31, 2023	16.82	16.82
As at March 31, 2022	8.35	8.35

Note 6 : Intangible Assets under Development

(All amounts in INR Lakh, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	2,147.20	2,147.20
Add: Additions made during the year	-	-
Less: Disposals / adjustments during the year	-	-
Less: Transfer to Capitalisation	-	-
Add: Acquisitions through Business Combinations	-	-
Add/Less: Amount of Change due to revaluation	-	-
Closing Balance	2,147.20	2,147.20

Intangible Assets under Development Ageing Schedule

(All amounts in INR Lakh, unless otherwise stated)

As at March 31, 2023	Amount in CWIP for a period of				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in progress	-	-	376.29	1,770.91	2,147.20
Projects temporarily suspended	-	-	-	-	-
	-	-	376.29	1,770.91	2,147.20

Notes to the Financial Statements

Note 6 : Intangible Assets under Development (Contd..)

(All amounts in INR Lakh, unless otherwise stated)

As at March 31, 2022	Amount in CWIP for a period of				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in progress	-	376.29	634.63	1,136.28	2,147.20
Projects temporarily suspended	-	-	-	-	-
	-	376.29	634.63	1,136.28	2,147.20

Intangible Assets under Development Completion Schedule

(All amounts in INR Lakh, unless otherwise stated)

As at March 31, 2023	To be completed in				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in progress					
- SAP Implementation	2,147.20	-	-	-	2,147.20

As at March 31, 2022	To be completed in				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in progress					
- SAP Implementation	2,147.20	-	-	-	2,147.20

Note 7 : Right-of-use Assets

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

(All amounts in INR Lakh, unless otherwise stated)

Right-of-use assets :	As at March 31, 2023	As at March 31, 2022
Particulars	Right-of-Use: Building	Right-of-Use: Building
Balance at opening	3,183.40	4,949.62
Less: Adjustment due to lease modification	16.24	0.34
Add: Additions	73.08	933.39
Less: Depreciation expense	2,191.38	2,699.27
Balance at Closing	1,048.86	3,183.40

Amounts recognised in profit and loss :

(All amounts in INR Lakh, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Depreciation expense of right-of-use assets (Refer Note No. 27)	2,191.38	2,699.27
Interest expense on lease liabilities (Refer Note No. 26)	123.14	305.43
Expense relating to short-term leases (Refer Note No. 28)	340.31	8.68

Notes to the Financial Statements

Note 8 : Other Financial Assets

(All amounts in INR Lakh, unless otherwise stated)

Particulars	Non-Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
(Unsecured and considered good, unless otherwise stated)				
Security deposits (Refer note below)				
- Considered Good*	2,647.36	2,314.03	453.72	550.05
- Considered Doubtful		-	146.36	146.36
Term Deposits with Forest Department	3.30	3.30		
Interest Accrued on Term Deposits with Forest Department	3.70	3.33		
Employee advances**	126.00	182.60	176.03	112.38
Interest accrued on fixed deposit		-	354.04	252.64
Expenditure on land acquisition - Recoverable from MoR		-	6,969.58	6,799.15
Expenditure on PETS/DPR Survey - Recoverable from MoR		-	8,822.11	3,632.16
Recoverable from MoR - Sonnagar - Dankuni Project			49,013.38	13,027.94
Recoverable for Share of ROB/RUB##			45,013.69	6,886.62
Other recoverables #		-	3,097.88	4,865.13
	2,780.36	2,503.26	114,046.79	36,272.42
Less: Loss Allowance		-	(146.36)	(146.36)
	2,780.36	2,503.26	113,900.43	36,126.06

Includes recoverable from MoR INR 2871.58 Lakh (March 31, 2022: INR 2768.49 Lakh)

Includes recoverable from IROAF INR 1.42 Lakh (March 31, 2022: INR 1.42 Lakh)

Includes recoverable from CONCOR INR 9.91 Lakh (March 31, 2022: INR 1237.26 Lakh)

Includes recoverable from CRIS INR 8.28 Lakh (March 31, 2022: INR 8.28 Lakh)

Includes recoverable from MoR INR 2862.24 Lakh (March 31, 2022: INR 1802.25 Lakh)

* Includes Security Deposit with MoR INR 244.97 Lakh (March 31, 2022: INR 244.97 Lakh)

**The company has not granted any loans or advances in the nature of loan to promoters, directors, KMPs and related parties either severally or jointly with any other person that are either repayable on demand or where the terms or period of repayment is not specified.

Note 9 : Inventories

(All amounts in INR Lakh, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Stores and Spares*	1,553.36	-
	1,553.36	-

*Certified & Verified by the Management and valued at lower of Cost or Net Realisable Value

Note 10 : Deferred Tax Assets/(Liabilities) (Net)

(All amounts in INR Lakh, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax assets:		
Property, Plant & Equipment and Intangible Assets	-	-
Share issue transaction cost	-	-
Unabsorbed depreciation	142,599.61	61,342.00
Unabsorbed losses	17,719.16	18,507.72
Loss Allowance	36.84	36.84
Provision for Leave Encashment	113.81	-
Provision for Leave Travel Concession	6.21	-

Notes to the Financial Statements

Note 10 : Deferred Tax Assets/(Liabilities) (Net) (Contd..)

(All amounts in INR Lakh, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for Post Retirement Medical Scheme	120.18	-
Provision for Ex-Gratia	104.24	-
Right-of-use Assets (ROU)	(28.79)	42.62
	160,671.26	79,929.18
Deferred tax liabilities:		
Depreciation and Amortization on Property, Plant & Equipment and Intangible Assets	137,458.05	62,018.57
Foreign exchange on reinstatement of loan	33,153.00	19,320.53
	170,611.05	81,339.10
Deferred tax assets/(liabilities) (net)	(9,939.79)	(1,409.92)

Deferred Tax/ Income Tax

A. Amounts recognised in statement of profit and loss

(All amounts in INR Lakh, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Current tax expense		
Current year	-	-
Adjustment for change in estimates for prior period	-	(2,607.94)
	-	(2,607.94)
Deferred tax expense		
Origination and reversal of temporary differences	8,529.87	4,015.98
	8,529.87	4,015.98
Total Tax Expense	8,529.87	1,408.04

B. Amounts recognised in Other Comprehensive Income

(All amounts in INR Lakh, unless otherwise stated)

Particulars	For the year ended March 31, 2023			For the year ended March 31, 2022		
	Before tax	Tax (Expense)/ Income	Net of tax	Before tax	Tax (Expense)/ Income	Net of tax
Remeasurement Gain/(Loss) of defined benefit liability	118.19	(29.75)	88.44	(453.14)	103.68	(349.47)
	118.19	(29.75)	88.44	(453.14)	103.68	(349.47)

C. Reconciliation of Effective Tax

(All amounts in INR Lakh, unless otherwise stated)

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Rate	Amount	Rate	Amount
Profit before tax from continuing operations		6,529.85		(207.22)
Tax using the Company's domestic tax rate	25.17%	1,643.43	25.17%	(52.16)
Effect of change in tax rate*		-		(3.38)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income				
- Corporate Social Responsibility Expense		6.12		21.58
Depreciation/ Amortization Expense		6,389.88		1,389.73
Reversal of provision		181.49		-
True-up of tax losses		788.56		-

Notes to the Financial Statements

Note 10 : Deferred Tax Assets/(Liabilities) (Net) (Contd..)

(All amounts in INR Lakh, unless otherwise stated)

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Rate	Amount	Rate	Amount
Remeasurement of lease obligation		(520.34)		-
Non-Taxable incomes (Ind AS adjustment on Security deposit)		(0.85)		-
Other items		41.58		52.27
		8,529.87		1,408.04

*The Company has opted to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as promulgated by the GOI vide the Taxation Laws (Amendment) Ordinance, 2019 and has taken 25.168% (Income tax 22% + Surcharge 10% + Cess 4%) rate of Corporate Tax in its accounts.

D. Movement in deferred tax balances

(All amounts in INR Lakh, unless otherwise stated)

Particulars	As at March 31, 2022	Recognized in P&L	Charged to Retained Earning	Recognized in OCI	As at March 31, 2023
Deferred Tax Assets					
Property, Plant & Equipment and Intangible Assets	-	-	-	-	-
Share issue transaction cost	-	-	-	-	-
Unabsorbed depreciation	61,342.00	81,257.60	-	-	142,599.60
Unabsorbed losses	18,507.72	(788.56)	-	-	17,719.16
Loss Allowance	36.83	-	-	-	36.83
Provision for Leave Encashment	-	113.81	-	-	113.81
Provision for Leave Travel Concession	-	6.21	-	-	6.21
Provision for Post Retirement Medical Scheme	-	120.18	-	-	120.18
Provision for Ex-Gratia	-	104.24	-	-	104.24
Right-of-use Assets (ROU)	42.62	(71.41)	-	-	(28.79)
Remeasurements Gain/ (Loss) of defined benefit liability	-	29.75	-	(29.75)	-
	79,929.17	80,771.81	-	(29.75)	160,671.24
Deferred Tax Liabilities					
Property, Plant & Equipment and Intangible Assets	62,018.57	75,439.48	-	-	137,458.05
Foreign exchange on reinstatement of loan	19,320.53	13,832.46	-	-	33,152.99
	81,339.10	89,271.94	-	-	170,611.04
Minimum Alternate Tax Credit Entitlement	-	-	-	-	-
Net deferred tax asset	(1,409.93)	(8,500.12)	-	(29.75)	(9,939.80)

(All amounts in INR Lakh, unless otherwise stated)

Particulars	As at March 31, 2021	Recognized in P&L	Charged to Retained Earning	Recognized in OCI	As at March 31, 2022
Deferred Tax Assets					
Property, Plant & Equipment and Intangible Assets	-	-	-	-	-
Share issue transaction cost	-	-	-	-	-
Unabsorbed depreciation	13,608.85	47,733.15	-	-	61,342.00
Unabsorbed losses	19,119.54	(611.83)	-	-	18,507.72
Loss Allowance	38.05	(1.22)	-	-	36.83
Right-of-use Assets (ROU)	50.60	(7.98)	-	-	42.62

Notes to the Financial Statements

Note 10 : Deferred Tax Assets/(Liabilities) (Net) (Contd..)

(All amounts in INR Lakh, unless otherwise stated)

Particulars	As at March 31, 2021	Recognized in P&L	Charged to Retained Earning	Recognized in OCI	As at March 31, 2022
Remeasurements Gain/ (Loss) of defined benefit liability		(103.68)		103.68	-
	32,817.04	47,008.46	-	103.68	79,929.18
Deferred Tax Liabilities					
Property, Plant & Equipment and Intangible Assets	20,557.36	41,461.21	-	-	62,018.57
Foreign exchange on reinstatement of loan	12,365.25	6,955.28	-	-	19,320.53
	32,922.61	48,416.49	-	-	81,339.10
Minimum Alternate Tax Credit Entitlement	3,460.18	(2,607.94)	(852.24)	-	-
Net deferred tax asset	3,354.61	(4,015.97)	(852.24)	103.68	(1,409.93)

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 11 : Other Assets

(All amounts in INR Lakh, unless otherwise stated)

Particulars	Non-Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
(Unsecured and considered good, unless otherwise stated)				
Capital advances				
- Mobilisation Advance	59,001.03	91,925.98		-
- Advance for Shifting of Utilities*	161,060.06	250,452.02		-
- Advance for ROB/RUB* (Refer Note 20(ii))	83,530.10	83,778.39		-
- Advance for Capital Works-Others*	28,642.91	51,558.21		-
Deposit with Court	1,662.11	-	-	-
Interest accrued on mobilization advances & others		-	708.87	3,057.49
Gratuity Fund		-	714.25	635.09
Prepaid expenses		-	6.08	138.96
Balance with Government Authorities	146,003.12	94,617.83	96,903.32	85,208.80
Amount paid against Arbitration/ DAB Awards towards Capital Works-Secured	39,251.91	38,843.91	-	
Other advances	4,498.87	2,686.38	0.23	3.18
	523,650.10	613,862.72	98,332.75	89,043.52

* includes advances given to related parties INR 137,383.45 Lakh (March 31, 2022: INR 211,240.51 Lakh)

Note 12 : Trade Receivables

(All amounts in INR Lakh, unless otherwise stated)

Particulars	As at March 31, 2023					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Trade Receivable - Unbilled*						
From Related Party (Refer Note 35)	3,14,147.96	-	1,94,915.31	28,988.84	-	5,38,052.11
	314,147.96	-	194,915.31	28,988.84	-	538,052.11

Notes to the Financial Statements

Note 12 : Trade Receivables (Contd..)

(All amounts in INR Lakh, unless otherwise stated)

Particulars	As at March 31, 2022					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Trade Receivable - Unbilled*						
From Related Party (Refer Note 35)	194,915.31	-	28,988.84	-	-	223,904.15
	194,915.31	-	28,988.84	-	-	223,904.15

* Represent TAC accrued but not billed. Also refer Note 23

* As per the directions of Ministry of Railways (MoR), land for the project shall be acquired in the name of MoR under the Railways Act, 1989 as modified by the Railways (Amendment) Act, 2008 and the land so acquired shall be leased to the Company at lease rent of INR 1 vide letter no. DFCCIL Letter No./HQ/OP&BD/Business Plan/Pt.6(TAC) - IV dated 22.05.2018 on the date of handing over to the company. Lease rent shall commence from the date of commissioning.

No trade receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

The company does not hold collateral as security.

Note 13.1 : Cash and Cash Equivalents

(All amounts in INR Lakh, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance with banks:		
- In current account	4,812.15	36,463.77
- Flexi with original maturity of less than 3 months	999.43	1,285.56
	5,811.58	37,749.33

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

(All amounts in INR Lakh, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance with banks:		
- In current and flexi account	5,811.58	37,749.33
	5,811.58	37,749.33

Note 13.2 : Other Balances with Banks

(All amounts in INR Lakh, unless otherwise stated)

Particulars	Current	
	As at March 31, 2023	As at March 31, 2022
Earmarked balances with banks (Refer Note 20(ii))	19,290.94	25,206.29
Flexi Deposits with original maturity of more than 3 months but less than 12 months	69,529.22	25,349.40
Deposits with original maturity of more than 3 months but less than 12 months*	859.62	693.24
	89,679.78	51,248.93

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

Notes to the Financial Statements

Note 14: Current Tax Assets (Net)

(All amounts in INR Lakh, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Income Tax Paid/Deducted	1,021.93	1,210.07
[Net of provision of INR Nil (March 31, 2022 : INR Nil)]		
Amount paid under protest:		
- Income Tax	218.20	218.20
	1,240.13	1,428.27

Note 15 : Equity Share Capital

(All amounts in INR Lakh, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised:		
220,000,000* (March 31, 2022 : 220,000,000) equity shares of INR 1,000 each	2,200,000.00	2,200,000.00
Issued, subscribed & fully paid up:		
157,289,950* (March 31, 2022: 140,766,250) equity shares of INR 1,000 each	1,572,899.50	1,407,662.50
	1,572,899.50	1,407,662.50

*Number of shares are presented in actual numbers.

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

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

(All amounts in INR Lakh, unless otherwise stated)

Particulars	(Number of Shares)		(Amount in INR Lakh)	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	220,000,000	220,000,000	2,200,000.00	2,200,000.00
Increase/(decrease) during the year	-	-	-	-
Balance at the end of the year	220,000,000	220,000,000	2,200,000.00	2,200,000.00

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

Particulars	(Number of Shares)		(Amount in INR Lakh)	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	140,766,250	140,766,250	1,407,662.50	1,407,662.50
Increase/(decrease) during the year	16,523,700	-	165,237.00	-
Balance at the end of the year	157,289,950	140,766,250	1,572,899.50	1,407,662.50

b) Terms/ rights attached to equity shares:

The company has only one class of equity shares having par value of INR 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

(All amounts in INR Lakh, unless otherwise stated)

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	Percentage	No. of Shares	Percentage
The President of India & his Nominees	157,289,950	100.00%	140,766,250	100.00%

Notes to the Financial Statements

Note 15 : Equity Share Capital (Contd..)

d) Shares held by promoters at the end of the year

(All amounts in INR Lakh, unless otherwise stated)

Equity Share of INR 1000 Each	As at March 31, 2023			As at March 31, 2022		
Name of the Promoter	No. of shares	% of total shares	% change during the year	No. of shares	% of total shares	% change during the year
The President of India & his Nominees	157,289,950	100.00%	–	140,766,250	100.00%	–

Note 16: Other Equity

(All amounts in INR Lakh, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
a) Share Application Money Pending Allotment		
Balance at the beginning of the year	165,237.00	–
Add: Share application money received from Ministry of Railways	–	165,237.00
Less: Shares issued during the year to Ministry of Railways	165,237.00	–
Balance at the end of the year	–	165,237.00
b) Retained earnings		
Balance at the beginning of the year	26,576.71	29,393.67
Add: Profit/(Loss) for the year after taxation as per statement of Profit and Loss	(1,970.27)	(1,615.26)
Less: Remeasurement gain/(loss) of defined employee benefits plan (Net of Tax)	88.44	(349.47)
Less: Adjustment on account of Lapsing of MAT Credit	–	(852.24)
Balance at the end of the year	24,694.88	26,576.71
Total (a+b)	24,694.88	191,813.71

Note 17: Borrowings

(All amounts in INR Lakh, unless otherwise stated)

Particulars	Non-Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Term loans (unsecured)				
- JICA	2,628,859.06	2,166,653.58	–	–
- IBRD	1,110,764.46	1,075,553.85	–	–
Total	3,739,623.52	3,242,207.43	–	–
Current maturities of long term borrowings	–	–	95,084.68	72,873.51
	3,739,623.52	3,242,207.43	95,084.68	72,873.51

Terms of repayment and interest are as follows :

(All amounts in INR Lakh, unless otherwise stated)

Loan From	Repayment Terms	Year of Maturity	Rate of Interest p.a.	Carrying Amount	
				As at March 31, 2023	As at March 31, 2022
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	494,346.31	484,831.34
MoR for EAP Projects JICA - 209 A	Refer Note (a) below	2050	7% - Fixed	30,365.34	30,365.34
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	826,172.86	774,275.92
MoR for EAP Projects JICA - 229 A	Refer Note (a) below	2053	7% - Fixed	41,464.85	31,089.64
MoR for EAP Projects JICA - 253	Refer Note (a) below	2056	7% - Fixed	641,764.16	641,764.16
MoR for EAP Projects JICA - 253A	Refer Note (a) below	2056	7% - Fixed	26,954.91	8,760.35
MoR for EAP Projects JICA - 288	Refer Note (a) below	2060	7% - Fixed	406,229.14	175,800.08

Notes to the Financial Statements

Note 17: Borrowings (Contd..)

(All amounts in INR Lakh, unless otherwise stated)

Loan From	Repayment Terms	Year of Maturity	Rate of Interest p.a.	Carrying Amount	
				As at March 31, 2023	As at March 31, 2022
MoR for EAP Projects JICA - 297	Refer Note (a) below	2062	7% - Fixed	141,794.74	–
MoR for EAP/IBRD Projects - 8066	Half Yearly	2033 in remaining 21 instalments	5.22 % - Variable*	310,247.28	313,914.13
IBRD for EAP Projects- 8318	Half Yearly	2035 in 26 instalments	5.22 % - Variable*	468,048.63	465,642.73
IBRD for EAP Projects- 8513	Half Yearly	2037 in 29 instalments	5.42 % - Variable*	427,553.23	368,870.50
Total				3,834,708.20	3,315,080.94

* Interest Rates applicable as on 31.03.2023

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

Above referred loans by JICA are being given to Ministry of Railways as an externally aided components of Gross Budgetary Support (GBS) through Ministry of Finance. JICA Loans are governed by STEP (Special Terms for Economic Partnership) conditions which provide that the eligible nationality of the supplier(s) shall be Japan in the case of the prime contractor. In case where the prime contractor is a joint venture, such joint venture will be eligible provided that the nationality of the lead partner is Japan, that the nationality of the other partners is Japan and/or India and that the total share of work of Japanese partners in the Joint venture is more than fifty percent (50%) of the contract amount. Further not less than thirty percent (30%) of the total price of contract(s) (excluding consulting services) financed by a STEP loan shall be accounted for by either goods from Japan and services provided by a Japanese company(ies), or goods from Japan only, depending on the nature of the project. The Company is committed to follow the STEP loan conditions.

This loan is passed on to the company on back-to-back basis and will be utilized for Western Dedicated Freight Corridors (WDFC). As per clarification received from MoR vide letter number 2009/Infra/3/1/26 Pt-1 dated 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. A clarification from Ministry of Railway was again received vide letter no. 2021/Infra/6/10 dated 28.06.2022 that in terms of Cabinet approvals, only interest will be paid by Ministry of Railway to Ministry of Finance @ 7% over the loan period after the moratorium period of 10 years without any repayment of principal.

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

The Government of India (GOI) through the Ministry of Finance (MoF) has entered into a Loan Agreement dated 27.10.2011 with IBRD to avail a loan of USD 975 Million that has been reduced to USD 800 Million vide letter dated 29.06.2017 with Loan ID-8066 IN with the IBRD which was to be utilized towards Institutional Development Activities and Design, Construction and Commissioning of 343 km of double track electrified railway on the Khurja-Bhaupur Section of the Eastern Dedicated Freight Corridor (EDFC). The loan was further reduced to USD 555 Million and terminal date extended upto 31.05.2019 vide World Bank letters dated 18.12.2018 and 27.12.2018. In terms of the Loan Agreement, the Company has been identified as the Project Implementing Entity for implementation of the project. The terminal date of the loan was 31.05.2019. However, as per provision of the contract, the last date of drawl of loan was up to 30.09.2019.

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

The Company signed another loan agreement with the IBRD dated 11.12.2014 with ID-8318 IN to avail a loan of USD 1100 Million that was subsequently reduced to USD 910 Million vide letter dated 30.06.2017 with Loan ID-8318 IN. The loan was further reduced to 660 Million and terminal date extended to 31.12.2020 vide World Bank letter dated 30.01.2020. The terminal date of the loan was 31.12.2020 but was open for submission of final IUFR up to 30.06.2021, i.e., with extended grace period by two months. This loan was utilized towards Institutional Development Activities and Design, Construction and Commissioning of 393 km of double track electrified railway on the Kanpur-Mughal Sarai & balance activities of Khurja - Bhaupur section of the EDFC. In this agreement, the GOI has given Sovereign Guarantee and charges guarantee fees which has been included in

Notes to the Financial Statements

Note 17: Borrowings (Contd..)

Note 26. The repayment of IBRD Loan ID-8318 IN along with interest is being made by the company to IBRD in USD terms on due date without any default.

The Company signed another loan agreement with the IBRD dated 21.10.2016 with ID-8513 IN to avail a loan of USD 650 Million with Loan ID-8513 IN. This loan was also reduced to USD 560 Million vide letter dated 30.06.2020. This Loan was utilized towards Institutional Development Activities and Design, Construction and Commissioning of 401 km of double track electrified railway on the Ludhiana - Khurja section of the EDFC. The terminal date of the loan was March, 2022 but was open for submission of final IUFR up to 31.07.2022. In this agreement also, the GOI has given Sovereign Guarantee and charges guarantee fees which has been included in Note 26. The repayment of IBRD Loan ID-8318 IN along with interest is being made by the company to IBRD in USD terms on due date without any default.

The Company has signed on 13.01.2023 a New Loan, i.e., Rail Logistic project with IBRD for USD 245 Million. This loan is to be utilised towards Institutional capacity strengthening, Construction of the EDFC Corridor: (a) design, construction, commissioning and testing of Khurja - Ludhiana section (401 km) and Kanpur - Mughal Sarai section (393 km) of EDFC; and (b) provision of consultancy services relating to overall project management, social and environment management, and quality and safety audit and last mile connectivity: Design, construction, commissioning and testing of civil, structure track, electrical and signalling systems work and related supervision consulting to provide last mile connectivity to terminals, on the basis of terminal feasibility studies and engineering designs undertaken by DFCCIL. The terminal date of the loan has been fixed at 30.06.2027. In this agreement also GOI, has given sovereign guarantee and charges guarantee fees. However, the loan got effectuated w.e.f. 13.04.2023. After fulfillment of pre conditions stipulated in the loan agreement, the first IUFR for disbursement of loan is yet to be submitted to World Bank.

Note 18 : Other Financial Liabilities

(All amounts in INR Lakh, unless otherwise stated)

Particulars	Non-Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Deposits/ Retention money***	6,829.63	1,342.19	17,407.45	24,599.77
Interest accrued but not due on loan	440,239.67	337,398.54	95,787.26	53,237.30
Earnest money deposit	-	-	1,632.01	368.69
Employee related liabilities*	-	-	2,933.78	2,547.28
Creditors for capital expenditure**	-	-	108,171.87	103,193.37
Funds received from MoR pending adjustment	-	-	2,902,878.47	1,878,533.96
Others	-	-	1.08	157.32
	447,069.30	338,740.73	3,128,811.92	2,062,637.69

Note:

* Employee related liabilities includes INR 0.00 Lakh as at March 31, 2023 (March 31, 2022 : INR 0.83 Lakh) due to related parties

** Creditors for capital expenditure includes INR 5492.40 Lakh as at March 31, 2023 (March 31, 2022 : INR 811.79 Lakh) due to related parties.

*** Deposits/ Retention Money includes INR 24.54 Lakh as at March 31, 2023 (March 31, 2022 : INR 10.96 Lakh) due to related parties.

Others includes Lease Rent payable, SLAO expenses payable .

Note 19 : Provisions

(All amounts in INR Lakh, unless otherwise stated)

Particulars	Non-Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits				
- Leave encashment (Refer Note 34(iii)(a))	4,749.40	3,692.27	543.77	382.90
- Leave travel concession (Refer Note 34(iii)(b))	659.61	518.09	69.46	41.36
- Post Retirement Medical Scheme (Refer Note 34(i)(c))	926.84	-	-	-
- Ex-Gratia (Refer Note 34(iii)(c))	749.50	-	54.43	-
Provisions for expenses (Refer Note below)	-	-	34,423.27	41,414.50
	7,085.35	4,210.36	35,090.93	41,838.77

Notes to the Financial Statements

Note 19 : Provisions (Contd..)

Note: Movement of provision for expenses

(All amounts in INR Lakh, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning	41,414.50	26,084.84
Provision during the year	34,423.27	41,414.50
Provision used during the year	41,414.50	26,084.84
Balance at the end	34,423.27	41,414.50

Note 20 : Other Liabilities

(All amounts in INR Lakh, unless otherwise stated)

Particulars	Non-Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Advance for ROB/ RUB (Refer Note (i) below)	12,921.22	18,297.11	-	-
Income received in advance	-	-	-	-
Advance received from customers against deposit work**	31,276.34	29,214.03	-	-
Advance for land (Pending for transfer to SLAO A/c) (Refer Note (ii) below)	-	-	16,906.83	60,198.79
Duties and taxes payable	-	-	12,892.58	17,728.28
Others	-	-	1.37	1.37
	44,197.56	47,511.15	29,800.78	77,928.44

Notes:

- The company is working on ROB 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 the company will be on 50:50 basis. On receipt of final bill/ completion of works, final adjustments shall be carried out.
- The above liability represents amount received from MoR for acquisition of land through SLAOs and the same is being kept in a separate earmarked bank account (Refer Note 13.2)

**Advance received from customers against deposit work includes INR 17,278.95 Lakh as at March 31, 2023 (March 31, 2022 : INR 20,085.39 Lakh) due to related parties.

Note 21 : Trade Payables

(All amounts in INR Lakh, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
- Outstanding dues of micro enterprises and small enterprises	40.49	6.58
- Outstanding dues of creditors other than micro enterprises and small enterprises*	306.81	9.77
	347.30	16.35

- Trade payables are non-interest bearing and are normally settled as per the terms of the contract.
- Trade payables to related parties amounts to INR Nil (March 31, 2022 : INR Nil).

Notes to the Financial Statements

Note 21 : Trade Payables (Contd..)

- c) As per Schedule III of the Companies Act, 2013 and as certified by the Management, the amount due to Micro and Small Enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 is as under:

(All amounts in INR Lakh, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;	40.49	6.58
(ii) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil
(iii) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	Nil	Nil
(iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	1.37	1.37
(v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil

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

Trade Payable Ageing Schedule

As at March 31, 2023

(All amounts in INR Lakh, unless otherwise stated)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) MSME	40.49	-	-	-	40.49
(ii) Others	300.62	2.40	0.68	3.11	306.81
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - others	-	-	-	-	-

As at March 31, 2022

(All amounts in INR Lakh, unless otherwise stated)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) MSME	6.13	0.45	-	-	6.58
(ii) Others	9.77	-	-	-	9.77
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - others	-	-	-	-	-

Notes to the Financial Statements

Note 22 : Lease Liabilities

(All amounts in INR Lakh, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at opening	3,170.50	4,901.19
Less: Adjustment due to lease modification	17.63	0.34
Add: Additions	73.08	933.39
Add: Accreditation of interest	123.14	305.43
Less: Payments	2,414.64	2,969.17
Balance at Closing	934.46	3,170.50
Current Part	34.02	2,294.65
Non-Current Part	900.44	875.85

Company as lessee

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

Leases: Cash Flows

Included in cash flows from operating activities is INR 340.31 Lakh (March 31, 2022 : INR 8.68 Lakh) and Included in cash flows from financing activities INR 2,291.49 Lakh (March 31, 2022: INR 2,663.74 Lakh).

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

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

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

Company as lessor

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

The Company's significant leasing arrangements are in respect of operating leases of premises for offices and guesthouses. Income from operating leases is recognised as revenue on a straight-line basis over the lease term.

Sub lease income of INR 455.34 Lakh (March 31, 2022: INR 426.47 Lakh) has been recognised and included under revenue from other incomes.

The maturity analysis of lease liabilities is given in Note 37.

Note 23 : Revenue from Operations

(All amounts in INR Lakh, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of Services		
– Track Access Charges	314,147.96	194,915.31
	314,147.96	194,915.31

a) Disaggregated revenue information

(All amounts in INR Lakh, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Track Access Charges*	314,147.96	194,915.31
	314,147.96	194,915.31

* The Company, on the basis of the methodology for calculating Track Access Charge as given in "In-principle Approval" letter dated 03.12.2018 of MoR, has computed and recorded its entitlement to the amounts receivable on account of the said charge, which for the year amounts to INR 3,14,147.96 Lakh (PY: INR 1,94,915.31 Lakh), and the aggregate amount receivable as at 31st March 2023, being INR 5,38,052.11 Lakh (previous year INR 2,23,904.15 Lakh) The said receivable is good and recoverable and the Company is in correspondence with MoR for formal approval of the same.

Notes to the Financial Statements

Note 23 : Revenue from Operations (Contd..)

b) Reconciliation of Revenue from Operations with Contract Price

(All amounts in INR Lakh, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Contract Price	314,147.96	194,915.31
Less: Rebate and Discount	-	-
Total Revenue from Operations	314,147.96	194,915.31

c) Movement in unbilled revenue

(All amounts in INR Lakh, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance at the beginning of the period	223,904.15	28,988.84
Add: Revenue recognized during the period	314,147.96	194,915.31
Less: Invoice raised during the period	-	-
Balance at the closing of the period	538,052.11	223,904.15

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

d) Remaining Performance obligations

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at March 31st 2023 is INR Nil.

e) Information about major customers

Ministry of Railways is the single customer of the Company during the year ended 31st March 2023.

Note 24 : Other Income

(All amounts in INR Lakh, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest income		
- on Flexi FDR	5,210.45	3,805.71
- on Income Tax Refund	36.13	13.30
Rent Received for Tower Wagon	265.79	129.23
Foreign Currency Fluctuation Gain	-	1,210.16
Miscellaneous income	1,216.14	2,347.07
Recovery on sub-lease	455.34	426.47
Less: Expenses on sub-lease	439.86	427.44
Net other income	6,743.99	7,504.50

Note 25 : Employee Benefits Expense

(All amounts in INR Lakh, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries and wages	31,622.85	23,858.23
Contribution to provident and other funds	4,055.68	2,095.05
Gratuity	460.22	379.50
Staff welfare expenses	1,749.94	1,941.75
	37,888.69	28,274.53
Less: Transferred to development account (Refer Note 31)	17,856.14	13,924.03
	20,032.55	14,350.50

Notes to the Financial Statements

Note 26 : Finance Costs

(All amounts in INR Lakh, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest Expenses on:		
EAP/JICA loan	173,603.63	133,785.01
IBRD loan	46,171.84	18,561.37
Lease liabilities	123.14	305.43
Income Tax/TDS	–	(222.83)
Other Taxes	0.21	(20.51)
Other finance cost	11,902.68	956.30
Exchange differences regarded as adjustment to interest cost	94,130.68	47,268.79
	325,932.18	200,633.56
Less: Transferred to development account (Refer Note 31)	185,227.42	110,963.03
	140,704.76	89,670.53

Note 27 : Depreciation & Amortization Expense

(All amounts in INR Lakh, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation on Property, Plant & Equipment (Refer Note 3)	123,677.99	81,147.39
Depreciation of Right-of-use Assets (Refer Note 7)	2,191.38	2,699.27
Amortisation of Intangible Assets (Refer Note 5)	5.76	7.84
	125,875.13	83,854.50
Less: Transferred to Development Account (Refer Note 31)	1,903.94	499.03
	123,971.19	83,355.47

Note 28 : Other Expenses

(All amounts in INR Lakh, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Rent expense	340.31	8.68
Tours, travels and conveyance	5,854.58	4,311.65
Seminar and training expenses	1,796.59	811.36
Advertisement expenses	219.44	336.68
Housekeeping & manpower expenses	3,840.63	1,810.87
Office security expenses	1,183.28	722.90
Legal and professional charges	3,651.08	1,376.94
Communication expenses	776.88	668.59
Printing and stationary	225.34	158.68
Consultancy fees to consultants	795.17	450.27
Recruitment expenses	207.41	915.52
Electricity expenses	2,982.96	2,140.67
Repair and maintenance - others	15,112.65	4,971.62
Rates and taxes	563.83	0.37
Foundation day expense	33.78	–
Computer job work	41.44	57.36
Payment to statutory auditors*	22.80	16.80
Meeting and conference	72.80	49.41
Office expenses	348.30	113.62
Hospitality expenses	100.81	68.69
Foreign currency fluctuation loss	1,218.52	–
Software Expenses	97.81	168.31
Inspection and Testing Expenses	1,029.72	519.02
Power and Fuel Expenses	395.82	164.47
Consumable Stores	100.57	209.70
Miscellaneous expenses	1,197.21	1,286.97
	42,209.74	21,339.15
Less: Transferred to development account (Refer Note 31)	12,580.45	6,174.37
Total	29,629.29	15,164.78

Notes to the Financial Statements

Note 28 : Other expenses (Contd..)

* Details of payment made to auditors is as follows:

(All amounts in INR Lakh, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
As statutory auditor: *		
– For Audit	14.00	14.00
– For Taxation Matters	2.80	2.80
– For Other Services	6.00	–
	22.80	16.80

* Shall be provided at the year end

Note 29 : Components of Other Comprehensive Income

(All amounts in INR Lakh, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Re-measurement gains/ (losses) on defined benefit plans	118.19	(453.14)
Income Tax Expense	(29.75)	103.68
	88.44	(349.46)

Note 30 : Earning Per Share

(All amounts in INR Lakh, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Basic earning per share		
Total profit/ (loss) for the year	(1,970.27)	(1,615.26)
Weighted average number of equity shares of INR 1,000 each (In Lakh)	1,568.37	1,407.66
EPS - Basic (in INR)	(1.26)	(1.15)
Diluted earning per share		
Total profit/ (loss) for the year	(1,970.27)	(1,615.26)
Weighted average number of equity shares of INR 1,000 each (In Lakh) - Diluted (Refer Note below)	1,568.37	1,449.76
EPS - Diluted* (in INR)	(1.26)	(1.15)
*For the year ended on March 31, 2023 and March 31, 2022, Potential Equity Shares on account of Share Application Money Pending Allotment were excluded from calculation of Diluted EPS as their effect would have been anti-dilutive.		
Note:		
Weighted Avg No. of Equity Shares Outstanding during the year	1,568.37	1,407.66
Add: Weighted Avg No. of Potential Equity Shares on account of Share Application Money	4.53	42.10
Weighted Avg No. of Equity Shares Outstanding during the year-diluted	1,572.90	1,449.76

Note 31 : Development Account (pending capitalisation)

(All amounts in INR Lakh, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Employees benefit expense	17,856.14	13,924.03
Finance cost	185,227.42	110,963.03
Depreciation and amortization expense	1,903.94	499.03
Other expenses	12,580.45	6,174.37
Total (A)	217,567.94	131,560.46

Notes to the Financial Statements

Note 31 : Development Account (pending capitalisation) (Contd..)

(All amounts in INR Lakh, unless otherwise stated)

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
Less:				
Indirect Incomes				
Liquidated damages deducted/(released)	1,176.77		3,356.92	
Interest Income on retention money	-		(2.16)	
Interest on mobilization advance	(4,111.24)		(3,398.04)	
Interest on advances - employees	16.11		(8.61)	
Security deposit/EMD forfeited	(2,944.84)		(248.77)	
Sale of tender	9.15		(11.15)	
Miscellaneous Interest Income	2,967.00		-	
Others	736.87		-	
Loss on sale of Property, Plant and Equipment	-	(2,150.18)	47.68	264.15
Total (B)		(2,150.18)		264.15
Total transferred to capital work in progress (CWIP) (A-B)		219,718.12		131,296.31

Note 32 : Contingent Liabilities, Contingent Assets and Commitments

A. Commitments

- Estimated amount of contracts remaining to be executed on capital account (net of capital advances) and not provided for INR 11,23,729.52 Lakh (March 31, 2022: INR 1,735,477.81 Lakh)
- Estimated amount of revenue commitments (net of advances) and not provided for INR 20,946.68 Lakh (March 31, 2022: INR 4,243.80 Lakh)
- As per JICA loan agreement, the eligible nationality of the supplier(s) shall be Japan in the case of the prime contractor. In case where the prime contractor is a joint venture, such joint venture will be eligible provided that the nationality of the lead partner is Japan, that the nationality of the other partners is Japan and/or India and that the total share of work of Japanese partners in the Joint venture is more than fifty percent (50%) of the contract amount. The Company is committed to follow the aforementioned loan condition.

B. Contingent Liabilities

(All amounts in INR Lakh, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Claims against Company not acknowledged as debt (Refer (i) below)	532,006.61	615,072.04
Disputed liability under Income Tax (Refer (ii) below)	121.40	125.33
Contingent Liabilities under Companies Act, 2013	3.55	-
	532,131.56	615,197.37

- 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.
- The Company has been advised that the demand is likely to be either deleted or substantially reduced and accordingly, no provision is considered necessary.
- 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, the Company is not subject to any liability that may arise pursuant to the decision of aforesaid adjudicating authorities.

Notes to the Financial Statements

Note 33 : Segment Information

A. Description of segments and principal activities

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

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

Operating Segments

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

B. Information about reportable segments

During the year, the Company has commissioned five sections (one section in Previous Year) of its ongoing projects (Refer Note 3)

Information related to each reportable segment is set out below:-

(All amounts in INR Lakh, unless otherwise stated)

For the year ended March 31, 2023	EDFC*	WDFC#	Unallocated	Total
Segment Revenue				
Revenue from Operations	130,277.83	183,870.13		314,147.96
Other Income			6,743.99	6,743.99
Total Revenue	130,277.83	183,870.13	6,743.99	320,891.95
Employee benefits expense	8,707.86	11,324.70	(0.01)	20,032.55
Corporate Social Responsibility expense			24.31	24.31
Other expenses	11,331.29	18,108.13	189.87	29,629.29
Segment Result (EBDIT)	110,238.68	154,437.30	6,529.82	49,686.15
Depreciation and amortization expense	49,460.07	74,511.12	-	123,971.19
Finance costs	60,778.61	79,926.19	(0.04)	140,704.76
Profit before tax	-	-	6,529.85	6,529.85
Tax expense	-	-	8,500.12	8,500.12
Profit for the year	-	-	(1,970.27)	(1,970.27)

(All amounts in INR Lakh, unless otherwise stated)

For the year ended March 31, 2022	EDFC*	WDFC#	Unallocated	Total
Segment Revenue				
Revenue from Operations	67,007.49	127,907.82	-	194,915.31
Other Income	-	-	7,504.50	7,504.50
Total Revenue	67,007.49	127,907.82	7,504.50	202,419.81
Employee benefits expense	5,008.19	6,393.99	2,948.32	14,350.50
Corporate Social Responsibility expense			85.75	85.75
Other expenses	5,768.64	6,896.62	2,499.52	15,164.78
Segment Result (EBDIT)	56,230.67	114,617.22	1,970.89	172,818.78
Depreciation and amortization expense	33,130.59	48,285.19	1,939.69	83,355.47
Finance costs	23,100.08	66,332.02	238.43	89,670.53
Profit before tax	-	-	(207.22)	(207.22)
Tax expense	-	-	1,408.04	1,408.04
Profit for the year	-	-	(1,615.26)	(1,615.26)

* Shujatpur to Rooma, New ERC DDU to New Chiraila Pauthu (including loop line) (Previous Year: NIL)

New Palanpur to New Bhandu, New Palanpur to New Chadotar, New Bhandu to Sanand North (Previous Year: Madar to New Palanpur)

Notes to the Financial Statements

Note 33 : Segment Information (Contd..)

(All amounts in INR Lakh, unless otherwise stated)

Particulars	Total assets			Total liabilities		
	Segment assets	Unallocated corporate assets	Total Assets	Segment liabilities	Unallocated corporate liabilities	Total liabilities
As at March 31, 2023						
EDFC	38,28,089.50	-	38,28,089.50	13,43,287.93	-	13,43,287.93
WDFC	51,90,595.77	-	51,90,595.77	32,65,417.22	-	32,65,417.22
Unallocated	-	1,16,894.70	1,16,894.70	-	29,29,280.44	29,29,280.44
Total	90,18,685.27	1,16,894.70	91,35,579.97	46,08,705.15	29,29,280.44	75,37,985.59
As at March 31, 2022						
EDFC	29,45,417.65	-	29,45,417.65	12,50,636.63	-	12,50,636.63
WDFC	44,26,153.28	-	44,26,153.28	27,28,537.57	-	27,28,537.57
Unallocated	-	1,20,450.13	1,20,450.13	-	19,13,370.65	19,13,370.65
Total	73,71,570.93	1,20,450.13	74,92,021.06	39,79,174.20	19,13,370.65	58,92,544.85

C. Geographic information

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

D. Information about major contracts

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

(All amounts in INR Lakh, unless otherwise stated)

Name of the customer	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Amount	%	Amount	%
Ministry of Railway (MoR)	314,147.96	100.00%	194,915.31	100.00%

Note 34 : Employee Benefits

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

(i) Defined Contribution Plans:

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

(All amounts in INR Lakh, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Contribution to Provident Fund	1,611.54	1,120.07
(b) Contribution to National Pension Scheme (NPS)*	1,518.78	974.97

* Ministry of Railways vide letter dated 10.02.2020 has conveyed the sanction of President of India for implementation of the NPS in the Company w.e.f. 01.01.2017. Accordingly, the company has notified the NPS for the regular employees vide letter dated 01.05.2020. The contribution of the employer will be 10% of Basic Pay+DA. Benefits under scheme shall come into force w.e.f. 01.01.2017. Consequently, provision for NPS amount has been started to be made in financial statements from March 31, 2020 onwards.

(c) Post Retirement Medical Scheme

The Post Retirement Medical Benefit Scheme has been implemented in the Company on 23.03.2023. The Scheme shall cater the medical requirements of the eligible employees of the Company and spouse of deceased Company employees in IDA pay - scales. This scheme is applicable w.e.f 01.01.2017.

During the year ended March 31, 2023, the Company has made a provision of INR 926.84 Lakh on post retirement medical scheme. (March 31, 2022: NIL).

Notes to the Financial Statements

Note 34 : Employee Benefits (Contd..)

(ii) Defined Benefit Plan:

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

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2023. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

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

(All amounts in INR Lakh, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Net defined benefit liability	NIL	NIL

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

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

(All amounts in INR Lakh, unless otherwise stated)

Particulars	(Gratuity Funded)	
	As at March 31, 2023	As at March 31, 2022
Defined benefit obligation		
Balance at beginning of the year	2,574.72	1,664.82
Service Cost	506.33	405.72
Net Interest Cost	186.93	112.54
Actuarial (gain)/loss on obligation	(123.83)	484.58
Benefits paid directly by the enterprises	(85.54)	(92.94)
Balance at closing of the year	3,058.61	2,574.72

C. Cost for the year included under employee benefit

(All amounts in INR Lakh, unless otherwise stated)

Particulars	(Gratuity Funded)	
	As at March 31, 2023	As at March 31, 2022
Current Service Cost	506.33	405.72
Interest Cost (Net)	(46.11)	(26.22)
	460.22	379.50

D. Movement in Fair Value of Plan Assets

(All amounts in INR Lakh, unless otherwise stated)

Particulars	(Gratuity Funded)	
	As at March 31, 2023	As at March 31, 2022
Fair value of plan assets at the beginning of the period	3,209.81	2,052.70
Actual return on plan assets	260.80	177.31
Fund management charges	(33.41)	(712)
Employer contribution	395.57	1,079.86
Transfer Fund received from other unit	25.63	-
Benefits paid	(85.54)	(92.94)
Fair value of plan assets at the end of the period	3,772.86	3,209.81

Notes to the Financial Statements

Note 34 : Employee Benefits (Contd..)

E. Details of actuarial gain/(loss) recognized in OCI

(All amounts in INR Lakh, unless otherwise stated)

Particulars	(Gratuity Funded)	
	As at March 31, 2023	As at March 31, 2022
Actuarial gain/(loss) for the year on PBO	123.83	(484.58)
Actuarial gain/(loss) for the year on Asset	(5.64)	31.43
Unrecognized actuarial gain/(loss) for the period	118.19	(453.15)

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

(All amounts in INR Lakh, unless otherwise stated)

Particulars	(Gratuity Funded)	
	As at March 31, 2023	As at March 31, 2022
Present value of Defined Benefit Obligation	3,058.61	2,574.73
Fair value of plan assets	3,772.86	3,209.81
Net Defined Benefit (assets)/ liability	(714.25)	(635.08)

G. Actuarial assumptions

a) Economic assumption

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

(All amounts in INR Lakh, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Discount rate	7.39%	7.26%
Expected rate of future salary increase	6.00%	6.00%

b) Demographic assumption

(All amounts in INR Lakh, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Retirement age (years)	60	60
Mortality rates inclusive of provision for disability	IALM (2012-14)	IALM (2012-14)
Attrition at Ages	Withdrawal Rate (%)	Withdrawal Rate (%)
Up to 30 Years	5.00%	5.00%
From 31 to 44 years	5.00%	5.00%
Above 44 years	5.00%	5.00%

As at March 31, 2023, the weighted average duration of the defined benefit obligation was 14.06 years (March 31, 2022 : 13.81 years)

H. Sensitivity analysis

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

(All amounts in INR Lakh, unless otherwise stated)

Particulars	March 31, 2023		March 31, 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(124.44)	135.05	(105.89)	114.94
Expected rate of future salary increase (0.5% movement)	117.92	(115.34)	105.08	(102.92)

Notes to the Financial Statements

Note 34 : Employee Benefits (Contd..)

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

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

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

(All amounts in INR Lakh, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
0 to 1 years	263.96	216.14
1 to 2 years	276.07	211.91
2 to 3 years	297.86	215.82
3 to 4 years	262.47	230.68
4 to 5 years	196.40	203.44
5 to 6 years	152.41	149.89
from 6 years onwards	1,609.43	1,346.84

(iii) Other long-term employee benefits:

a) Earned leave and half pay leave

During the year ended March 31, 2023, the Company has incurred an expense on earned leave and half pay leave amounting to INR 1,557.39 Lakh (March 31, 2022 : INR 1,620.90 Lakh expense incurred). The Company determines the expense and the present value of the obligation for earned leave and half pay leave as per actuarial valuation, using the Projected Unit Credit Method.

b) Leave travel concession

During the year ended March 31, 2023, the Company has incurred an expense on leave travel concession amounting to INR 265.75 Lakh (March 31, 2022: INR 170.00 Lakh). The Company determines the expense and the present value of the obligation for leave travel concession as per the actuarial valuation, using the Projected Unit Credit Method.

c) Ex - Gratia Liability

The Board of Directors in its 83rd meeting held on 27.07.2022 has accorded approval for "Financial Assistance in case of death of an employee - payment of Ex-gratia" for Company employees. In case of natural as well as accidental death/ permanent total disability leading to being incapacitated, a lump sum ex-gratia payment equivalent to 70 times of last pay drawn (Basic Pay + DA) or remaining months of service x last pay drawn (Basic pay + DA), whichever is less, subject to minimum of INR 25 Lakh will be payable to the family of the deceased/ permanent incapacitated employee.

During the year ended March 31, 2023, the Company has incurred an expense on Ex-Gratia amounting to INR 803.93 Lakh (March 31, 2022: INR NIL). The Company determines the expense and the present value of the obligation for Ex-Gratia Liability as per the actuarial valuation, using the Projected Unit Credit Method.

Note 35 : Related Parties

A. Related parties and their relationships

i. Government entities

The Company is a Central Public Sector Undertaking (CPSU) controlled by Central Government through Ministry of Railways by holding its entire shares (refer Note 15). Pursuant to Paragraph 25 & 26 of Ind AS 24, entities over which the same government has control or joint control of, or significant influence, then the reporting entity and other entities shall be regarded as related parties. The Company has applied the exemption available for government related entities and have made limited disclosures in the financial statements. Entities with which the Company has significant transactions are MoR, RDSO, Rites Ltd, Konkan, Railtel, IRCTC, Concor, RVNL and CRIS.

Notes to the Financial Statements

Note 35 : Related Parties (Contd..)

ii. Key Managerial Personnel (KMP)

Sh. Ravindra Kumar Jain	Managing Director (w.e.f. 11.12.2020)
Sh. Hira Ballabh	Chief Financial Officer and Director (Finance) (w.e.f. 05.05.2020)
Sh. Hari Mohan Gupta	Director (Infrastructure) (w.e.f. 13.10.2020)
Sh. Nanduri Srinivas	Director (Operations & Business Development) (w.e.f. 15.06.2020)
Sh Pankaj Saxena	Director (Project-Planning) (w.e.f. 19.04.2022)
Sh. Vinay Kumar Tripathi	Part-time Chairman (From 12.01.2022 to 31.12.2022)
Sh. Anil Kumar Lahoti	Part-time Chairman (w.e.f. 22.02.2023)
Sh. Mukul Saran Mathur	Part time Official Director - Government Nominee-MoR (w.e.f 03.01.2023)
Sh. Sudhendu Jyoti Sinha	Part time Official Director - Government Nominee-NITI Aayog (w.e.f 04.04.2022)
Sh. Ravindra Nath Singh	Part time Official Director - Government Nominee-MoR (From 20.06.2019 to 02.01.2023)
Sh. B. Ramana Kumar	Independent Director (From 29.07.2019 to 28.07. 2022)
Sh. Pawan Palta	Independent Director (w.e.f 09.11.2021)
Sh. Amarnath Yadav	Independent Director (w.e.f 07.12.2021)
Ms. Meenu Kapoor	Company Secretary (w.e.f 31.03.2008)

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

(All amounts in INR Lakh, unless otherwise stated)

Name of Related Party	Nature of Transaction	For the year ended	
		March 31, 2023	March 31, 2022
Ministry of Railways & its constituent	AMOUNT RECEIVED		
	Receipt pending adjustment*	1,486,550.00	1,254,400.00
	*Transfer towards Share Application Money (out of receipts) is NIL (PY: INR 165237 Lakh only).		
	Advance for Land	52,948.45	191,746.13
	Advance for ROB/RUB	27,179.00	67,522.55
	CAPITAL ALLOTTED	165,237.00	-
	AMOUNT PAID		
	For Capital Advances	69,594.33	68,949.75
	For purchase of Inventory	1.98	3,333.24
	ON BEHALF OF MoR		
	Land facilitation expenses	170.43	2,108.49
	Cost Sharing towards ROB/RUB - Adjusted	36,787.64	103,296.02
	Recoverable from MoR - Sonnagar-Dankuni Project	35,985.45	1,418.19
	Expenditure on PETS Survey Recoverable from MoR	5,189.95	3,632.06
	Outsourced Staff Salary on behalf of MoR	92.04	46.85
	INCOME		
	Track Access Charges	314,147.96	194,915.31
	EXPENSES		
	Renting/ Hiring Charges	202.71	234.42
	Training Expenses	1,721.72	1,109.62
	Project Related Expenses	164.86	135.81
	Repair and Maintenance Expenses	2,508.38	17.80
	Electricity Expenses	1,327.01	918.02
Entities under Ministry of Railways	AMOUNT PAID/PAYABLE		
	Railway Design and Standards Organization (RDSO)		
	- Recruitment Expenses	12.83	2.14
	- Inspection Charges	280.84	86.21
	Rail India Technical and Economic Services Limited (Rites Ltd)		
	- Advance For ROB/RUB	-	53.80
	- Project Management Consultancy services	3,481.25	4,188.20
	- Electrical Repair	-	225.00

Notes to the Financial Statements

Note 35 : Related Parties (Contd..)

(All amounts in INR Lakh, unless otherwise stated)

Name of Related Party	Nature of Transaction	For the year ended	
		March 31, 2023	March 31, 2022
	- Inspection Charges	123.59	126.29
	- Refund of Security Deposit	-	3.16
	Konkan Railway Corporation Limited		
	- Advance towards Utility Charges	-	9.77
	Centre for Railway Information System (CRIS)		
	- Advance for implementation of BMS and TMS Application	63.47	-
	Kolkata Metro Rail Corporation Limited		
	- Office Rent	82.77	58.70
	Indian Railway Catering and Tourism Corporation (IRCTC)		
	- Inspection Charges	253.00	53.12
	Rail Vikas Nigam Limited (RVNL)		
	- Advance for IR Connectivity	-	1,736.14
	- Advance for Construction/ Purchase of Flat/GH-HO	792.00	-
	- Advance for Construction of FOB	40.51	-
	- Payment of Office Rent	6.37	-
	Railtel Corporation of India Limited		
	- Professional & Consultancy Charges	33.88	42.71
	- Internet & Telephone Charges	559.20	504.45
	- Computer & Software Charges	-	17.10
	- Annual Maintenance Charges	133.99	146.91
	- Shifting of Utilities	64.23	-
	AMOUNT RECEIVED/ RECEIVABLE		
	Container Corporation of India Limited		
	- Application Fee Received for PFT Policy	-	9.90
	- Overhead Charges	-	89.62
	- Advance for Deposit Work & Other	1,901.45	7,200.18
	- Sale of Tender	19.80	-
	- Miscellaneous Income	764.76	-
Remuneration to Key Managerial Personnel	Nature of Transaction		
	A) Short-term Employee Benefits	312.20	219.41
	B) Post-Employment Benefits	22.84	8.01
	C) Other Long-Term Benefits	28.20	8.18
	D) Sitting Fee	7.20	3.00
	Total	370.44	238.60

Note : KMP wise break up is not available in Ex-Gratia provision expense.

Outstanding balances with related parties

(All amounts in INR Lakh, unless otherwise stated)

Name of Related Party	Nature of Transaction	For the year ended	
		As at March 31, 2023	As at March 31, 2022
Ministry of Railways	Debit / Recoverable Balances		
	Expenditure on PETS/DPR Survey	8,822.11	3,632.16
	Land facilitation expenses	6,969.58	6,799.15
	Unbilled Revenue towards TAC	538,052.11	223,904.15
	Advance for Tower Wagon	876.25	6,642.17
	Shifting of utilities, Capital Advance, ROB works and Construction of Flats.	129,640.37	211,240.51
	Recoverable from MoR - Sonnagar-Dankuni Project	49,013.38	13,027.94
	Project Related work & Other Services	6,105.64	7,884.72

Notes to the Financial Statements

Note 35 : Related Parties (Contd..)

(All amounts in INR Lakh, unless otherwise stated)

Name of Related Party	Nature of Transaction	For the year ended	
		As at March 31, 2023	As at March 31, 2022
Entities under Ministry of Railways	Centre for Railway Information System	571.75	612.33
	Konkan Railway Corporation Limited	13.19	9.77
	Railtel Corporation of India Limited	1,151.50	1,426.52
	Rail India Technical and Economic Services Limited	2,633.39	-
	Indian Railway Catering and Tourism Corporation	35.95	28.27
	Railway Design and Standards Organization	72.39	81.04
	Indian Railways Organization For Alternate Fuels	1.42	1.42
	Container Corporation of India Limited	9.91	1,237.26
	Rail Vikas Nigam Limited	3,091.91	3,944.99
	Total	747,060.85	480,472.40
Ministry of Railways	Credit/ Payable Balances		
	Funds received (Pending Adjustment)	2,902,878.47	2,043,770.96
	Advance for Land	16,906.83	60,198.79
	Advance received for ROB/RUB	7,775.69	5,865.23
	Project related work & Other Services	4,970.36	1,460.02
Entities under Ministry of Railways	Railtel Corporation of India Limited	139.14	386.98
	Rail India Technical and Economic Services Limited	479.86	48.45
	Container Corporation of India Limited	17,269.04	20,085.39
	National Rail Museum	0.32	-
	Railway Design and Standards Organization	2.84	11.48
	Total	2,950,422.55	2,131,827.30

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

Note 36 : Corporate Social Responsibility Expense

(All amounts in INR Lakh, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(i) Gross amount required to be spent by the Company during the year (i.e. 2% of Average Net Profits u/s 198 of Companies Act, 2013 of last three years)	-	-
(ii) Amount spent during the year		
Nature of CSR Activities:-		
i) Construction/acquisitions of any asset	-	
ii) For purposes other than (i) above		
a) Payment for eradicating hunger, poverty and promoting preventive healthcare and sanitation projects	-	
b) Payment for setting up of Oxygen Generator Plant at DDU Hospital	-	42.93
c) Payment for educational & employment enhancing vocation skills	24.31	42.82
d) Others	-	-
	24.31	85.75
(iii) Total of Previous Years Shortfall	-	29.33
(iv) Shortfall At the End Of The Year	-	-

Notes to the Financial Statements

Note 37 : Financial Instruments – Fair Values and Risk Management

I. Fair value measurements

A. Financial instruments by category

(All amounts in INR Lakh, unless otherwise stated)

Particulars	As at March 31, 2023			As at March 31, 2022		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
Financial assets						
Non-Current						
Other non-current financial assets (Refer Note 8)						
Security Deposits Considered Good	-	-	2,647.36	-	-	2,314.03
Security Deposits Considered Doubtful	-	-	-	-	-	-
Term Deposits with Forest Department			3.30			3.30
Interest Accrued on Term Deposits with Forest Department			3.70			3.33
Others	-	-	126.00	-	-	182.60
Current						
Cash and cash equivalents (Refer Note 13.1)	-	-	5,811.58	-	-	37,749.33
Bank balances other than above (Refer Note 13.2)	-	-	89,679.78	-	-	51,248.93
Other current financial assets (Refer Note 8)						
-Interest accrued on fixed deposits	-	-	354.04	-	-	252.64
-Expenditure on land acquisition - recoverable from MoR	-	-	6,969.58	-	-	6,799.15
-Expenditure on PETS survey - recoverable from MoR	-	-	8,822.11	-	-	3,632.16
-Recoverable from MoR – Sonnagar–Dankuni Project			49,013.38			13,027.94
-Recoverable for Share of ROB/RUB			45,013.69			6,886.62
-Other recoverables	-	-	3,097.88	-	-	4,865.13
-Security deposits – Considered Good	-	-	453.72	-	-	550.05
-Employee advances	-	-	176.03	-	-	112.38
-Trade Receivables (Unbilled)	-	-	538,052.11	-	-	223,904.15
	-	-	750,224.26	-	-	351,531.74
Financial liabilities						
Non-Current						
Borrowings (Refer Note 17)	-	-	3,739,623.52	-	-	3,242,207.43
Lease liabilities (Refer Note 22)	-	-	900.44	-	-	875.84
Other non-current financial liabilities (Refer Note 18)	-	-	447,069.30	-	-	338,740.73
Current						
Borrowings (Refer Note 17)	-	-	95,084.68	-	-	72,873.51
Trade Payables (Refer Note 21)	-	-	347.30	-	-	16.35
Other current financial liabilities (Refer Note 18)						
-Earnest money deposit	-	-	1,632.01	-	-	368.69
-Employee related liability	-	-	2,933.78	-	-	2,547.28
-Deposits/ retention money	-	-	17,407.45	-	-	24,599.77
-Creditors for capital expenditure	-	-	108,171.87	-	-	103,193.37
-Funds received from MoR pending adjustment	-	-	2,902,878.47	-	-	1,878,533.96
-Interest accrued but not due on loan	-	-	95,787.26	-	-	53,237.30
-Others	-	-	1.08	-	-	157.32
-Lease liabilities (Refer Note 22)	-	-	34.02	-	-	2,294.65
	-	-	7,411,871.18	-	-	5,719,646.20

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.

Notes to the Financial Statements

Note 37 : Financial Instruments – Fair Values and Risk Management (Contd..)

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 Indian Accounting Standard. An explanation of each level follows underneath the table.

Assets and liabilities which are measured at amortised cost

(All amounts in INR Lakh, unless otherwise stated)

Particulars	As at March 31, 2023			
	Level 1	Level 2	Level 3	Total
Financial assets				
Employee advances	-	-	302.03	302.03
Total financial assets	-	-	302.03	302.03
Financial liabilities				
Borrowings	-	-	3,834,708.19	3,834,708.19
Lease liabilities (Refer Note 22)	-	-	934.46	934.46
Deposits/ Retention money	-	-	24,237.08	24,237.08
Total financial liabilities	-	-	3,859,879.73	3,859,879.73

Assets and liabilities which are measured at amortised cost

(All amounts in INR Lakh, unless otherwise stated)

Particulars	As at March 31, 2022			
	Level 1	Level 2	Level 3	Total
Financial assets				
Employee advances	-	-	294.98	294.98
Total financial assets	-	-	294.98	294.98
Financial liabilities				
Borrowings	-	-	3,315,080.94	3,315,080.94
Lease liabilities (Refer Note 22)	-	-	3,170.50	3,170.50
Deposits/ Retention money	-	-	25,941.96	25,941.96
Total financial liabilities	-	-	3,344,193.40	3,344,193.40

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 borrowings, lease liability, deposit / retention money is classified as level 3 fair values in the fair value hierarchy due to the use of un-observable inputs.

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

Note 37 : Financial Instruments – Fair Values and Risk Management (Contd..)

II. Financial risk management

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

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

i. Risk management framework

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

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

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

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities.

The financial asset mainly consists of money held in banks pending utilisation in construction activity. Company does not perceive any credit risk in respect of these financial assets.

Other receivables

The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of other receivables. Basis the evaluation, the management has determined that there are no credit impairment loss on other receivables. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note No. 8.

iii. Liquidity risk

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

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

Company is in construction of freight corridor for which loan from World Bank and JICA has since been tied up. As per the extant mechanism, based on the budget estimate and fund requirement, funds are received from Ministry of Railways (MoR) towards Equity and Externally Aided Component i.e. Loan. Company keeps on meeting contractual liability from that

Notes to the Financial Statements

Note 37 : Financial Instruments – Fair Values and Risk Management (Contd..)

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, the Company at present does not have any liquidity risk.

(a) Financing arrangements

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

(All amounts in INR Lakh, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Loan from JICA	1,019,899.00	757,138.75
Loan from IBRD	-	53,449.66
	1,019,899.00	810,588.41

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

The credit facilities may be drawn by the Company on the basis of the future cash projections. The loan facilities may be drawn in INR (JICA) and USD (IBRD) and have an average maturity of 31.70 years (March 31, 2022 - 31.09 years) for JICA loan and have an average maturity of 12.34 years (March 31, 2022 - 13.50 years) for IBRD loan.

(b) Maturities of financial liabilities

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

(All amounts in INR Lakh, unless otherwise stated)

As at March 31, 2023	Carrying Amounts	Contractual cash flows				
		Total	Upto 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Non-derivative financial liabilities						
Borrowings	3,834,708.20	3,836,995.77	95,084.68	95,084.68	285,254.03	3,361,572.38
Deposit/ retention money	24,237.08	24,237.08	17,407.45	6,829.63		
Lease liabilities	934.46	934.46	34.02	900.44		
Interest accrued but not due on loan - JICA	511,002.16	498,829.02	70,762.50	130,119.92	217,097.20	80,849.40
Earnest money deposit	1,632.01	1,632.01	1,632.01	-	-	-
Employee related liability	2,933.78	2,933.78	2,933.78	-	-	-
Trade Payables	347.30	347.30	347.30	-	-	-
Creditors for capital expenditure	108,171.87	108,171.87	108,171.87	-	-	-
Funds received from MoR pending adjustment	2,902,878.47	2,902,878.47	2,902,878.47	-	-	-
Interest accrued but not due on loan from IBRD	25,024.76	25,024.76	25,024.76	-	-	-
Others	1.08	1.08	1.08			
Total non-derivative liabilities	7,411,871.16	7,401,985.60	3,224,277.92	232,934.67	502,351.23	3,442,421.78

(All amounts in INR Lakh, unless otherwise stated)

As at March 31, 2022	Carrying Amounts	Contractual cash flows				
		Total	Upto 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Non-derivative financial liabilities						
Borrowings	3,315,080.94	3,318,190.89	72,873.51	85,266.70	255,800.10	2,904,250.58
Deposit/ retention money	25,941.96	25,941.96	24,599.77	1,342.19		
Lease liabilities	3,170.50	3,170.50	2,294.65	875.84		

Notes to the Financial Statements

Note 37 : Financial Instruments – Fair Values and Risk Management (Contd..)

(All amounts in INR Lakh, unless otherwise stated)

As at March 31, 2022	Carrying Amounts	Contractual cash flows				
		Total	Upto 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Interest accrued but not due on loan - JICA	386,777.48	381,870.87	49,378.94	25,487.70	76,463.10	230,541.13
Earnest money deposit	368.69	368.69	368.69	–	–	–
Employee related liability	2,547.28	2,547.28	2,547.28	–	–	–
Trade Payables	16.35	16.35	16.35	–	–	–
Creditors for capital expenditure	103,193.37	103,193.37	103,193.37	–	–	–
Funds received from MoR pending adjustment	1,878,533.96	1,878,533.96	1,878,533.96	–	–	–
Interest accrued but not due on loan from IBRD	3,858.36	3,858.36	3,858.36	–	–	–
Others	157.32	157.32	157.32	–	–	–
Total non-derivative liabilities	5,719,646.20	5,717,849.54	2,137,822.19	112,972.43	332,263.19	3,134,791.71

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.

The company has availed loans from the World Bank in USD which involves element of foreign exchange variation risk. Although the variation in USD/INR rates was very less up to last year, with the commencement of the Ukraine-Russia War in February 2022, the USD rates appreciated with a sudden spurt by more than 5% with respect to INR rates. To mitigate this risk of currency fluctuations, the Risk Management Committee of the company is in the process of finalisation of Hedging Policy with the aim of minimising the loan repayment liability.

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:

(All amounts in Lakh)

Particulars		Amount in Foreign Currency		Amount in INR	
		As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Financial liabilities					
Borrowings	USD	14,690.95	15,151.19	1,208,136.71	1,151,537.31
	JPY	–	–	–	–
Others payables	USD	17.79	5.49	1,462.91	417.50
	JPY	10,155.03	4,724.01	6,392.49	2,908.10
Interest accrued but not due on loan from IBRD	USD	305.24	50.77	25,102.22	3,858.36
	JPY	–	–	–	–

Notes to the Financial Statements

Note 37 : Financial Instruments – Fair Values and Risk Management (Contd..)

The following significant exchange rates have been applied:

Particulars	Year end spot rates	
	March 31, 2023	March 31, 2022
USD = INR	82.2368	76.0031
JPY = INR	0.6295	0.6157

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.

Particulars	Profit or loss after tax		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
March 31, 2023				
USD (1% movement)	(9,239.52)	9,239.52	(9,239.52)	9,239.52
JPY (1% movement)	(47.84)	47.84	(47.84)	47.84
March 31, 2022				
USD (1% movement)	(8,553.02)	8,553.02	(8,553.02)	8,553.02
JPY (1% movement)	(21.52)	21.52	(21.52)	21.52

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, 2023 and March 31, 2022, 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.
(All amounts in INR Lakh, unless otherwise stated)

Particulars	Nominal Amount	
	As at March 31, 2023	As at March 31, 2022
Fixed-rate instruments		
Financial liabilities	2,628,859.06	2,166,653.58
	2,628,859.06	2,166,653.58
Variable-rate instruments		
Financial liabilities	1,208,136.71	1,151,537.31
	1,208,136.71	1,151,537.31

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date (Previous Year: 25 basis points) would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Notes to the Financial Statements

Note 37 : Financial Instruments – Fair Values and Risk Management (Contd..)

(All amounts in INR Lakh, unless otherwise stated)

Particulars	Profit or loss		Equity, net of tax	
	100 bps increase	100 bps decrease	100 bps increase	100 bps decrease
March 31, 2023				
Variable-rate instruments	(9,040.73)	9,040.73	(9,040.73)	9,040.73
Cash flow sensitivity (net)	(9,040.73)	9,040.73	(9,040.73)	9,040.73

Particulars	Profit or loss		Equity, net of tax	
	25 bps increase	25 bps decrease	25 bps increase	25 bps decrease
March 31, 2022				
Variable-rate instruments	(2,154.30)	2,154.30	(2,154.30)	2,154.30
Cash flow sensitivity (net)	(2,154.30)	2,154.30	(2,154.30)	2,154.30

Note 38 : Capital Management

Company is in construction phase (except for the sections which have already been commissioned) for construction of railways track for freight with equity funding from MoR and debt funding from World Bank and JICA. As per Letter No. 2013/Infra/6/30 dated 02.07.2015, MoR has approved cost estimate of Dedicated Freight Corridor (DFC) Project for INR 73,392 Crore. The Company has sought approval from MoR vide Letter No. HQ/EN/CO/WC/DFCC/Completion/Estimate dated 25.10.2021 for revised estimated completion cost for INR 1,02,159 Crore which is under consideration. Considering the previous estimated cost, which was approved by Cabinet Committee on Economic Affairs, Government of India, and further receipt of funds from MoR for execution of project based on the periodic demand raised by the company, it indicates that the company has definitive source of capital. Company expects to maintain adequate Capital in the Operation phase.

The Company's Gearing Ratio is as follows:

(All amounts in INR Lakh, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Borrowings (Refer Note 17)	3,834,708.20	3,315,080.94
Less: Cash and cash equivalents (Refer Note 13.1)	5,811.58	37,749.33
Net debt	3,828,896.63	3,277,331.62
Equity share capital (Refer Note 15)	1,572,899.50	1,407,662.50
Other equity (Refer Note 16)	24,694.88	191,813.71
Total Capital	1,597,594.38	1,599,476.21
Capital and net debt	5,426,491.01	4,876,807.83
Gearing Ratio	70.56%	67.20%

Note 39: Ratio Analysis and its elements

Ratio Indicator	Numerator	Denominator	March 31, 2023	March 31, 2022	% variance	Reason for variance
Current Ratio	Current Assets	Current Liabilities	0.26	0.19	32.52%	Due to increase in Trade Receivables and other current financial assets
Debt - Equity Ratio	Total Debt (Borrowing + Lease Liability)	Shareholder's Equity	2.40	2.07	15.73%	-
Debt Service Coverage Ratio	Earnings for Debt Service = Net profit after taxes + Non cash operating expenses	Debt service = Interest & Lease payment + Principal Repayments	0.75	0.67	12.72%	-

Notes to the Financial Statements

Note 39: Ratio Analysis and its elements (Contd..)

Ratio Indicator	Numerator	Denominator	March 31, 2023	March 31, 2022	% variance	Reason for variance
Return on Equity Ratio	Net profit after taxes and Preference Dividend	Average Shareholder's Equity	-0.12%	-0.11%	-15.85%	-
Inventory Turnover Ratio	Consumption of Stores	Average Inventory	0.84	NA	NA	-
Trade Receivables Turnover Ratio	Track Access Charges	Average Trade Receivables	0.82	1.54	-46.51%	Due to higher increase in average trade receivables as compared to TAC with previous year
Trade Payable Turnover Ratio	Operation & Maintenance Expenses of Sections commissioned	Average Trade Payables	124.22	339.48	-63.41%	Due to higher increase in Average Trade Payables as compared to Operation and Maintenance expenses with previous year
Net Capital Turnover	Track Access Charges	Working Capital = Current assets - Current liabilities	-0.13	-0.11	-20.06%	-
Net profit Ratio	Net profit	Net Sales = Total Sales - Sales return	-0.63%	-0.83%	24.32%	-
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	2.71%	1.82%	48.66%	Due to increase in EBIT in current year as compared to previous year
Return on Investment	Interest (Finance Income)	Investment	NA	NA	-	-

Note 40: Other Regulatory Disclosures

- The Company does not have any Benami Property, where any proceeding has been initiated or pending against the Company for holding any Benami Property.
- The Company has not executed any transaction with companies struck-off.
- The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond statutory period.
- The Company has not traded or invested in Crypto-Currency or Virtual Currency during the financial year.
- The Company does not have any transaction which is not recorded in books of account that has been surrendered or disclosed as income during the year.
- The Company does not give any advance or has not received any loans from foreign entity.
- The Company has not borrowed funds from banks and financial institutions on the basis of security of current assets.
- There are no downstream companies and hence no disclosure is required to be made under clause 87 of section 2 of the Companies Act, 2013 read with the Companies (Restriction of Number of Layers) Rules, 2017.
- The Company has not defaulted in repayment of principal or interest on borrowings availed from various agencies. The Company has not been declared as a wilful defaulter by any of the lending agencies or government company.
- The Company does not have any immovable property where the title deeds are not in the name of the Company.
- The funds borrowed from various agencies have been utilised for the purpose for which it has been availed.

Notes to the Financial Statements

- The Company has not advanced or loaned or invested funds (either from borrowed funds or share premium or any other sources or kind of funds) to any other person or entity(ies), including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- The Company has not received any funds from any person or entity(ies), including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

Note 41 :

The Company had entered into an agreement with MoR to implement the project including its operation and maintenance for a period of 30 years. As per this agreement, the company will charge track access charges for use of this facility. The amount shown in the Financial Statements under Capital Work-in-Progress/Property, Plant & Equipment represents the expenditure incurred by the company on construction of Eastern and Western Dedicated Rail Freight Corridors. C&AG had different view on such classification in the financial statement for the year ended March 31, 2018.

Accordingly, reference was made by Management to the Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI) for seeking its opinion on the appropriateness of the methodology followed as aforesaid i.e., as to the accounting treatment of capital expenditure incurred by the company on such project and its disclosure. Opinion of EAC was received vide its letter number TD/EAC/1694/19 dated 04.02.2020 wherein it opined that if DFCCIL is not merely acting as an agent for MoR and has significant level of independence in providing the management of the infrastructure, the consideration received by DFCCIL would result in consideration being classified partly as financial asset and partly as intangible asset. EAC was also of the view that the DFCCIL is not a public sector entity envisaged under Appendix D of Ind AS 115 but is a private sector entity.

The Company submitted additional facts/information to the EAC for a review of its opinion. However, EAC confirmed that the opinion earlier given was appropriate and did not call for any revision. The management approached MoR seeking clarification and appropriate instructions in the above matter.

Pending clarifications by MoR, C&AG had commented on the financial statements for the year ended March 31, 2021 u/s 143(6)(b) of the Companies Act, 2013 on the accounting treatment adopted by DFCCIL.

MoR, having examined the matter in the backdrop of C&AG comments and opinion furnished by EAC of ICAI, had conveyed, vide its letter no. 2021/infra/6/17 dated 11.01.2022, its decision as under –

- i) Amount spent on construction of DFCs shall continue to be capitalized in the books of accounts of DFCCIL and, therefore, ownership and control of assets will vest with DFCCIL.
- (ii) MoR will not capitalize the assets built by DFCCIL in its books of accounts.
- (iii) Arrangement between DFCCIL and MoR cannot be treated as Public-Private arrangement.

It is also clarified that as of now DFCCIL is MoR's PSU (with 100% equity holding by Government of India) and not a private sector entity as being contended by EAC.

On the basis the said clarification received from MoR, the management of the company continued its accounting treatment and disclosures as adopted in the previous year in preparation and presentation of its financials for the year 2021-22. However, C&AG commented on the financial statement for the year ended March 31, 2022 u/s 143(6)(b) of the Companies Act, 2013 that infrastructure created under Service Concession Agreement cannot be recognized as Property, Plant and Equipment.

MoR vide its letter No. 2021/Infra/6/17 dated 10.02.2023 reiterated that as per Cabinet decision for formation of DFCCIL, DFCCIL will own the assets created by them and amount spent on creation of such assets shall continue to be capitalized in the books of DFCCIL and that this clarification may be treated as part of Concession Agreement; and accordingly, based on the said communication, in the preparation and presentation of its financials for the year 2022-23, the Management has continued its accounting treatment and disclosures as hitherto.

Notes to the Financial Statements

Note 42 :

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

With regard to payments made to JICA funded projects which are covered under 'Reimbursement Mechanism' all parties issue 'Payment Receipt' based on which JICA releases loan disbursements. Payments covered under Commitment Mechanism are released directly by JICA to account of Contractors through LC Mechanism. In both JICA and World Bank funded Contracts, payment position is indicated by parties in each bill preferred to the company which in itself is acknowledgment of funds receipt.

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

Note 43:

The Code on Social Security, 2020 ('Code') has been notified in the Official Gazette on 29.09.2020. The Code is not yet effective and related rules are yet to be notified. Impact, if any, of the change will be assessed and recognized in the period in which said Code becomes effective and the rules framed thereunder are notified

Note 44 :

Previous year figures have been regrouped wherever considered necessary to make it comparable with current year.

Note 45 :

There were no significant adjusting events that occurred subsequent to the reporting period other than the events disclosed in the relevant notes.

Note 46 :

The financial statements of the Company for the year ended 31st March 2023 were approved by the Board of Directors and authorised for issue on 24.07.2023.

For **Suresh Chandra & Associates**

Chartered Accountants

Firm's Registration Number: 001359N

Sd/-

(Ved Prakash Bansal)

Partner

Membership Number: 500369

UDIN: 23500369BGZHMS8411

Place: New Delhi

Date: 24.07.2023

For and on behalf of Board of Directors of

Dedicated Freight Corridor Corporation of India Limited

Sd/-

(Ravindra Kumar Jain)

Managing Director

DIN: 08641707

Sd/-

(Hira Ballabh)

Director/Finance & CFO

DIN: 08738632

Sd/-

(Meenu Kapoor)

Company Secretary

ACS: 18954

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