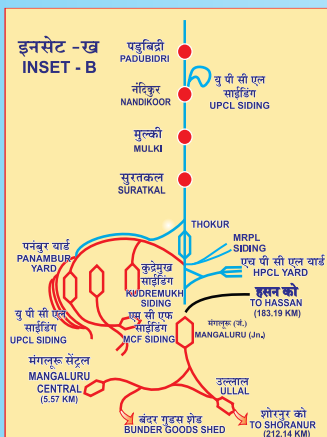
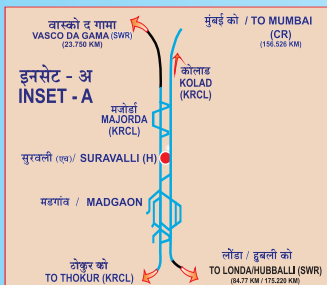
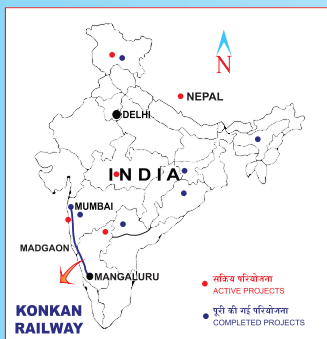




ANNUAL REPORT
वार्षिक रिपोर्ट
2020-21

कोंकण रेलवे कॉर्पोरेशन लिमिटेड
(भारत सरकार का उपक्रम)
KONKAN RAILWAY CORPORATION LTD.
(A Government of India Undertaking)

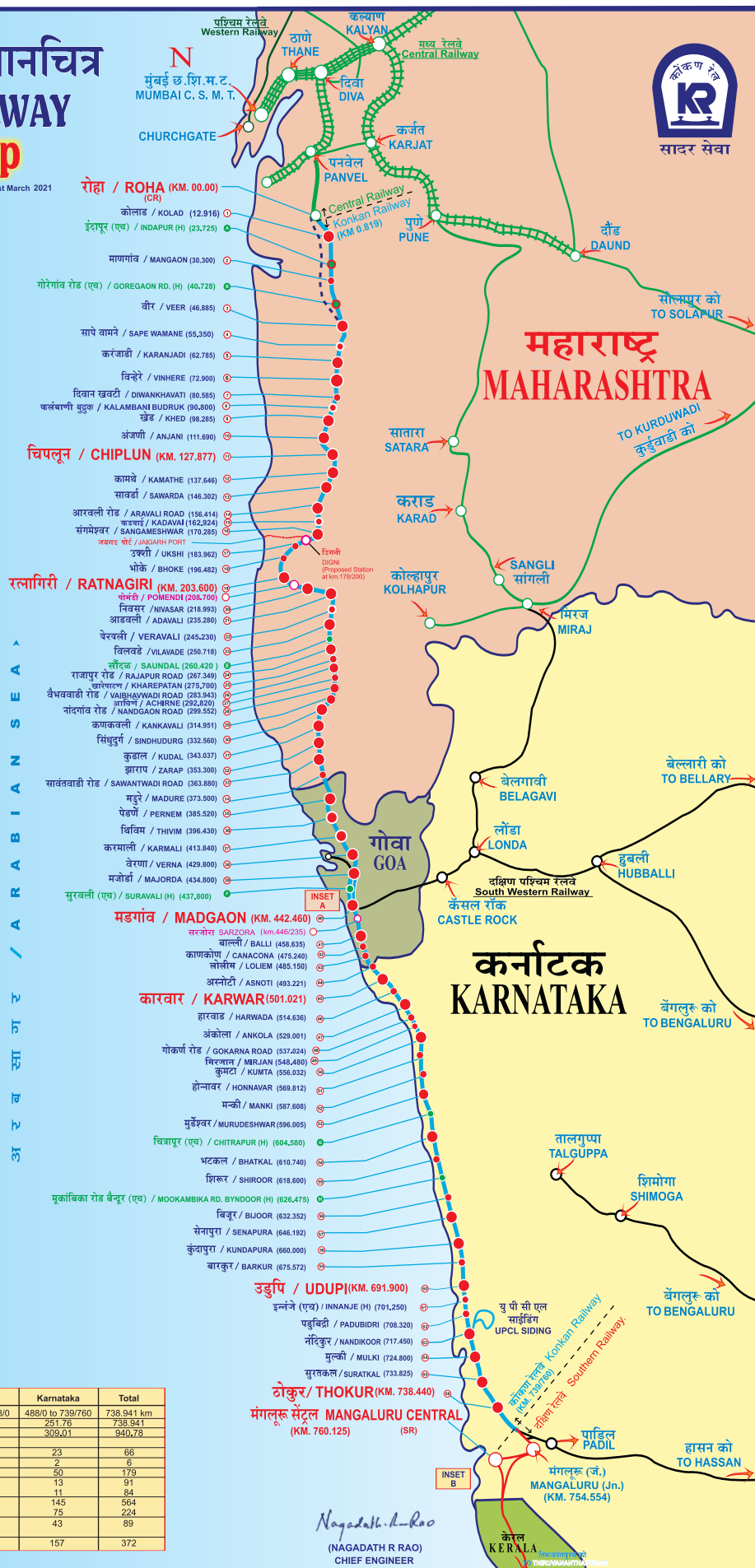
31 मार्च 2021 तक संशोधित किया गया है। / Corrected upto 31st March 2021



- 🚦 **कोकण रेलवे डबकरी बडी लाइन**
KONKAN RAILWAY SINGLE LINE (B.G.)
- **रोहा-वीर / Roha-Veer**
Proposed Doubling line in progress
- 🚦 **पश्चिम रेलवे / Western Railway**
- 🚦 **मध्य रेलवे / Central Railway**
- 🚦 **दक्षिण पश्चिम रेलवे / South Western Railway**
- 🚦 **दक्षिण रेलवे / Southern Railway**
 - **ये लाइन स्टेशन / TWO LINE STATION**
 - **ये लाइन से अधिक स्टेशन / MORE THAN TWO LINE STATION**
 - **हॉल्ट (एच) स्टेशन / HALT (H) STATIONS**
 - **Pro Conversion of existing Halt to Xing Stn**
 - **Pro New Xing Station**
- **नई लाइन का दृश्य संकेत**

COMPLETED STUDY OF NEW LINE SHOWN THUS

Sr.	Description	Unit	Maharashtra	Goa	Karnataka	Total
1.	Jurisdiction		0/19 to 382/0	382/0 to 488/0	488/0 to 739/760	739.941 km
3.	Route km	km	381.181	103.35	735.767	739.941
4.	Track km	km	464.641	167.26	309.071	640.78
5.	No. of Stations					
	a) Crossing	No.	34	9	23	66
	b) Halt	No.	3	1	2	6
5.	IMP/Major Bridge	No.	93	36	50	179
6.	Tunnels	No.	68	10	91	191
7.	Cuttings	km	63	11	84	84
		No.	253	66	145	564
8.	Manneled Level Crossing	km	125	24	75	224
		No.	30	16	43	89
9.	ROB/RUB/FOB	No.	157	58	157	372





KONKAN RAILWAY CORPORATION LTD.

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KONKAN RAILWAY CORPORATION LTD.

BOARD OF DIRECTORS



Shri SANJAY GUPTA
Chairman and Managing Director



Shri SUBHASH CHAND GUPTA
Director (Way & Works)



Shri R M BHADANG
Director (Finance)

Government Directors Railway Board



Shri VINAY SRIVASTAVA
Executive Director (PSU)



Smt. ANJU RANJAN
Executive Director, Finance (Expenditure-I)

State Governments Directors



Shri ASHISH KUMAR SINGH
Additional Chief Secretary
(Transport & Ports)
Government of Maharashtra



Shri KAPIL MOHAN
Additional Chief Secretary (IDD)
Government of Karnataka



Dr. Tariq Thomas
Secretary (Transport)
Government of Goa



Shri K. R. JYOTHILAL
Principal Secretary (Transport)
Government of Kerala

Part-time Non-Official Independent Director



AIR MARSHAL SUKHCHAIN SINGH, AVSM VSM (RETD.)
Independent Director



CA. MOSALI DEVARAJA REDDY
Independent Director



PROF. DR. R. SRINIVASAN
Independent Director

Company Secretary



Shri RAJENDRA PARAB



KONKAN RAILWAY CORPORATION LTD.

BOARD OF DIRECTORS

FUNCTIONAL DIRECTORS

- | | |
|---------------------------------------|----------------------------|
| 1. Chairman and Managing Director | : SHRI SANJAY GUPTA |
| 2. Director (Way & Works) | : SHRI SUBHASH CHAND GUPTA |
| 3. Director (Finance) | : SHRI R M BHADANG |
| 4. Director (Operations & Commercial) | : VACANT |

GOVERNMENT DIRECTORS (RAILWAY BOARD) :

- | | |
|--|-------------------------|
| 1. Executive Director, Finance (Expenditure-I) | : SMT. ANJU RANJAN |
| 2. Executive Director (PSU) | : SHRI VINAY SRIVASTAVA |

STATE GOVERNMENTS DIRECTORS

- | | |
|----------------|--|
| 1. Maharashtra | : SHRI ASHISH KUMAR SINGH
Additional Chief Secretary
(Transport & Ports) |
| 2. Karnataka | : SHRI KAPIL MOHAN
Additional Chief Secretary (IDD) |
| 3. Goa | : DR. TARIQ THOMAS
Secretary (Transport) |
| 4. Kerala | : SHRI K. R. JYOTHILAL
Principal Secretary (Transport) |

NON-OFFICIAL DIRECTORS

1. AIR MARSHAL SUKHCHAIN SINGH, AVSM VSM (RETD.)
2. CA. MOSALI DEVARAJA REDDY
3. PROF. DR. R. SRINIVASAN
4. Vacant

COMPANY SECRETARY

SHRI RAJENDRA C. PARAB

C & AG AUDITOR

Principal Director
Indian Audit and Accounts Department
Office of the Principal Director of Audit
Central Railway, 4th floor, New Administrative Building, D-N. Road, Mumbai 400 001.

V. K. SURANA & CO., : Statutory Auditors, Mumbai.
Chartered Accountants

RUPALI ABHYANKAR & CO. : Secretarial Auditor, Navi Mumbai
Practicing Company Secretaries

Banker

STATE BANK OF INDIA
Corporate Accounts Group Branch
Neville House, 3rd floor, J N Heredia Marg,
Ballard Estate, Mumbai - 400001.

Registered & Corporate Office

Belapur Bhavan, Plot No. 6, Sector 11, CBD Belapur, Navi Mumbai - 400 614, MAHARASHTRA.
(Corporate Identity Number) : U35201MH1990GOI223738
(Legal Entity Identifier) : 335800CK2UZ7PG7WLL79
Website : www.konkanrailway.com; Tel.: 022 27572015-18; Fax: 022 27572420
e-mail: compsec@krcl.co.in



KONKAN RAILWAY CORPORATION LTD.

FINANCIAL SUMMARY FOR YEAR ENDED 2010-11 TO 2020-21

(₹ in Crore)

Sr. No.	Particulars	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
1	Traffic Revenue (including other income)	640.54	726.72	779.52	932.95	972.61	1,098.58	1,137.38	1,228.30	1,338.14	1,233.24	683.39
	Other Income											
2	Project Revenue	288.09	274.19	356.70	344.37	350.02	526.41	1,015.22	1,255.12	1,560.83	1,501.56	973.90
3	Total Revenue	928.63	1,000.91	1,136.22	1,277.32	1,322.63	1,624.99	2,152.60	2,483.42	2,898.97	2,734.80	1,657.29
4	Expenditure	701.16	758.20	977.87	1,059.32	1,089.33	1,306.65	1,889.38	2,175.66	2,607.74	2,537.08	1,822.04
5	Operating Margin	227.47	242.71	158.35	218.00	233.30	318.34	263.22	307.76	291.23	197.72	(164.75)
6	Interest Expenses	139.91	133.63	132.64	120.80	124.19	130.20	153.54	131.00	134.59	131.90	138.03
7	Depreciation	84.75	90.34	89.04	84.09	69.72	54.18	50.02	54.03	56.91	61.98	63.63
8	Profit/(Loss) Before Prior Period Adj. and Tax	2.81	18.74	(63.33)	13.11	39.39	133.96	59.66	122.73	99.73	3.84	(366.41)
9	Prior Period Adj./Exceptional item	0.98	-	172.08	-	-	-	-	-	-	-	-
10	Profit/(Loss) After Prior Period Adj.	1.83	18.74	(235.41)	13.11	39.39	133.96	59.66	122.73	99.73	3.84	(366.41)
11	Tax	-	-	-	-	-	-	-	-	-	-	-
12	Profit/(Loss) After Tax (PAT)	1.83	18.74	(235.41)	13.11	39.39	133.96	59.66	122.73	99.73	3.84	(366.41)
13	Other Comprehensive Income						(2.32)	(58.26)	(29.53)	(88.45)	(190.80)	(184.70)
14	Total Comprehensive Income						131.64	1.40	93.20	11.28	(186.96)	(551.11)
15	Gross Block	3,929.39	4,039.12	4,086.57	4,140.78	4,223.14	4,356.21	4,424.34	4,512.85	4,571.61	4,695.33	4,892.19
16	Net Fixed Assets	3,053.20	3,048.71	3,003.45	2,983.56	3,032.64	3,065.77	3,146.30	3,360.52	3,139.42	3,215.64	3,348.06
17	Inventories	24.20	19.48	27.28	34.54	6.62	42.07	47.45	48.47	52.32	89.68	46.32
18	Current Asset	1,169.33	1,045.90	988.39	968.86	1,139.53	1,871.86	2,270.65	2,206.74	2,197.33	2,433.67	2,629.66
19	Current Liabilities	918.25	854.09	1,367.19	1,986.53	1,459.80	1,939.08	2,029.22	1,844.62	1,864.48	2,175.59	2,578.35
20	Current ratio	1.27	1.22	0.72	0.49	0.78	0.97	1.12	1.20	1.18	1.12	1.02
21	Authorised Equity Share Capital	806.46	806.46	806.46	806.46	806.46	806.46	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00
22	Equity Share Capital (held by Govt. of India & State Govt.)	806.45	806.45	806.45	806.45	806.45	806.45	806.45	1,029.66	1,259.54	1,283.05	1,481.19
23	Calls in Arrears	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
24	Authorised Preference Share Capital	4,079.51	4,079.51	4,079.51	4,079.51	4,079.51	4,079.51	4,079.51	4,079.51	4,079.51	4,079.51	4,079.51
25	Preference Share Capital (held by Govt. of India)	4,079.51	4,079.51	4,079.51	4,079.51	4,079.51	4,079.51	4,079.51	4,079.51	4,079.51	4,079.51	4,079.51
26	Total Share Capital (22 + 24)	4,885.96	4,885.96	4,885.96	4,885.96	4,885.96	4,885.96	4,885.96	5,109.17	5,339.05	5,362.56	5,560.70
27	Accumulated Losses	-	-	-	-	-	-	-	-	-	-	-
28	Adjustment related to Fixed Assets (Pursuant to enactment of Schedule II of the Companies Act, 2013)	-	-	-	-	(39.00)	-	-	-	-	-	-
29	Reserves & Surplus (Excluding Share Application money)	(3,329.10)	(3,310.36)	(3,545.77)	(3,532.67)	(3,532.46)	(3,394.18)	(3,392.78)	(3,296.14)	(3,285.42)	(3,461.99)	(4,013.11)
30	Net Worth	1,556.86	1,575.60	1,340.19	1,353.29	1,353.50	1,491.78	1,493.18	1,813.03	2,053.63	1,900.57	1,547.59
31	Capital Employed (CE)	3,296.86	3,315.60	3,006.89	2,619.49	2,881.70	3,203.48	3,244.88	3,563.03	3,992.71	4,230.82	4,228.32
32	Secured Loan	1,740.00	1,740.00	1,666.70	1,266.20	1,528.20	1,711.70	1,751.70	1,750.00	1,939.08	2,330.25	2,680.73
33	Total Debt (Secured Loan)	1,740.00	1,740.00	1,666.70	1,266.20	1,528.20	1,711.70	1,751.70	1,750.00	1,939.08	2,330.25	2,680.73
34	PAT to Capital Employed (in %)	0.06%	0.57%	(7.83%)	0.50%	1.37%	4.18%	1.84%	3.44%	2.50%	0.09%	(8.67%)
35	Operating Margin to Capital Employed (in %)	6.90%	7.32%	5.27%	8.32%	8.10%	9.94%	8.11%	8.64%	7.29%	4.67%	(3.90%)
36	PAT to Share Capital (in %)	0.04%	0.38%	(4.82%)	0.27%	0.81%	2.74%	1.22%	2.40%	1.87%	0.07%	(6.59%)
37	Expenditure to Income Ratio	1.00	0.98	1.06	0.99	0.97	0.92	0.97	0.95	0.97	1.00	1.22
38	Number of Employees	4,656	4,703	4,785	4,847	4,943	5,052	5,162	5,253	5,396	5,566	5,519
39	Income per employee	0.20	0.21	0.24	0.26	0.27	0.32	0.42	0.47	0.54	0.49	0.30
40	Debt Equity ratio including losses	1.12	1.10	1.24	0.94	1.13	1.15	1.17	0.97	0.94	1.23	1.73
41	Debt Equity ratio excluding losses	0.36	0.36	0.34	0.26	0.31	0.35	0.36	0.34	0.36	0.43	0.48
42	Operating Ratio	0.85	0.85	0.94	0.90	0.88	0.84	0.90	0.90	0.92	0.95	1.14

Note: 1) As per the revised schedule-VI, w.e.f. 2011-12 onwards, 'Accumulated Losses' is disclosed under 'Reserve and Surplus'.

2) As per revised schedule VI, w.e.f. 2011-12 onwards, 'Prior Period adjustment' is included in 'Other Expenses' instead of being shown separately.



KONKAN RAILWAY CORPORATION LTD.

VISION - MISSION - OBJECTIVES

“A CUSTOMER IS THE MOST IMPORTANT VISITOR OF OUR PREMISES...”

- MAHATMA GANDHI

Vision

“To become a world class surface transport company and infrastructure solution provider”.

Mission

- a. To develop safe, eco-friendly and cost effective railway transport infrastructure for growth and prosperity of the Nation in general and Konkan region in particular, ensuring financial & environmental sustainability.
- b. To promote and encourage best practices in construction and maintenance thereof to achieve “Total Customer Satisfaction”.
- c. To ensure growth and professional excellence of our employees.

Objectives

- a. Train operations: -

To provide safe, punctual and affordable passenger and freight transportation to maximise user satisfaction.

- b. Infrastructure projects: -

To leverage our talent and experience towards achieving excellence in timely delivery of challenging infrastructure projects of world class standard.



KONKAN RAILWAY CORPORATION LTD.

NOTICE OF THE 31st ANNUAL GENERAL MEETING OF THE MEMBERS OF KONKAN RAILWAY CORPORATION LIMITED

Notice is hereby given that the 31st (Thirty First) Annual General Meeting (AGM) of the Members of Konkan Railway Corporation Limited will be held on Monday, 27th September, 2021 at 14:30 hrs. through Video Conferencing ("VC") to transact the following businesses :

ORDINARY BUSINESS:

ITEM NO.1 ADOPTION OF FINANCIAL STATEMENTS

To receive, consider and adopt the Audited Financial Statements (Standalone and Consolidated Financial Statements) of the Company for the financial year ended March 31, 2021, the reports of the Board of Directors and Auditors thereon.

ITEM NO.2 FIXATION OF REMUNERATION OF STATUTORY AUDITORS

To fix the remuneration of the Statutory Auditors appointed by the Comptroller & Auditor General of India for the financial year 2021-22.

**By the Order of the Board of Directors
For Konkan Railway Corporation Limited**

**Place: CBD Belapur, Navi Mumbai
Date: 24/08/2021**

**Sd/-
(Rajendra C. Parab)
Company Secretary**

NOTES:

1. In view of the outbreak of the COVID-19 pandemic, social distancing norm to be followed and the continuing restriction on movement of persons at several places in the Country and pursuant to General Circular Nos. 14/2020, 17/2020 and 20/2020 dated April 8, 2020, April 13, 2020 and May 5, 2020, respectively, and clarification circular No. 02/2021 dated January 13, 2021 issued by the Ministry of Corporate Affairs ("MCA Circulars") and in compliance with the provisions of the Act, the 31st AGM of the Company is being conducted through VC Facility, which does not require physical presence of Members at a common venue. The deemed venue for the 31st AGM shall be the Registered Office of the Company.
2. In terms of the MCA Circulars, the requirement of sending proxy forms to holders of securities as per provisions of section 105 of the Act has been dispensed with. Therefore, the facility to appoint proxy by the members will not be available and consequently, the proxy form, attendance slip and route map are not annexed to this notice convening the 31st AGM of the Company. However, in pursuance of Section 112 of the Act and Rules framed thereunder, the President of India and the Governors of participating States of Maharashtra, Karnataka, Goa and Kerala are entitled to appoint authorized representatives for the purpose of participation and e-Voting during the 31st AGM, through VC.
3. Since this 31st AGM is being held pursuant to the MCA circulars through VC, physical attendance of Members has been dispensed with.
4. Record date for closure of Register of Members and Share Transfer Books of the Company will be Friday, 17th September, 2021.



KONKAN RAILWAY CORPORATION LTD.

5. In accordance with the MCA Circulars, the Notice along with the Annual Report of the Company for the financial year ended March 31, 2021, will be sent only through e-mail. The Notice and the Annual Report for the financial year ended March 31, 2021 shall be available on the websites of the Company viz., www.konkanrailway.com.
6. The link to attend the 31stAGM through VC will be intimated to the Members prior to the 31stAGM date.
7. All documents referred to in the accompanying Notice shall be made available for inspection by the Members of the Company up to and including the date of 31stAGM. Members desirous of inspecting the same may send their requests to compsec@krcl.co.in.
8. Kindly note that, under Section 103 of Companies Act, 2013, if at the expiration of half an hour from the time appointed for holding the meeting, a quorum (i.e. minimum 5 members personally present other than proxy) is not present, the meeting shall stand adjourned to the same day in the next week or if that day is a public holiday, until the next succeeding day which is not a public holiday, at the same time and place or to such other day and at such other time and place, as the board may determine, and if at such adjourned meeting a quorum is not present at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be the quorum, and may transact the business for which the meeting was called.



KONKAN RAILWAY CORPORATION LTD.

CHAIRMAN'S SPEECH



(SANJAY GUPTA)

Chairman and Managing Director

Dear Shareholders,

I am pleased to welcome you all to the 31st Annual General Meeting of your Corporation. It gives me immense pleasure to present before you the Annual Report for the financial year 2020-21. This year has been very difficult for your Corporation due to loss of passenger & freight earnings on account of Covid-19 Pandemic adversely affecting its business & growth on all fronts.

1.0 FINANCIAL PERFORMANCE

- 1.1 The performance of your Corporation for the year 2020-21 has been covered in detail in the Directors' Report. I would like to inform you that the total revenue for the financial year 2020-21 was ₹ 1657 Crore as compared to ₹ 2735 Crore of 2019-20. The Corporation had a net loss of ₹ 366 Crore during the year under review as compared to the profit of ₹ 4 Crore (figure restated) in the financial year 2019-20.
- 1.2 The net worth of the Corporation as on 31st March, 2021 stands at ₹ 1570 Crore (Rupees one thousand five hundred seventy Crore).
- 1.3 During the year, there was no issue and redemption of Bonds.
- 1.4 3rd Rights issue of ₹ 490 Crore was offered to the Shareholders in proportion to their existing shareholding. Subscribed amount would be utilized to undertake Complete Track Renewal work of 205 Kms. As on date, the Corporation has received ₹ 188.02 Crore, ₹ 45.2123 Crore, ₹ 12.55 Crore and ₹ 29.40 Crore totaling ₹ 275.1823 Crore from Ministry of Railways,



KONKAN RAILWAY CORPORATION LTD.

Governments of Maharashtra, Goa, and Kerala respectively. I would like to specially thank all the Shareholders for reposing faith in the Corporation which is providing service to the participating States of KR and the Nation as a whole.

- 1.5 The Corporation has achieved “Fair” rating in MoU targets set with the Ministry of Railways for the financial year 2019-20. It is expected that for financial year 2020-21; it will be “Fair”. Reason behind the same is loss of revenue due to Covid-19 Pandemic.

2.0 OPERATING PERFORMANCE

- 2.1 During the year, 45 pairs of Mail/Express trains and 08 pairs of passenger trains, average per day, were scheduled to run over Konkan Railway route. The passenger revenue during the financial year was ₹ 200.70 Crore registering a decrease of 71% over the corresponding revenue of ₹ 680.78 Crore of previous year due to COVID-19 Pandemic. Regular passenger train operation remained suspended during most of the year and, only 13 Mail/Express trains, average per day, were run during the year. Presently, we have reached back to 42 pairs mail/express trains as well as 5 pair passenger trains and, earnings in August, 2021 were 80% of normal.
- 2.2 On freight front during the year 2020-21 on an average, 12 freight trains per day including Roll on - Roll on (RORO) services were run. The freight revenue during the financial year was ₹ 387.94 Crore, which is 13% less than that of previous year's ₹ 445.94 Crore. This year we are touching 15 freight trains per day.

3.0 PROJECTS

- 3.1 **USBRL PROJECT, J&K** - So far, we have completed 40.2 km tunnel excavation, out of total 45.24 km. Further, 5.078 km of tunnel excavation, 4.66 km of Tunnel Lining and 11,001 MT of launching have been completed during the year. A turnover of ₹ 827 Crore (excluding GST) was achieved from the Project during the year, as compared to ₹ 1281 crore (excluding GST) of 2019-20. Again reduction was mainly due to Covid work stoppage and some other issues. On 5th April, 2021, your Corporation have done major technological achievement by completing Arch of Chenab Bridge.
- 3.2 Konkan Railway is executing Thermal Power Plant Rail connectivity for NTPC at Kudgi in Karnataka and Gadawara in Madhya Pradesh at the revised project cost of ₹ 434.71 Crore and ₹ 671.56 Crore resp. During the financial year 2020-21, NTPC-Kudgi has achieved physical progress of 98% whereas NTPC- Gadawara has achieved physical progress of 100% (Lead line) and 60% (ROR line). Billing on both projects was ₹ 45.98 Crore (excluding GST) during 2020-21.



KONKAN RAILWAY CORPORATION LTD.

- 3.3 **Route Electrification of Konkan Railway Route:** CRS sanction has been obtained for introduction of commercial services for carriage of goods and passenger traffic on 25kV AC traction in Bijoor - Thokur section (108.858 RKM), Bijoor-Karwar section (131.74 RKM), Roha-Ratnagiri section (204.704 RKM). Further, Works are in progress in section between Karwar and Ratnagiri (296 RKM) and planned to be completed by December 2021.
- 3.4 **Rail connectivity to Vizhinjam International Seaport, Kerala:** An MoU has been signed between the Corporation and Vizhinjam International Seaport Ltd. (VISL) to link the Vizhinjam Seaport with Southern Railway (11 km). The Detailed Project Report (DPR) with an estimated cost of ₹ 1032 Crore has been submitted to VISL. Southern Railway has conveyed in-principle approval of the project and approval process of DPR by Southern Railway is in progress.
- 3.5 **Rolling Stock Component Factory at Ratnagiri :** On behalf of Central Railway, the work of setting up of Rolling Stock Component Factory is underway with focus on building the LHB Bogie overhaul Shed with associated Machinery & Plant, power supply arrangements, Utility Block and essential amenities to overhaul 3600 LHB bogies per annum. Central Railway provided funds of ₹ 25 Crore during F.Y. 2020-21. The progress during the year has been ₹ 25.69 Crore and total progress till March 2021 has been ₹ 98.85 Crore. Your Corporation is working for operation of this factory post construction on behalf of Indian Railways. Your Corporation has been enrolled by Ministry of Railways to undertake "Rolling Stock Infrastructure Projects" of Indian Railways. This venture is expected to create a new revenue stream for the Corporation.
- 3.6 **Anakkampoyil - Kalladi- Meppadi Tunnel Road Project :** Government of Kerala has assigned your Corporation, as Special Purpose Vehicle (SPV) for the execution of the Anakkampoyil- Kalladi- Meppadi Tunnel Road Project. A Tripartite Agreement has been signed between Konkan Railway, Public Works (H) Department, Government of Kerala and Kerala Infrastructure Investment Fund Board (KIIFB) to implement the project. The scope of work is preparation of Detailed Project Report and construction of Two-Lane Road Tunnel including Approach roads and River Bridge at an approximate cost of ₹ 658 Crore FLS work has been completed. Preparation of DPR is in progress.
- 3.7 **Thalassery to Mysuru New Railway line :** Kerala Rail Development Corporation Limited (KRDCL) has entrusted the work of preparing Feasibility Study Report and Detailed Project Report to your Corporation for the proposed Thalassery - Mysuru new Railway line. The project is being executed in two stages, one from Thalassery - Meenangadi as Phase-I in Kerala State and the remaining portion from Minangadi - Kadakola as Phase-II in Karnataka State. The approximate cost of work is ₹15 Crore. Preparation of DPR for Phase-I is in progress. Fixing of DGPS points from TLY-Minangadi (103 km) and Field survey for 43 km has been completed.



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4.0 SAFETYWORK

- 4.1 Inter Railway Safety Audit of MAO-VEN section (Including ZUARI Bridge) had been conducted by SAG level Officers team of Central Railway on 10th to 12th December, 2020 and intra safety audit at Ratnagiri on 29th & 30th December, 2020 and Karwar on 23rd & 24th February, 2021. The auditors appreciated the works after the inspection. Overall, the audit was satisfactory.
- 4.2 The Geo-Tech Safety works in cuttings and tunnels is being executed with additional equity. The earthwork in cutting is completed at Shirsawane Cutting and Bordave Cuttings. Rock bolting and Shotcreting work is completed at Ashti Tunnel.
- 4.3 On 26th June, 2021, one consequential accident happened by way of derailment to Rajdhani locomotive in Karbude Tunnel due to rock fall.
- 4.4 On 22nd July, 2021 there was flooding in Chiplun Station and Corporation was able to clear the tracks and start the train operations within 24 hours.
- 4.5 **Track Safety improvements:** There is a reduction in weld failure during the year about 250 nos. as compared to previous year 646 nos. During the year, Through Weld Renewal (TWR) with Mobile Flash Butt welding has been completed at Weld Failure (WF) prone area for a length of 51.87 Km. Ballast run-out achieved was 52973 Cum against target of 45000 Cum.
- 4.6 **Track Renewals:** 47 km out of 205 Km of Complete Track Renewal (CTR) with 60 Kg Rails & Sleepers and 100 Km of Casual Rail Renewal (CRR) with 52 Kg Rails and Sleepers are planned from current financial year. 1828 MT of 60 Kg rails and 10546 MT of 52 Kg rails are received and CRR of 36.79 Km are completed during the year under review.

5.0 TRAFFIC FACILITYWORKS

- 5.1 **Track Doubling - Roha-Veer Section (47 km):** The works of track doubling, which involves construction of 11 major bridges, 2 road under bridges, 198 minor bridges and 16 lakh cum earthwork & track linking were recommenced in December 2020. During the financial year, the project has achieved cumulative financial progress of ₹ 434 Crore and physical progress of 97%.
- 5.2 **Construction of 8 numbers of New crossing stations and 7 additional loop lines:** In the financial year 2020-21, 1 Loop line at Vinhere and 8 new crossing stations at Innanje, Kharepatan, Sape Wamane, Mirjan, Kadavai, Kalambani, Achirne and Veravali are completed and commissioned. Cumulative 8 crossing stations and 7 additional loop lines are commissioned till date.



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6.0 SYSTEM IMPROVEMENTS

- 6.1 **Automated Train Examination Systems (KR-ATES)**, a Way Side Equipment, designed by the Corporation, has been installed at 10 places of Indian Railway system in the Country. This system has been able to detect several faults in rolling stock successfully. The system has been upgraded to work at speed over 120 kmph on trunk routes of Indian Railways. Corporation is further upgrading the ATES technology to include Artificial Intelligence (AI) and Machine Learning (ML) based advance vision processing system.
- 6.2 Crew Management System (CMS) was commissioned at Suratkal during the year. With this, all crew booking points of the Corporation have been connected with CMS and also integrated with Indian Railways. CMS is expected to bring transparency in crew management and will also improve efficiency of train operations.
- 6.3 MOU with MoR as per the new DPE guidelines for financial year 2021-22 are still due for finalisation.

7.0 WAY FORWARD - INTERNATIONAL PROJECTS:

- 7.1 **Final Location Survey for new BG Line between Raxaul and Kathmandu** : East Central Railway have awarded Final Location Survey for new BG Line (136 km) between Raxaul (India) and Kathmandu (Nepal). FLS works are progressing and installation of DGPS control points for 80 km and Traverse survey and Topographic survey for 49 km have been completed so far.
- 7.2 Nepal Railway Corporation (NRC) and Government of Nepal have also awarded the prestigious contract for Operationalization of Passenger Train services in Jaynagar - Kurtha section of Nepal Railway. This is the 1st International train operation & maintenance contract for Konkan Railway. Training to 75 Nepal Railway officials was given as part of this contract.
- 7.3 The road ahead is full of challenges. I am, confident that Corporation will be able to overcome the challenges and feel confident to grab all the opportunities in the business of train and freight business as well as road and railway infrastructure whether domestic and/or international in coming years.

8.0 CORPORATE GOVERNANCE

- 8.1 The Corporation's Corporate Governance Policy is aligned with the Vision and Mission Policy of the Corporation. DPE Guidelines relating to Corporate Governance are followed and



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complied in all respect. For effective implementation of Corporate Governance Policy the Corporation has in place; diversified and experienced Board of Directors with various Committees of the Board as per the Companies Act, 2013 as well as DPE Guidelines, Code of Conduct to promote ethical and responsible decision making for Board of Directors and Senior Management, Integrity Pact for Vendors, Whistle Blower Policy, System of Accountability, Policy of making timely and appropriate disclosures, Policy of Corporate Social Responsibility, Policy for establishment to safeguard sexual harassment of women at workplace, etc.

8.2 TRANSPARENCY

To promote and facilitate transparency, Corporation has introduced:

- a) e-office
- b) Introduction of GeM and e-tendering of Works and Store contracts
- c) Integrity pact implemented w.e.f. 2013. Corporation has appointed two Independent External Monitors in 2019.
- d) e-auction by Stores Department.
- e) On-line filling of APAR for executives and non-executives.
- f) All PRS counters are covered with CCTVs.
- g) Cashless facilities – RO-RO, PRS & all freight bookings.
- h) 100% payment through Banks for employees, vendors, contractors, etc.
- i) Vacancy notification on Website.
- j) Online recruitment process.
- k) 'Rail Madad', a passenger complaint management system to resolve passenger's complaints. Complaints are being monitored 24 X 7 on Rail Madad portal.
- l) New Web Portal for Capturing details of candidates under National Apprentice Trainee Scheme category.
- m) Mobile App for the employees, for availing of Pass and Leave sanctions from anywhere.

9.0 हिन्दी में प्रगति

- 9.1 रेल मंत्री राजभाषा रनिंग ट्रॉफी: इस वर्ष भारतीय रेलवे के सार्वजनिक क्षेत्र के उपक्रमों से राजभाषा कार्यान्वयन में सहायनीय कार्य करने के लिए आदर्श उपक्रम के रूप में कॉर्पोरेशन को रेल मंत्री राजभाषा रनिंग ट्रॉफी से सम्मानित किया गया।
- 9.2 वर्ष 2021 के दौरान अखिल भारतीय स्तर पर 'ख' क्षेत्र के सार्वजनिक क्षेत्र के उपक्रमों की श्रेणी के अंतर्गत राजभाषा कार्यान्वयन में सहायनीय कार्य करने के लिए कॉर्पोरेशन को द्वितीय स्थान के 'राजभाषा कीर्ति पुरस्कार' से सम्मानित किया गया। कॉर्पोरेशन को सातवीं बार यह पुरस्कार प्राप्त हुआ है।
- 9.3 कोंकण रेलवे विगत चार वर्षों से नवी मुंबई नराकास का संचालन कर रही है। वर्ष के दौरान अखिल भारतीय स्तर पर 'ख' क्षेत्र की नगर राजभाषा कार्यान्वयन समितियों की श्रेणी के अंतर्गत राजभाषा कार्यान्वयन में सहायनीय कार्य करने के लिए नवी मुंबई



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नराकास को द्वितीय स्थान के 'राजभाषा कीर्ति पुरस्कार' से सम्मानित किया गया। नवी मुंबई नराकास को तीसरी बार यह पुरस्कार प्राप्त हुआ है।

- 9.4 वर्ष 2020-21 के लिए कारपोरेशन की राजभाषा गृह पत्रिका "कोंकण गरिमा" को अखिल भारतीय स्तर पर 'ख' क्षेत्र की गृह पत्रिकाओं में सर्वकृष्ट राजभाषा गृह पत्रिका के लिए प्रथम स्थान के 'राजभाषा कीर्ति पुरस्कार' से सम्मानित किया गया।
- 9.5 कोंकण रेलवे के मडगांव स्टेशन को राजभाषा कार्यान्वयन में सराहनीय कार्य करने के लिए गृह मंत्रालय द्वारा तृतीय स्थान के 'क्षेत्रीय राजभाषा पुरस्कार' से सम्मानित किया गया। मडगांव स्टेशन को छठी बार यह पुरस्कार प्राप्त हुआ है।
- 9.6 कॉर्पोरेशन को राजभाषा कार्यान्वयन में सराहनीय कार्य करने के लिए और सर्वोत्कृष्ट राजभाषा गृह पत्रिका "कोंकण गरिमा" के लिए नवी मुंबई नराकास की ओर से प्रथम स्थान के 'नराकास राजभाषा पुरस्कार' से सम्मानित किया गया। राजभाषा कार्यान्वयन में सराहनीय कार्य करने के लिए रत्नागिरी कार्यालय और उडुपि स्टेशन को संबंधित नराकासों द्वारा 'नराकास राजभाषा पुरस्कार' से सम्मानित किया गया है।
- 9.7 संसद की राजभाषा समिति (द्वितीय उप समिति) ने 09.01.2021 को कोंकण रेलवे कॉर्पोरेशन लिमिटेड का दौरा किया। समिति ने राजभाषा के प्रभावी कार्यान्वयन पर केआरसीएल के अधिकारियों के साथ चर्चा की। समिति ने इस संबंध में केआरसीएल द्वारा किए गए कार्यों की सराहना की।

10.0 MISCELLANEOUS:

- On 28th January, 2021 Shri R. M. Bhadang has assumed the charge of Director (Finance).
- Shri Santosh Kumar Jha has been appointed as Director (Operations and Commercials).
- The Corporation had published its 1st issue of quarterly newsletter "KR Gazette". This newsletter would be a medium to reach out to all members of KR family.
- On 13th September, 2021, Hon'ble Minister of Railways had visited Reasi, J&K. He had received excellent feedback about KRCL from the residents of that area. He commended KRCL for the USBRL project work.
- Union Election of KRCL was held in the month of August' 2021 and KRC Employees Union (KRCEU) has been elected as the recognized union. KRCEU is not affiliated to any railway union.

11.0 ACKNOWLEDGEMENT

I take this opportunity to express my sincere thanks and gratitude to my colleagues on the Board of Directors for their valuable guidance and advice in the management of the Corporation. I am also



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thankful for the whole-hearted support and cooperation received from the Ministry of Railways, Government of India, other Ministries and Departments of Government of India, our Shareholders, Financial Institutions, Banks, Trustees to the Bonds, Securities Trustees to the Rupee Term Loan Facility, C&AG, Statutory & Secretarial Auditors, Union of KRCL and look forward for their continued support in Corporation's future endeavors.

I, on behalf of the entire Board of Directors, sincerely thank all the employees of Konkan Railway Corporation Limited and would like to place on record the appreciation of the Board for the devoted employees of the Corporation for their sincere efforts & works carried out during COVID-19 Pandemic.

Place : CBD Belapur, Navi Mumbai
Date : 27th September, 2021

Sd/-
(Sanjay Gupta)
Chairman and Managing Director
DIN 06710604



KONKAN RAILWAY CORPORATION LTD.

निदेशकों की रिपोर्ट DIRECTORS' REPORT

Dear Shareholders,

The Directors of Konkan Railway Corporation Limited have great pleasure in presenting the "THIRTY FIRST" Directors' Report on the working of your Corporation.

1. FINANCIAL PERFORMANCE

The Financial performance of the Corporation for the year ended 31st March, 2021 is summarized as below:

(₹ in Crore)

PARTICULARS	STANDALONE	
	2020-21	2019-20 (Restated)
Total Income	1657.29	2734.80
Profit before Interest, Depreciation, Tax and Exceptional items	(-) 164.75	197.72
Finance cost	138.03	131.90
Depreciation and Amortization expense	63.63	61.98
Exceptional items	-	-
Profit before Tax	(-) 366.41	3.84
Tax expense	-	-
Profit for the year attributable to owner of the Corporation	(-) 366.41	3.84
Other Comprehensive Income	(-) 184.71	(190.80)
Total Comprehensive Income (attributable to owners of the Corporation)	(-) 551.12	(186.96)

1.1 FINANCIAL RESULTS OF OPERATION

The total revenue of the Corporation is ₹ 1657 Crore (Rupees One thousand six hundred fifty seven crore) as compared to previous year's total revenue of ₹ 2735 Crore (Rupees two thousand seven hundred thirty five crore). Train operations have yielded gross



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revenue of ₹ 589 Crore (Rupees five hundred eighty nine crore) with ₹ 14 Crore (Rupees fourteen crore) as other operating income. The project revenue is ₹ 974 Crore (Rupees nine hundred seventy four crore). The operating surplus (after meeting the operating costs), i.e., the Earnings before Interest, Depreciation, Taxes & Amortization (EBIDTA) was ₹ (-) 165 Crore (Rupees one hundred sixty five crore). The Net Loss (Loss after Tax) was ₹ 366 Crore (Rupees three hundred sixty six crore).

With the announcement of nationwide lockdown on 24.03.2020, all passenger train services and work at USBRL and other construction site was stopped. Work was restarted in phases and in a controlled manner over the year. The passenger travel business and construction business is still not back to normal. Therefore, there has been a substantial financial impact in the Financial Year 2020-21 due to the Covid- 19 Pandemic.

2. SHARE CAPITAL

2.1 Equity Share Capital

The paid-up equity share capital of the Corporation stood at ₹ 1481, 18, 62,000 (Rupees one thousand four hundred eighty one crore eighteen lakh sixty two thousand) as on 31.03.2021, against the authorized equity share capital of ₹ 4000, 00, 00,000 (Rupees four thousand crore). The details of paid up Equity Share Capital are as under:

NAME OF SHAREHOLDER(S)	PAID UP EQUITY SHARE CAPITAL AS ON 31.03.2021 (₹)	PERCENTAGE OF SHAREHOLDING
Ministry of Railways	776,05,74,000	51
Government of Maharashtra	*311,36,24,000	22
Government of Goa	88,74,79,000	6
Government of Karnataka	196,86,98,000	15
Government of Kerala	108,14,80,000	6
Railway Board Nominee	1,000	
Railway Board Nominee	1,000	
Railway Board Nominee	1,000	
Special Commissioner, Maharashtra	1,000	
Resident Commissioner, Goa	1,000	
Resident Commissioner, Karnataka	1,000	
Resident Commissioner, Kerala	1,000	
Total	1481,18,62,000	100



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* Rights Shares amounting to ₹ 22.5923 Crore were allotted to Government of Maharashtra on 22nd June, 2021. Hence, paid up capital as on date of reporting Directors' Report is ₹ 1503, 77, 85,000. The 3rd Rights Issue subscription amount, which is still unpaid by the shareholders are:- Ministry of Railways: ₹ 61.88 Crore, Government of Maharashtra: ₹ 62.5877 Crore, Government of Goa: ₹ 19.40 Crore and Government of Karnataka: ₹ 73.50 Crore.

2.2 Preference Share Capital

The Authorized and Paid-up, Compulsorily Convertible, Non-Cumulative Preference Share Capital of the Corporation, as on 31.03.2021, stood at ₹ 4079, 51, 00,000 (Rupees four thousand seventy nine crore fifty one lakh), held by Ministry of Railways.

2.3 Issue & Redemption of Bonds

There was no issue and redemption of Bonds during the year.

2.4 AAA (CE) Rating of Bonds

For the year 2020-21, Credit Rating Agencies - CARE, ICRA and India Ratings, have reaffirmed "AAA (CE)" rating for the outstanding Bonds of the Corporation.

3. KONKAN RAILWAY RESPONSE TO COVID-19 PANDEMIC

Corporation has taken various measures for containment of COVID 19 Pandemic. All guidelines and protocol laid down from time to time by the Central, State Governments and local bodies have been complied with.

In line with above, following few measures were implemented during FY 2020-21:-

A total of 60 beds quarantine facility was made along KRCL route at Chiplun, Ratnagiri, Verna, Madgaon, Karwar and Udupi. At station's ticketing area floor marking were made. At platforms, benches were spaced to ensure social distancing. Hands free water taps with sanitization arrangements were specially erected at entrance of all stations for the personal hygiene of passengers. For movement of stranded labourers due to nationwide lockdown, 94 nos. of 'Shramik Special' trains were operated. During Lockdown period RPF escorted all Shramik Specials.

A campaign "Apni KR Parivar Suraksha Muhim" was undertaken wherein data base of employees was built by mapping employee to supervisor, supervisor to executive. A team of 'Wellness Sathi' was formed to contact and boost the morale of the employees who were offering their valuable service during lockdown. Pamphlets with help line numbers were



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distributed to employees for information. Immunity building Homoeopathy supplements were procured and distributed to employees and their families. Aarogya-Setu App has been encouraged amongst employees, families, pensioners and contractors. Meals were distributed to the local needy persons and rations made available to porters.

Sanitisation of public areas at Stations, Staff Colonies and Offices was done on regular basis. Thermal scanning of employees, workers, use of masks at work place, maintaining social distancing, etc. were scrupulously followed.

4. BUSINESS OF TRAIN OPERATIONS

4.1 Passenger Operations

During the year, 45 pairs of Mail/Express trains and 08 pairs of passenger trains average per day were scheduled to run over Konkan Railway route. In wake of COVID-19 as a precautionary measure regular passenger train operation remained suspended during the entire year.

During the initial period of lock down Shramik special and Parcel trains were run. During the FY 2020-21, total of 94 Nos. of Shramik special trains were run for movement of stranded labourers of various States on Konkan Railway route. Out of which, 80 Nos. of trains originated from KRCL stations. A total of 48 Nos. of Parcel trains were run on KRCL route during the year in co-ordination with Zonal Railways to facilitate movements of essential commodities, equipment, medicines, perishable items etc. Out of which 18 Nos. of Parcel trains originated from KRCL stations. Further, 4427 Nos. of Mail Express/ Passenger special trains were run with gradual increase in frequency during the year. During Ganpati festival, a total of 194 Nos. of special trains were operated for devotees traveling to Konkan region from Mumbai and back. Suspension of regular passenger train operation during the entire year had heavy impact on coaching revenue of finance year 2020-21. The Coaching revenue during the year was reduced to ₹ 200.70 Crore (Decrease by 71 %) as compared to ₹ 680.78 Crore of previous year.

4.2 Freight Operations

During the year, on an average 12 freight trains per day including "Roll-On Roll Off" services were run on Konkan Railway. The unique concept of RORO services introduced over Konkan Railway in January 1999 has completed 22 years of its successful run. Since the introduction of the services, about 6.52 lakh trucks have been transported through RORO system. During the year, the Company has earned revenue of ₹ 387.94 Crore compared to ₹ 445.94 Crore of previous year (decrease by 13%). The reduction in



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cross traffic like food grains, fertilizers as well as inward coal traffic for UPCL siding impacted the freight revenue of the Company. Moreover, suspension of traffic from 06.08.2020 to 15.09.2020 for restoration work of lined wall, collapsed in Pernem tunnel has also affected the freight revenue of the Company.

4.3 New traffic streams originating on KR

- Imported fertilizer traffic from Ratnagiri has taken shape during the year and is expected to continue in future. The fertilizer traffic imported at Jaigad Port is loaded from Ratnagiri station to various parts of the Maharashtra and Karnataka. During the year, 117 Nos. of fertilizer rakes (0.296 MnT) have been loaded from Ratnagiri fetching revenue of ₹ 12 Crore to the Company.
- The Petroleum Coke loading from the MRPL siding at Thokur has been streamlined. During the year, 104 Nos. of rakes (0.381 MnT) have been loaded fetching revenue of ₹ 22 Crore to the Company.
- The new traffic stream of Coal traffic from New Mangalore Port to JSWT via KR route has been started by loading 05 rakes in the last week of March 2021. Traffic on the said stream will continue @ average 20 rakes per month in Financial Year 2021-22.
- A new stream of container traffic from Rajasthan/ Gujarat to Verna CRT (inward tiles and outward Pig Iron) has been started in November 2020. In the said stream, 07 outward container rakes fetched revenue of ₹ 59 lakh to the Company.
- A total of 18 Nos. of parcel special trains originated on KRCL from Verna fetching revenue of ₹ 2.17 Crore to the Company during 2020-21.

4.4 Overall Train Operation

KR route is a single line section of 738 kms having average block section of 11 Km. During the year, 08 Nos. of new crossing stations and one additional loop line were commissioned which will improve mobility. Highest ever traffic blocks of 24677 hours have been granted for maintenance and Railway Electrification works during the year. No regular passenger trains were run during the year. However, a total of 4523 no of Special trains were run during the year. Overall punctuality of the trains was 95%.

4.5 Improvement in services

- New crossing stations were commissioned at Sape-Wamane, Kalambani Budruk, Kadvai, Veravali, Kharepatan, Achirne, Mirjan and Innanje during the year. Additional loop line at Vinhere had also been commissioned.
- E-balance sheets for freight traffic through Freight Operation Information System (FOIS) have been implemented from March 2021.
- Konkan Railway has constructed Food Court at Madgaon station to serve variety of



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eatables to the passengers. i.e. Pizza & Berger, Chinese cuisine, South Indian cuisine, Indian Chat, Sandwiches, Wraps, Coffee & Bakery items, Juices & Ice-creams etc. All seven stalls of the Food Court have been allotted and four stalls i.e. Pizza & Burger, Chinese Cuisine, Juices & Ice-cream and South Indian Cuisine have been opened.

- E-reservation Chart System has been installed at Ratnagiri Station on 21.12.2020.
- In order to facilitate dealing of hygroscopic traffic like fertilizers, the work for additional covered goods shed measuring 225 m X 8.5 m (about 20,000 Sq ft) in under progress at Ratnagiri Goods shed and will be available to the freight customers in 2021-22.

5. CIVIL ENGINEERING

- **Track Safety improvements:** There is a reduction in weld failure during the year (250 nos.) as compared to previous year (646 nos.). During the year, Through Weld Renewal (TWR) with Mobile Flash Butt welding has been completed at WF prone area for a length of 51.87 Km. Ballast run-out achieved was 52973 Cum against target of 45000 Cum.
- **Traffic Block utilisation for Track Maintenance work:** Traffic Block of 10882 hours has been availed during the year duly utilising the block availability during Covid-19 as compared to the block availability of previous year (8516 hours). The availability of block has been utilised for Turnout tamping, Design mode tamping and collection of rails by UTV and other maintenance activities.
- **Track Renewals:** 205 Km of Complete Track Renewal (CTR) with 60 Kg Rails & sleepers and 100 Km of Casual Rail Renewal (CRR) with 52 Kg Rails and sleepers are planned from current financial year and a quantity of 1828 MT of 60 Kg rails and 10546 MT of 52 Kg rails received and CRR of 36.79 Km completed during the year under review.

5.1 Environmental improvement by Tree plantation

Every year KRCL is carrying out the tree plantation for improvement of aesthetic environment. During 2020 monsoon around 107910 nos. of local species of saplings and Bougainvillea saplings were planted along the section.

5.2 Passengers Amenities Works

- Following Passenger Amenities works are sanctioned under Ministry of Tourism, Government of India and these works are in progress:
 - Ø Madgaon: Construction of waiting area above Food Court, Two-Wheeler parking shed, Public cum parking building, Bus stop building, Drop off shed, External development and Electrification works at Madgaon station, Goa State. (Physical progress- 61.25%).
 - Ø Thivim: Construction of Cafeteria, Public cum parking building, PWI Office,



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- external development at Thivim Station, Goa State (Physical progress - 37%).
- Ø Karmali: Construction of bird watching centre at Karmali station, Goa state. (Physical Progress - 50%).
- Passenger Amenities works, executed under MPLAD Scheme
- Ø Thivim: RDSO Butterfly Type Platform Shelters of 128m length for PF-2 with Kota stone flooring at Thivim Station. (Physical Progress- 100%).

6. INFRASTRUCTURE PROJECTS

6.1 Construction of Katra-Dharam section of Udampur- Srinagar-Baramulla Rail Link (USBRL) Project, J&K

In spite of restrictions/constraints due to Covid-19 pandemic and ban on sand mining, KRCL made all efforts to achieve the progress of works. Tunnel excavation of 5.078 km is achieved during this financial year. A cumulative length of 40.2 km of Main tunnel excavation has been completed out of 45.24 km. Breakthrough of Tunnel T2 of 5093m length (Main Tunnel) is achieved during this financial year. Tunnel lining of 4.66 km is achieved during this financial year, despite ban on sand mining. Cumulative length of Tunnel lining completed is 41.22 km (main + escape). The construction of Iconic Bridge across river Chenab & Anji are in progress. At Chenab, all Fabrication works (Arch, Pier, Trestles & Deck segments) completed (28752 MT). Launching of 3887 MT is achieved during this financial year. Total Launching completed so far is 17601 MT. Launching of Arch was completed on 05.04.2021.

At Anji Bridge (first cable stayed bridge of Indian Railways) construction of main pylon (MP1) height of 122m out of 193m has been completed. Inverted Y of Main Pylon has been closed on 03.03.2021. Launching of Ancillary viaduct of Anji Bridge completed. Fabrication of 3278 MT is achieved during this financial year. Total fabrication completed so far is 3694 MT out of 7000 MT. Construction works for other bridges are in progress. 2 nos. of bridge completed during this financial year. Total 15 Bridges completed out of 21 Nos. Total 60 nos. foundations & 60 nos. Pier/Abutment completed out of 66 nos. Fabrication of 8640 MT is achieved during this year. Total fabrication completed so far is 22,294 MT out of 28,000 MT. Bridge No. 39 (Reasi area), over which Reasi station yard is located, launching of girders has been started in post lockdown and 264m out of 490m have been launched. Bridge No. 43 (Bakkal area) launching of 208m length out of 777m has been completed. This entire launching has been executed in post Covid lockdown.

Total Fabrication of 15005 MT is achieved during this financial year as compared to 10428 MT of previous financial year. This is the highest fabrication achieved in a single financial year so far. (i.e., F.Y. 2017-18: 13884 MT). Total launching of 11,001 MT is achieved during this financial



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year as compared to 5055 MT of previous financial year. This is the highest launching achieved in a single financial year so far. (i.e. F.Y. 2019-20 : 5055 MT)

In all 17 Tenders valuing ₹ 2111 Crore were finalized & four tenders valuing ₹ 267 Crore being invited in this financial year despite Covid-19 and Lock-down. KRCL has successfully finalized the Global Tender for supply of 60E1 Rails including developmental order. 3920 MT of Rails from Spain Giron Port received at Mundra Port on 27.03.2021 duly completing of Import registration on DGFT (Director General of Foreign Trade) portal and custom formalities. Financial Progress of ₹ 827 Crore (excluding GST) has been achieved during this financial year despite Covid-19 and ban of sand mining.

Photos of work-in-progress at USBRL site:-



Chenab Bridge



Anji Bridge



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Tunnel T2



Tunnel T5



Tunnel T13



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Tunnel T14



Bridge 39



Bridge 43



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6.2 Construction of 8 numbers of new crossing stations and 7 numbers of additional loop lines

The project was approved by Ministry of Railways vide Railway Board letter No.2014/PL/50/15 dated 18.04.2016 under Capital Budget 2015-16 for a total cost of ₹ 73.27 Crore for construction of 8 Nos. of additional loop lines and ₹ 149.41 Crore for construction of 11 Nos. of new crossing stations. The tender for construction of new stations was finalized and work was awarded in April 2017. In the financial year 2020-21, 1 Loop line at Vinhere and 8 new crossing stations at Innanje, Kharepatan, Sape Wamane, Mirjan, Kadavai, Kalambani, Achirne and Veravali are completed and commissioned. Cumulative 8 crossing stations and 7 additional loop lines are commissioned till date.



Additional loop line at Vinhere



New Crossing Station at Kharepatan



New Crossing Station at Sape Wamane



New Crossing Station at Mirjan

6.3 Rolling Stock Component Factory, Ratnagiri

The work of setting up of Rolling Stock Component Factory is underway with focus on building the LHB Bogie overhaul Shed with associated Machinery & Plant, power supply arrangements, Utility Block and essential amenities. Central Railway provided funds of ₹ 25 Crore during F.Y. 2020-21. The progress during the year has been ₹ 25.69 Crore.



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- KRCL is also working for operation of this factory post construction on behalf of Indian Railways. If successful this venture is expected to create a new revenue stream for the corporation. A draft agreement on this has been submitted to Central Railway and is under deliberation.
- KRCL has been enrolled by Ministry of Railways, along with other selected Railway and Non-Railway PSU's such as IRCON, RITES, RVNL etc. to undertake "Rolling Stock Infrastructure Projects" of Indian Railways. KRCL has qualified for these projects based on the experience gained in design and construction of Rolling Stock Construction Factory. A detailed proposal has also been submitted to the Railway Board for enrollment of KRCL to undertake "Rolling Stock on Board" Projects of Indian Railways also.

6.4 Roha-Veer Doubling Project (47 km)

Due to Covid-19 pandemic and associated fund issues, it was decided to slow the progress of work from 10.06.2020 to 02.12.2020. The works were recommenced in December 2020 and getting ready for commissioning. A financial progress of more than ₹ 90 Crore has been achieved in this financial year, making a cumulative financial progress of more than ₹ 434 Crore. The project has recorded a physical progress of 97%.



Track Linking



Kundalika II Bridge



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Kolad RUB

6.5 Anakkampoyil - Kalladi- Meppadi Tunnel Road Project

Government of Kerala has assigned KRCL as Special Purpose Vehicle (SPV) for the execution of the Anakkampoyil- Kalladi- Meppadi Tunnel Road Project. A Tripartite Agreement has been signed between Konkan Railway, Public Works (H) Department, Government of Kerala and Kerala Infrastructure Investment Fund Board (KIIFB) to implement the project. The scope of work is preparation of Detailed Project Report and construction of Two-Lane Road Tunnel including Approach roads and River Bridge at a tentative cost of ₹ 658 Crore. FLS work has been completed. Preparation of DPR is in progress.



6.6 Thalassery to Mysuru New Railway line

Kerala Rail Development Corporation Limited (KRDCL) has entrusted the work of preparing Feasibility Study Report and Detailed Project Report to KRCL for the proposed Thalassery – Mysuru new Railway line. The project is being executed in two stages, one from Thalassery- Meenangadi as Phase -I in Kerala State and the remaining portion from Minangadi - Kadakola as Phase-II in Karnataka State. The tentative cost of work is ₹ 15 Crore. Preparation of DPR for Phase-I is in progress. Fixing of DGPS points from TLY-Minangadi (103 km) and Field survey for 43 km has been completed.



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6.7 Rail connectivity to Vizhinjam International Seaport, Kerala

An MoU has been signed between the Corporation and Vizhinjam International Seaport Ltd. (VISL) to link the Vizhinjam Seaport (11 km) with Southern Railway. The Detailed Project Report (DPR) with an estimated cost of ₹ 1032 Crore has been submitted to VISL. Southern Railway has conveyed in-principle approval of the project and approval process of DPR by Southern Railway is in progress.



Vizhinjam Port

6.8 Final Location Survey for new BG Line between Raxaul and Kathmandu

East Central Railway have awarded Final Location Survey for new BG Line (136 km) between Raxaul (India) and Kathmandu (Nepal). FLS works are progressing and installation of DGPS control points for 80 km and Traverse survey and Topographic survey for 49 km have been completed so far.





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6.9 Rail Connectivity Project for Super Thermal Power (3 x 800 MW) Plant of NTPC at Kudgi, Karnataka.

The work of Rail Connectivity for Super Thermal Power Plant (3 x 800 MW) of NTPC at Kudgi, Karnataka being implemented by Konkan Railway under Project Management Consultancy (PMC) contract. The awarded cost of the project was ₹ 265.85 Crore and revised cost of the project is ₹ 435.21 Crore. The route length of the siding is 11.65 km and total track length is 38.00 km which includes 15 lines in In-plant yard. There are 16 bridges including one viaduct of 700 m length.

The first stage of siding was commissioned on 10.02.2017. Second stage of siding completed on 01.02.2020. The additional works like yard drainage, inspection pathway in the yard, construction of Steel FOBs 03 nos. is in progress. Presently, about 97% physical works are completed with financial progress of ₹ 382.38 Crore.



ROB at Km. 9/967 (1x 36m Composite Girder)

6.10 Rail Connectivity Project for Super Thermal Power (2 x 800 MW) Plant of NTPC at Gadarwara, Madhya Pradesh.

The work of Rail connectivity for Super Thermal Power Plant (2 x 800 MW) of NTPC Ltd. at Gadarwara, Madhya Pradesh being implemented by Konkan Railway under Project Management Consultancy (PMC) contract. The work was awarded in June 2014.

Lead line from Km 0/920 to 10/826 with 1 loop line of R&D Yard and 2 lines of In-plant yard commissioned on 21.11.2019 and coal transportation commenced. Subsequently 4 more lines connecting balance two Wagon Tippers was commissioned on 28.05.2020. Also, 3 lines in R&D Yard and 1 line in in-plant yard commissioned on 21.01.2021. As of now both in-plant yard and R&D yard is fully commissioned.

The current status of works with salient features of the Project is listed below:



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1	Route length of proposed railway alignment	Lead line - 10.99 Km ROR Line – 12.27 Km
2	Awarded cost of work	₹ 292.46 Crore
3	Revised Cost of work	₹ 672.55 Crore
4	Financial Progress achieved till March 2021	₹ 622.58 Crore (92.71%)
5	Physical progress achieved till March 2021	Lead line- 100% ROR line- 90%
6	Date of completion for 1 st stage (Lead line)	Completed on 21.11. 2019
7	Target date of completion for 2 nd stage (ROR line)	31.03.2022
8	Total No of bridges	30 nos.
9	Total Earthwork (Embankment and cutting)	41.50 Lakh cum
10	Total Track Length	43 Km
11	Track linking completed	34 Km



R&D Towards In-plant yard entry



R&D Yard Towards Shakkar River



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R&D Yard

6.11 Construction of Flyover for MSEZL

Memorandum of Understanding was signed between Konkan Railway and Mangalore Special Economic Zone Limited (MSEZL) for the work of Construction of Flyover (2X45m + 1X18 M) at Km 739/611 near Thokur for MSEZL work in Karnataka State. The work is completed on 31.12.2020 in all respects.



Launching of 45 meters length Steel Girders for Flyover near Thokur Railway Station

6.12 Geo-safety Works

The Geo-Tech Safety works in cuttings and tunnels is being executed with additional equity. The earthwork in cutting is completed at Shirsawane Cutting and Bordave Cuttings. Rock bolting and Shotcreting work is completed at Ashti Tunnel.



Bordave Cutting



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Rock bolting work at Ashti Tunnel



Shotcreting work at Ashti Tunnel



Rock bolting and Shotcreting at Ashti tunnel

7. ELECTRICAL

7.1 Safety

High standards of safety were maintained with following achievements:

- Electrical accident of fire in KRCL trains – Nil
- En-route AC failure (CNAC) in KRCL trains – Nil
- Detention of trains on account of tunnel ventilation failure - Nil

7.2 Railway Electrification

- CRS authorization has been obtained for introduction of commercial services for carriage of goods and passenger traffic on 25kV AC traction in Bijoor-Thokur section (108.858 RKM) vide letter no.C-13(396)/2020254 dated 18.03.2020, Bijoor-Karwar section (131.74 RKM/145.30 TKM) vide letter no. C-13(446)/2021 dated 26.03.2021 & Roha-Ratnagiri section (204.704 RKM/258.2 TKM) vide letter no.C-13(445)/2021/232 dated 01.04.2021.
- Post wiring & adjustments works are in progress in section between Karwar-Verna (73



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RKM/118.7 TKM) and Ratnagiri-Verna (226 RKM/268.34 TKM). Electrification work in Karwar-Verna is likely to be completed by August 2021 and that in Ratnagiri-Verna section is likely to be completed by December, 2021.

8. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information pertaining to conservation of Energy, technology Absorption and Foreign Exchange Earnings and Outgo stipulated under section 134(3)(m) of the Companies Act, 2013, read with the sub rule 3 of rule 8 of Companies (Accounts) Rules, 2014 are as under:-

8.1 Energy Conservation

8.1.1 Compared to last year, 17.30% saving (excluding inevitable consumption due to additional load/new activities & lockdown due to COVID-19 Pandemic) in electrical energy consumption was achieved, thereby saving ₹ 149.71 lakh. Besides, an incentive reward of ₹ 5.13 lakh from the State Electricity Boards was earned for efficient energy management.

8.1.2 Green Energy

- 4.94 lakhs kWh was generated by the Solar Power Plants installed, saving ₹ 68.46 lakh. Cumulative saving of ₹ 282.45 lakh has been achieved since this provision, by generating 23.97 lakh kWh. 180 kWp solar power plant installed at Madgaon station (PF-2&3) on 21.09.2020. Total saving of ₹ 7.13 lakh has been achieved up to March 2021, by generating 0.97 lakhs kWh.
- During the FY 2020-21, 1.78 lakh units were generated and exported to the State Electricity Grids. An amount ₹ 10.50 lakh was credited in the energy bills for such generation.

8.2 Technology absorption

Details are mentioned below in the table :

Sl. No.	Particulars	Status
(a)	Details of technology imported	Nil
(b)	Year of import	Nil
(c)	Whether the technology been fully absorbed	Nil
(d)	if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	Nil
(e)	Expenditure incurred on Research and Development.	Nil



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8.3 Foreign exchange earnings and outgo

During the year, there was Nil foreign exchange Earnings and ₹ 20.72 Crore of Foreign Exchange outgo on account of procurement of Rail from Spain for USBRL project, J&K.

9. MECHANICAL

9.1 Improving Operations and Capability Building

The Electric Traction Conversion training of all running staff was successfully completed during the year. This training included almost two months of intensive classroom and field modules each of 440 running staff amounting to almost 26000 man-days. The entire training was imparted in-house by setting up of training centre with expert trainers and innovative course modules and field trainings in adjoining railways. The in-house training ensured huge monetary saving to KRCL as well as improved availability of running staff for train operations. This training conducted over a period of 03 years has equipped corporation to run all formats of electric locomotives.



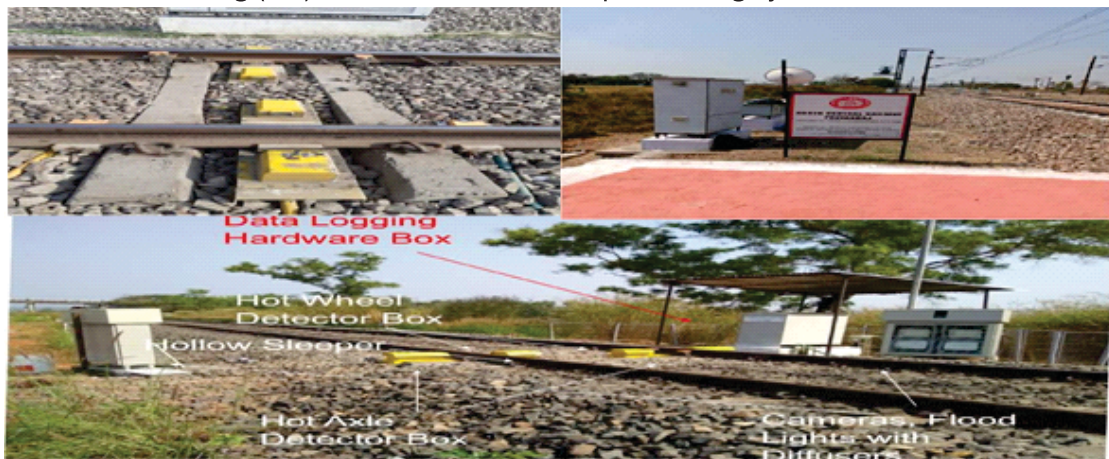
- Three rakes of mail/express trains of KRCL were upgraded in year 2019-20 with induction on LHB stock. The first major (SS-I) overhauling schedules of LHB coaches has now been started at Coach Care Center, Madgaon during the year and 10 LHB coaches of KRCL have been attended for SS-I schedule during the year.
- In order to improve the reliability of Track Machines and Utility Vehicle, USFD testing of axles was started for the first time in KRCL with assistance from Central Railway. USFD Axle testing of BCM 385, DGS, CSM 947 and CSM 954 has been completed. In-house capability for USFD testing is also being developed.
- The department has also taken initiative to undertake maintenance of 06 Tower Wagons (DETC), which will be utilized for maintenance of 25 KV Overhead Equipment (OHE). The formulation of maintenance practices, planning of spares and training of staff is under progress. This activity is being done without additional manpower.
- Initiatives taken during the year in the wake of Covid-19 pandemic include:
 - i. Sanitization of 15501 locomotives, 7611 guard vans and 333 rakes of passenger trains
 - ii. Maintenance of 58 rakes for running Shramik specials.
 - iii. Maintenance of 25 rakes for running parcel specials to carry medicines and other important items.



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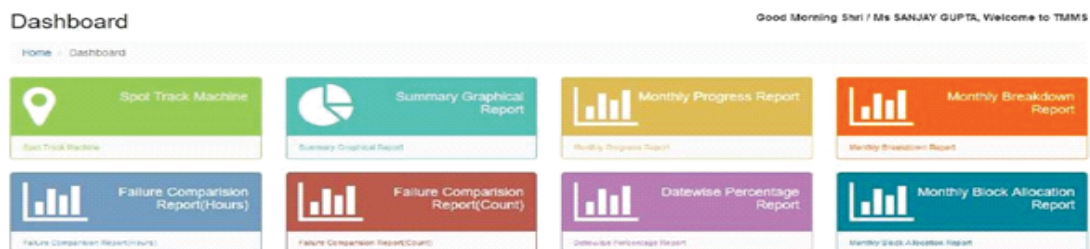
9.2. Technology Projects

Automated Train Examination System (ATES) - KRCL has installed and commissioned three ATES systems in Allahabad-Kanpur section of North Central Railway. These systems have been able to detect cases of Hot Axle, brake binding in trains in trunk route of Allahabad division. The system has accordingly been upgraded to work at speed over 120 kmph on trunk routes of Indian Railways. With this there will be 10 installations of ATES in the country. Konkan Railway is further upgrading the ATES technology to include Artificial Intelligence (AI) and Machine Learning (ML) based advance vision processing system.



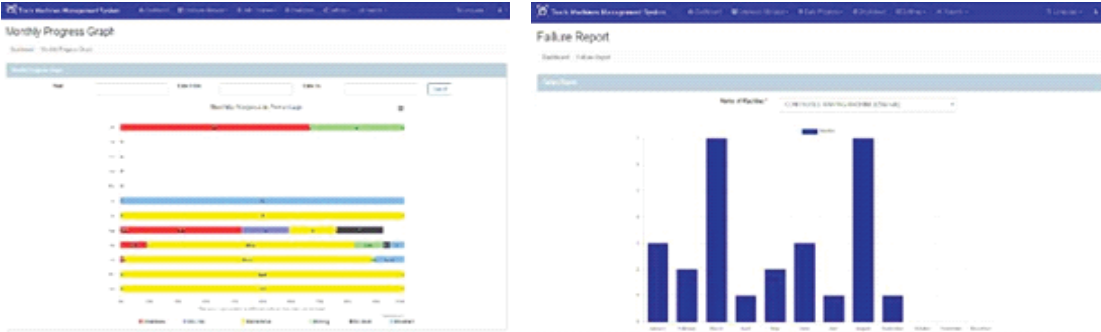
- In order to improve performance of Track Machines and to automate and digitize the operation & maintenance, Mechanical department has designed and developed a web-based Track Machines Management System (TMMS) for all Track Machines for the first time in Indian Railways. This system has various features such as GPS based tracking of machines, Android app designed for TAB users (Track Machine Operators) for monitoring and maintaining various track machines, paperless working by feeding all data and information directly on the application provided in the tablets, computerized productivity and reliability performance analysis and inventory planning.

Track Maintenance Management Systems (TMMS) further augments the Mechanized Track Maintenance System of KRCL, which is now also being adopted in Indian Railways. TMMS is also being planned to be promoted in Indian Railways.





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- Crew Management System (CMS) was commissioned at Suratkal during the year. With this all crew booking points of the corporation have been connected with CMS and also integrated with Indian Railways. CMS is expected to bring transparency in crew management and will also improve efficiency of train operations.

9.3 International Projects

- KRCL has successfully completed the first ever International contract for supply, delivery and commissioning of Two 5 cars DEMU Trainsets to Nepal Railway. The team of Konkan Railway involved in this project has taken exemplary initiatives right from bagging the order to successfully executing the project to the satisfaction of Nepal Railway. Konkan Railway has also received full payment and letter of appreciation from Government of Nepal for this project.



- Nepal Railway Company and Government of Nepal have also awarded the prestigious contract for Operationalization of Passenger Train services in Jaynagar-Kurtha section of Nepal Railway. This is the first international train operation & maintenance contract for Konkan Railway under which following services will be provided:
 - a) Design and planning of train operation, rolling stock and asset management
 - b) Supply of expert manpower
 - c) Providing service for train operation for a period of one year



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- d) Supply of material and equipment
- e) Training of Nepalese Railway officials

Mechanical department is playing nodal role in this project, which is expected to bring new opportunities for KRCL in the areas of Railway Operations & Maintenance.

- Other Important International Business Development Highlights:
 - a. Participated in an Expression of Interest (EOI) invited by Bangladesh Railway for 'feasibility study and design of a rolling stock maintenance workshop'.
 - b. Ministry of Railways have authorized KRCL for exploring business opportunities in infrastructure and Operations & Maintenance in African Continent.
 - c. Ministry of Railways has authorized KRCL for exploring export of railway wheelsets (manufactured by Rail Wheel Factory, Bangalore) in North American Market. Detailed market survey was done and a business proposal was submitted to Rail Wheel Factory.

10. SIGNAL AND TELECOMMUNICATION

10.1 Train Operations: Improvements

- **Replacement of Panel Interlocking with Electronic Interlocking:** Commissioned Electronic Interlocking at 5 stations. EI commissioning activity at Suratkal & Padubidri stations has been carried out during COVID-19 Lockdown with remote assistance in testing by KR officials from Mumbai and OEM Engineers from Bangalore.



- **Replacement of Block instruments & Provision of BPAC with UFSBI at 32 nos. Block sections:** Replacement of TLBI (Podanur type) by "Block Panel along with Universal fail safe block interface (UFSBI) and Block proving by Axle counter (BPAC)" completed for 32 block sections.



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- Provision of Double Distant Signals: Commissioned at balance 7 stations, now entire KR route is provided with Double Distant Signals.

10.2 Safety & Reliability Enhancements and other works

- 11 gates were interlocked with signals.

Manual operated LC gate being
replaced with Electrical operated Gate



MLCG with Booms manually
operated



MLCG with Booms Electrical
operation & boom locking

- **KR-Net Revamp:** The existing Telecom, Networking and Server (IT) Hardware has been replaced and upgraded under lease agreement for 5 years.

10.3 Non- S&T Projects on KR Route

- **New crossing stations:** Commissioned 08 Nos new crossing stations along with Centralised Electronic Interlocking & UFSBI/BPAC with adjoining stations in Ratnagiri & Karwar Regions, thereby improving line capacity.





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- **Railway Electrification Work:** All stations S&T equipment is being modified to be fit for Railway electrified route.



- **Patch Doubling between Roha to Veer section (47 Km):** All S&T equipment has been modernized along with Patch Doubling.

10.4 Passenger Amenities: Improvements

- After persistent follow up with Ministries, ₹ 17.64 Crore were allotted to KRCL for undertaking the work of provision of Video Surveillance System (CCTV) at 67 stations over KR Route under Nirbhaya Funds in Sep' 2019. Work has been completed and all 67 stations are provided with Video Surveillance System (CCTV) on lease basis over KR Route.



- New Computerised Passenger announcement system provided at all stations with announcement in Hindi, English and local languages in March 2021.
- New Electronic Reservation chart system installed at Ratnagiri station on 21.12.2020.





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11. SAFETY

The Corporation has always given the highest priority for Safety with an aim for accident-free Train operations. To achieve the same, the personnel involved in Train operations have been trained on their working knowledge through training, workshops, interactions, drives etc. During the year there was one unfortunate incident of Consequential train accident on Konkan Railway on 10.05.2020 wherein one goods train derailed between DWV-KHED section. There was no casualty / injury in the accident.

Intra Railway Safety Audit of Karwar Region was conducted on 24th to 25th February 2020 by nominated Officers. International Level Crossing Awareness Day (ILCAD)–2020 was observed over Konkan Railway on 11.06.2020. Inter Railway Safety Audit of Konkan Railway has been conducted by SAG level Officers team of CR in MAO-VEN section (Including ZUARI Bridge) from 10th to 12th December 2020. Intra Railway Safety Audit of Ratnagiri region has been conducted on 29th to 30th December 2020.

A joint mock exercise with NDRF / 5 Battalion Pune, has been organized at RN station on disaster management on 25.11.2020. Also, to check the functioning of SPARM cum MFD Van with MFD Equipment and alertness of staff at VEN/RN full scale Mock Exercise has been conducted in every quarter.

17 Nos of Executives have attended the online training on “Accident investigation, Safety & Disaster Management” from 20-24th July, 2020 arranged by IRITM/LKO. Also, hands on learning on taking measurement of Coaches & Wagons, P. Way etc. for accident inquiry has been conducted in both the Regions. To bring the safety awareness amongst the safety category staff, total 64 Nos of safety Seminars/ workshops were organized wherein 4441 staff are participated, total 15 Nos of Safety Drives and total 14 Nos of Safety Circulars were issued on different Safety Subject.

Updated General & Subsidiary Rule – 2020 and Disaster Management Plan 2020 has been issued. Also, Station Working Rule for stations (New Stations, additional Loop Lines, Doubling and RE) has been prepared and issued timely. Further, Correction Slips & revalidation of Station Working Rule has been issued as per requirement. In addition to above, to ensure safety in train operations and for system improvement 20740 nos. of safety inspections covering various safety installations have been conducted by the officers and supervisors of various departments during the year.

12. HUMAN RESOURCES DEVELOPMENT

12.1 Policy Framing

Superannuation Benefit Scheme for IDA scale officer has been implemented. Various guidelines regarding COVID-19 have been implemented.



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12.2 Recruitment

Major Transformation has been achieved during the year in process of recruitment by switching over from manual to “On Line” recruitment process, which in turn has enabled smooth and transparent recruitment process without interface of human. Due to COVID-19 situation preference has been given only safety posts are recruited/finalized. 14 employees were recruited during the year 2020-21.

12.3 Industrial relations

During the year, industrial relations have been cordial with Unions.

12.4 Women Employees

As on 31.03.2021, there are 446 nos. of women employees in the Corporation working all over jurisdiction of Konkan Railway holding some of important posting and crucial operations of train running. The percentage of Women employees is 8.79% of the total employees.

12.5 Man Power Position as on 31.03.2021

Group	GEN	OBC	SC	ST	Total	Ex-Serviceman	PH	Minorities
Executive	158	50	32	13	253	02	1	20
Non-Executive	1969	2143	808	346	5266	21	17	548
Total	2127	2193	840	359	5519	23	18	568

12.6 Particulars of Employees

As per provisions of Section 197 of the Companies Act, 2013 read with the rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, every listed company is required to disclosed the ratio of the remuneration of each Director to the median employee's remuneration and such other details as may be prescribed in the Director's Report. However, as per Notification No. GSR463 (E) dated 05.06.2015 issued by the Ministry of Corporate Affairs, Government Companies are exempted from complying with provisions of section 197 of the Companies Act, 2013. Konkan Railway Corporation Limited being a Government Company, such particulars are not included as part of Director's Report.

13. TRAINING

In the year 2020-21, the Training department made a saving of approx. ₹ 1.15 Crore by switching over from classroom training to online format and also earned ₹ 4.41 lakh through SEPS program. Also, saving of ₹ 3.843 Crore was done by conducting all mandatory safety courses in-house. Taking advantage of the lockdown during the pandemic, the Training department brought a number of free webinars for KRCL employees and all safety trainings were completed through online meeting Apps which includes Traction training. Webinars for Executives covered cross-



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functional programs, Management and Leadership topics by Management Institutes/agencies and interaction with authors of inspirational books as part of “Learning at Leisure” weekend series for Executives. In spite of the lockdown during the year, 15 Initial Courses were conducted in-house for LP/ALP, TTEs, SMs, SSE/JE P'way, Points man, Trackman, Electrical Supervisors. During the year, as many as 545 number of courses were held compared to 512 of 2019-20, which is an increase of 6.44%. The training man-days achieved in the year 2020-21 was 28375. It is 31.36% more than the target of 21600 set for the year. During the year, several skills training programs were conducted for various category of employees, viz. Total Customer Satisfaction program for front line staff, Literacy program for nominated Group 'D' staff, Knowledge enhancement program on Hygiene for SHKHs and contract housekeeping staff, IT Literacy sessions for Group 'D' and Group 'C' staff coming for RC programs to improve skills of employees. 25 Executives registered for free web program on 25 different subjects.

- Safety courses: During the year 2020-21, 17 (1217 staff) awareness sessions were conducted on 'General Awareness on Electrified Operations' covering employees of all safety departments. As many as 420 (repeat) in 13 session LPs/ALPs were covered under SPAD counselling. Total 283 safety courses were held and 3074 staff (repeat) was trained. 38 safety workshops were held in the year in which 1373 staff participated, 697 of whom attended more than one safety workshop. Apart from this, 80 Contract staff was also extended safety counselling during the year. Total 321 safety related courses/programs were conducted, thus training 4447 staff with training man-days of 21520.
- Non -Safety courses: During the year 2020-21, various soft skills programs were conducted for all employees with total training man-days of 6855. As many as 191 sessions on Soft Skills were conducted and 4689 staff (repeat) were trained. In 33 programmes, total 1727 executives (repeat) were trained. 11 workshops were conducted on non-safety topics, like New Labour Code, Illegal transportation of wildlife and contraband items, Tendering procedures, MS Teams, Preventive vigilance, NIC mail security tips, Prevention of Liver diseases etc. Under public awareness programs, total 18 interactions were held and 1141 citizens were trained, including school and college students.
- Soft Skill Training under RHSDC: During the year 2020-21 under CSR activity, 11 courses in soft skills were organized and 832 youth were trained.
- During the financial year 2020-21, the Training Department made expenditure of ₹ 9,64,367/- against allocated ₹ 17.00 Lakh under the Revenue Budget.



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14. MATERIAL MANAGEMENT

During the year scrap sale of ₹ 10.56 Crore has been achieved. This is 29% higher than the last year's scrap sale of ₹ 8.20 Crore. Money value realized during the year is ₹ 11.06 Crore. Against Government of India's target of 25% of total procurement, KRCL has achieved 91.80% and this performance is best among CPSEs. Total procurement made from GeM is ₹ 6.44 Crore during Financial Year 2020-21 which also includes the 26 service contracts valuing ₹ 5.16 Crore which is best ever. Last year GeM procurement was ₹ 1.43 Crore. In a major success, KRCL could pursue M/s. SAIL to supply rails at the RB rates and without any advance payment which they had quoted with higher rates. An expected saving of ₹ 9 to 10 Crore per year on recurring basis have been achieved. In a presentation at NAIR, Railway Board commented that KRCL methodology should be made as a case study and to be followed by Railways. MMD has reengineered whole procurement process to meet challenge of arranging all items related to Covid-19 crisis. Almost all items were arranged even before lockdown.

15. VIGILANCE

During year 2020-21, 83 preventive checks were conducted as a result of which 11 minor penalties and 05 administrative actions were recommended. The checks also yielded an earnings of ₹ 99.64 lakh towards penalties / recoveries. 01 major penalty action and 01 administrative action was recommended as a result of Complaint investigation. In addition to above, 5 System Improvements were issued in FY 2020-21 in ;

- (i) Handling of DAR cases advised by Vigilance.
- (ii) Delay in completion of Disciplinary proceedings – Vigilance matters.
- (iii) Dealing with composite cases referred by Vigilance Department in DAR matters.
- (iv) Ensuring timely filing of IPRs.
- (v) Steel to be used in the execution of construction work.

16. HEALTH CARE

Man-day loss in 2020-21 was 0.85%. This has ensured availability of more human resource at the respective work station translating into increased output. 14 diagnostic and preventive health checkup camps were organized at various health units following Covid19 protocol. 374 beneficiaries availed the benefit of these camps. 63 Medical Examinations and 1026 Periodical Medical Examinations were conducted during the year. As on 31.03.2021, 371 employees and 221 dependents were infected with Covid19 of which, 367 employees and 220 dependents have recovered. All frontline workers including RPF, TTEs, Commercial Assistants etc. have been vaccinated.



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17. INFORMATION TECHNOLOGY

- 17.1 As a part of the various measures taken to manage the operations during the COVID-19 pandemic in KRCL – Information Technology department has achieved many initiatives to bring in various controls which can eliminate or help in reduction in the exposure of spreading virus / enable social distancing during this Covid-19 crisis while executing essential services, like a system of self-declaration health information related to COVID-19, Online Station Complaint Management System, distribution of e-Payslips through mail , facility to claim medical bill online, an Employee Self Service Portal, NIC email ids for all employees, latest status of Vaccination of KRCL employees and Information Security initiatives like wildcard SSL/TLS certificate and VPN for work from home facility.
- 17.2 A new system for Automatic Recovery and Arrears has facilitated for both employee as well as their controlling authorities to take the necessary action in time for marking attendance, regularizing leave, helped KRCL to save considerable manual efforts bringing efficiency and effectiveness in the work flow.
- 17.3 A new system for automation of issue of Doctor's Referral Letter to hospitals is implemented, where details of patient referral captured in clinical examination and referral letter is generated through e-mail to the empaneled hospitals for treatment of employee or their dependents thereby automating and achieving paperless communication system.
- 17.4 A new Finance Module called, Integrated Finance Accounting System(IFAS) is implemented which includes various functionalities of Accounts Payable, Accounts Receivable, and core accounting functions like Journal Voucher, Bank Voucher, various reports which will facilitate Unit wise Accounting for Receivables and Payables, Trial Balance, and Corporation for all Units, Profit-Centre wise revenue / expenditure accounting for ascertaining profitability, Automatic GST and Income Tax and their remittance as per GST norms with interface with Stores, Personnel Module & Payroll system , Receivable Contract module to raise the invoices on real time, with Traffic Account to post the Money receipts and Interface with Bank for digital payments to beneficiaries.
- 17.5 KRCL has setup its own Cloud based centralized Data Centre at HQ building in CBD Belapur, which comprises of infrastructure for IT business applications consolidated on virtualisation technology with security solutions like Firewall, Load Balancer, WAF, SSL-



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VPN Internet Secure Web gateway, and Centralised Anti-virus system. In this, provision is made for a full-fledged Disaster Recovery (DR) Centre at Madgao, where DR Drill for all IT applications was conducted successfully.

- 17.6 A News Paper Article Management System was implemented for PR dept to keep track of articles/news/blogs that are published about KRCL. The system has features to upload articles of News Papers, Magazines, Blogs etc. in PDF format avoiding local storage/ loss of data, by tagging each article with multiple keywords with facility to retrieve them. System will also keep a repository of all articles in single database, from which many reports can be generated if required in future.
- 17.7 An Online Foundation Day Award Management System was implemented for automating end to end process with appropriate work-flows for nomination and finalisation of Annual Foundation Day Awards of KRCL. This is intended to automate, streamline complete process, bring in transparency, reduce the time spent on manual processes and save paper.
- 17.8 As a part of Digitization of Operating Registers, three Safety registers of operating department namely Bio-data register, inward-outward message register, caution order register was implemented to remove Manual handling of registers. Inspecting, analysis of these registers can be possible from anywhere online. MIS reports can be generated from available data. Expenditure on Pre-printing of these registers can be avoided.
- 17.9 A new Land Record Digitisation Management System - LRDMS was re-designed and integrated with HR Module for land-loser recruitment integration, to enable repository of all acquired land records of KRCL with linking the Land-loser employees recruited against land acquired during project construction.
- 17.10 A new Quarter allotment process Automation system for Quarters allotment till vacation process are automated, with features to Request, Allotment, Occupation, and vacation of quarters, with direct integration for recoveries through Payroll was implemented.

18. RAILWAY PROTECTION FORCE

During the year 2020-21, in spite of the adverse effect of Covid-19 Pandemic and lean strength, all the Migrant Special Trains originated and passed through KRCL were deployed with RPF escorts and proper security was ensured to Special, Parcel & Goods Trains operated through KRCL and also to the assets of KRCL. Due to the alertness and efforts of RPF staff over KRCL, 03 criminals



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involved in committing theft of passenger belongings were arrested by RPF with recovery of stolen property worth ₹ 2,29,500/-. 169 cases under the Railways Act were registered against offenders including anti-social elements from Trains & Railway premises and a total fine amount of ₹ 1,24,700/- was realised from them. RPF teams conducted raids against Touts operating in black marketing of reservation tickets and 02 offenders were arrested with recovery of tickets worth ₹ 1,01,892/-, forfeiture of 32 nos. of future journey tickets and 08 nos. of illegal User IDs were blocked by IRCTC. All the arrested offenders were prosecuted in Courts of Law. RPF staff assisted Commercial staff in ticket checking in which 382 persons were fined and an amount of ₹ 1,89,356/- was realized. RPF staff of Konkan Railway secured 68 lost/left behind luggage /valuable articles of passengers' worth ₹ 12,98,105/- and handed over the same to owners/passengers. RPF rescued 17 run away children including 04 minor girls from Trains/ Rly. Premises and handed over them to their parents /Child Help Line. During the period under review, RPF/KRCL seized 711 illegally transported liquor bottles valued ₹ 8,03,711/- with arrest of 02 bootleggers from trains / station premises and handed them over to Excise department. Similarly, 83 Cigarette smoking cases were detected and fine amount of ₹ 16,600/- was realized from defaulters.

Security of Women and Children on Railways: Safety and security of Women and Children are accorded high priority and real time assistance is ensured on complaints received through 24X7 Security Helpline no.182, Twitter and Rail Madad.

19. कॉर्पोरेशन की राजभाषा कार्यान्वयन में प्रगति:

- 1) इस वर्ष के दौरान अखिल भारतीय स्तर पर 'ख' क्षेत्र के सार्वजनिक क्षेत्र के उपक्रमों की श्रेणी के अंतर्गत राजभाषा कार्यान्वयन में सराहनीय कार्य करने के लिए कॉर्पोरेशन को प्रथम स्थान के 'राजभाषा कीर्ति पुरस्कार' से सम्मानित किया गया। कॉर्पोरेशन को छठी बार यह पुरस्कार प्राप्त हुआ है।
- 2) कोंकण रेलवे विगत चार वर्षों से नवी मुंबई नराकास का संचालन कर रही है। इस वर्ष के दौरान अखिल भारतीय स्तर पर 'ख' क्षेत्र की नगर राजभाषा कार्यान्वयन समितियों की श्रेणी के अंतर्गत राजभाषा कार्यान्वयन में सराहनीय कार्य करने के लिए नवी मुंबई नराकास को प्रथम स्थान के 'राजभाषा कीर्ति पुरस्कार' से सम्मानित किया गया। नवी मुंबई नराकास को दूसरी बार यह पुरस्कार प्राप्त हुआ है।
- 3) कोंकण रेलवे के मडगांव स्टेशन को राजभाषा कार्यान्वयन में सराहनीय कार्य करने के लिए गृह मंत्रालय द्वारा तृतीय स्थान के 'क्षेत्रीय राजभाषा पुरस्कार' से सम्मानित किया गया। मडगांव स्टेशन को छठी बार यह पुरस्कार प्राप्त हुआ है।



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- 4) कॉर्पोरेशन को राजभाषा कार्यान्वयन में सराहनीय कार्य करने के लिए और सर्वोत्कृष्ट राजभाषा गृह पत्रिका "कोंकण गरिमा" के लिए नवी मुंबई नराकास की ओर से प्रथम स्थान के 'नराकास राजभाषा पुरस्कार' से सम्मानित किया गया। राजभाषा कार्यान्वयन में सराहनीय कार्य करने के लिए रत्नागिरी कार्यालय और उडुपि स्टेशन को संबंधित नराकासों द्वारा 'नराकास राजभाषा पुरस्कार' से सम्मानित किया गया है।
- 5) 'रेल मंत्री राजभाषा रनिंग ट्रॉफी'-
इस वर्ष भारतीय रेलवे के सार्वजनिक क्षेत्र के उपक्रमों से राजभाषा कार्यान्वयन में सराहनीय कार्य करने के लिए आदर्श उपक्रम के रूप में कॉर्पोरेशन को 'रेल मंत्री राजभाषा रनिंग ट्रॉफी' से सम्मानित किया गया।

संसदीय राजभाषा समिति का निरीक्षण:



20. GENERAL ADMINISTRATION

20.1 Campaigns & Drives

- **Swachhta Pakhwara:** In terms of the instructions received from the Ministry of Railways "Swachhta Pakhwara" was successfully organized as part of the Swachh Rail Swachh Bharat, at all the establishments of KRCL from 16th to 30th September 2020. During this occasion Online Swachhta Pledge was administered at Corporate Office, Regional Offices at Ratnagiri & Karwar as well as at Project Office of J&K and emphasis was given on 'Shun Plastic Use'. The drive was conducted following Social Distancing and personal hygiene.
- **Community Day :** To commemorate the Birth Anniversary of Mahatma Gandhi, 02nd October 2020 was observed as 'Community Day' at Regional Offices at Ratnagiri & Karwar as well as at Project Office of J&K. Shramdaan was organized at Railway Colonies, Stations and



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at all the surrounding areas on the Konkan Railway Route, in which all the employees and stakeholders took part. During this occasion tree plantation was organised along the KR route. The activities were conducted following Social Distancing and personal hygiene.

- **Rashtriya Ekta Diwas:** To commemorate the Birth Anniversary of Sardar Vallabhbhai Patel, Konkan Railway observed “Rashtriya Ekta Diwas” on 31st October 2020. Online Integrity Pledge was also administered to the employees to commemorate this event.
- **Constitution Day:** The Constitution Day was celebrated on 26th November 2020 at the Corporate Office, Regional Offices in Ratnagiri and Karwar as well as Project Office of USBRL at J&K. The Preamble to the Constitution of India was read out Online at Corporate Office and joined by Regional officers.
- **Covid-19 Pandemic:** Chief Manager/Admin has been nominated as Nodal Officer for uploading coordinating and reports about the action taken and preparedness for containment of COVID-19 by Konkan Railway. The department coordinated for maintaining proper hygiene and for following COVID-19 norms at Office Regular mail regarding prevention and protection from COVID-19 were mailed to all employees. Compliance of all the precautionary measures to be taken at work place prescribed by the Central/State Governments was ensured in coordination with Engineering and Medical Departments. Motivational messages were sent to the employees from time-to-time to keep their morale high during the difficult times.

20.2 VISITS OF PARLIAMENTARY COMMITTEES & OTHER MEETINGS

- Committee of the Parliament on Official Language (Second Sub Committee) visited KRCL on 09.01.2021. The Committee had discussion with the KRCL Officials on effective implementation of the Official Language. The Committee commended the work done by KRCL in this regard.
- On completion of the tenure, Konkan Railway Users' Consultative Committee was reconstituted having tenure from 1st February 2021 to 31st January 2023. The nomination of members is in process.

21. MEMORANDUM OF UNDERSTANDING (MOU) RATINGS

Department of Public Enterprises is likely to assign “FAIR” MOU rating to the Corporation for the year 2019-20. The overall performance of Corporation in terms of MOU Parameters for the year 2020-21, is also expected to be “FAIR”.



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22. DIVIDEND

The Board of Directors do not propose to recommend for payment of dividend during the year under review.

23. RESERVES

In view of current year loss / accumulated losses, the Board of Directors do not propose to transfer any amount to Bond/Debenture Redemption Reserve in terms of the Companies (Share Capital and Debentures) Rules 2014, which mandates the Corporation to create a Debenture Redemption Reserve for the purpose of redemption of Debentures.

24. INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

The Corporation had issued various Series of Bonds (public and private placement basis) from the incorporation of the Company, which are listed on National Stock Exchange (NSE). The unclaimed and unpaid Interest and Redemption cum Interest amounts on these Bonds were transferred to IEPF Authority as per Section 205C of Companies Act, 1956 (now under Section 125 of the Companies Act, 2013) and rules framed thereto. The Bondholders, whose unclaimed and unpaid Interest and Redemption cum Interest amount (as the case may be) was transferred to the IEPF Authority, as due.

Bondholders whose amount is unclaimed and unpaid as per the list submitted to IEPF Authority and uploaded on Companies website at <https://konkanrailway.com/departments/viewdept/bonds>, can now claim the said amount from IEPF Authority by filing new web form IEPF-5 made effective from 20/09/2019 at <http://www.iepf.gov.in/IEPF/corporates.html> and also, after obtaining verification report from the Corporation.

25. A STATEMENT INDICATING DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY FOR THE COMPANY INCLUDING IDENTIFICATION THEREIN OF ELEMENTS OF RISK, IF ANY, WHICH IN THE OPINION OF THE BOARD MAY THREATEN THE EXISTENCE OF THE COMPANY

The Corporation has in place a Risk Management Policy in line with the DPE Guidelines on Corporate Governance for CPSEs to ensure the integration and alignment of the risk management system with the corporate and operational objectives. The Risk Management Cell constituted by the Risk Management Committee was tasked to evaluate department wise risks along with mitigation plan. A booklet has been prepared covering departmental risks and its mitigation plan and the same is revised periodically.



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26. AUDITORS

26.1 Statutory Auditors

The Comptroller & Auditor General of India had appointed M/s. V.K. Surana & Co., Chartered Accountants, as Statutory Auditor for the year 2020-21.

26.2 Internal Auditor

The Companies Act, 2013 has given statutory recognition to Internal Audit, keeping in view its relevance in today's business scenario. As per section 138 of the Companies Act, 2013, read with Rule 13 of Companies (Accounts) Rules 2014, the Corporation had appointed M/s. RAV & Co., Chartered Accountants, an independent accounting firm, to undertake the internal audit of the Corporation for the year 2020-21.

26.3 GST Auditors

M/s Thakur Vaidhyanath Iyer & Co, Chartered Accountants, Mumbai for the States of Maharashtra, Goa, Karnataka, Kerala and Madhya Pradesh and M/s A Gupta & Associates, Chartered Accountants, Jammu for the UT of J&K, are appointed as GST Auditors for the financial year 2020-21 under section 35(5) of CGST Act 2017 read along with rule 80 and u/s 35(5) of SGST Act 2017 for GST Audit.

26.4 Internal Control Systems and their adequacy

The Corporation has robust Internal Systems and processes in place for smooth and efficient conduct of business and complies with relevant laws and regulations. It has adequate system of internal financial controls in place, in the form of well documented delegation of power, policies and procedures, that cover critical as well as important activities of financial and other operating functions for safeguarding of assets, prevention and detection of fraud and error, ensuring accuracy and completeness of the accounting records and timely preparation of reliable financial information.

The procedures are in the form of manuals, guidelines, delegation of powers and IT system and controls which are affected through people operating in various departments within the Corporation at different levels at each stage of the processes. These are designed to ensure compliance with the internal financial controls as detailed in the Companies Act, 2013 and prevalent on Indian Railways. In order to ensure that all checks and balances are in place and all internal control systems are in order, regular and exhaustive internal audits are conducted by experienced independent firms of Chartered Accountants in close co-ordination with Corporation's own internal audit Department.



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Internal Audit covers all areas of operation of the Corporation, as per annual Internal Audit Program. Internal Audit helps in improving accuracy and efficiency of transactions and operations by undertaking review of in-built controls, scrutiny of payments and expenditure and examination of financial and technical records of the Corporation. The internal audit reports for Financial Year 2020-21 were received on quarterly basis and their observations were taken up at the management level. A summary of Audit Observations and Action Taken Reports were regularly placed before the Audit Committee and the recommendations of the Audit Committee were duly complied with by the Corporation.

26.5 Secretarial Auditor

The Board of Directors appointed M/s. Rupali Abhyankar & Co., Practicing Company Secretaries, to conduct Secretarial Audit for the year 2020-21. The Secretarial Audit Report for the year ended March 31, 2021 is placed at Annexure – 1.

26.6 Maintenance of Cost Records

The Corporation is not required to maintain cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, as it falls under table of non-regulated sectors under heading as “Railway or tramway locomotives, rolling stock, railway or tramway fixtures and fittings, mechanical (including electro mechanical) traffic signaling equipment's of all kinds; (8601 to 8609) for the reason that, the provision of Chapter Codes and description (ITC HSN) is applicable for the company which is in production of Railway or tramway locomotives, rolling stock, railway or tramway fixtures and fittings, mechanical (including electro mechanical) traffic signaling equipment's of all kind.

27. CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Corporation prepared in accordance with the provisions of the Companies Act, 2013 and the relevant Indian Accounting Standards (Ind AS) form part of the Annual Report of the Corporation.

28. EXPLANATION OR COMMENTS BY THE BOARD ON EVERY QUALIFICATION, RESERVATION, ADVERSE REMARK OR DISCLAIMER MADE BY THE SECRETARIAL AUDITOR, STATUTORY AUDITORS & COMPTROLLER AND AUDITOR GENERAL OF INDIA:

Secretarial Auditor's Report: The comments of the Secretarial Auditor and Management reply thereto has been placed at Annexure – 2.

Statutory Auditor's Report: The comments of the Statutory Auditor and Management reply thereto has been placed at page no.123.

Comments of Comptroller and Auditor General of India: The comments of the Comptroller and Auditor General of India has been placed at page no. 138.



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Frauds reported by the Auditors: No fraud has been reported by the Statutory Auditor or Secretarial Auditor of the Corporation.

29. CORPORATE GOVERNANCE

Philosophy on Corporate Governance: The Corporation's philosophy on Corporate Governance is based on the principles of honesty, integrity, accountability, adequate disclosures, legal compliances, transparency in decision making and avoiding conflicts of interest. The Corporation gives importance to adherence to adopted corporate values and objectives and discharging social responsibilities as a good corporate citizen. The Corporation believes in providing excellent services to the Shareholders and Customers including ensuring safety to the passengers and improving the productivity through efficiency in all spheres of activities. The motto of the Corporation is “Sadar Seva” summarizing the ethos of the Corporation. The Corporation, being a Government Company, its activities are monitored by several external agencies like the Secretarial Auditors, Statutory Auditors, the Comptroller & Auditor General of India, the Central Vigilance Commission (CVC), Parliamentary Committees, etc. Corporation structure, business and disclosure practices have been aligned to the Corporate Governance Philosophy.

In order to uphold the highest standards of corporate governance, the Corporation has implemented, both in letter and spirit, the guidelines enunciated by the Department of Public Enterprises, Government of India, on Corporate Governance. For effective implementation, the following good governance practices have been put in place:

- Code of Conduct for Board of Directors and Senior Management
- Integrity Pact for Vendors
- Systems in place for ensuring compliance of Applicable Laws, Rules & Regulations
- Whistle Blower Policy
- Corporate Social Responsibility Policy
- Risk Management Policy
- Conduct, Discipline and Appeal Rules for Employees

30. BOARD OF DIRECTORS

The Board of Directors headed by Chairman & Managing Director, is the apex body which oversees the overall functioning of the Corporation. The Board has approved the 3rd Corporate Plan 2017-2022 which indicates the overall direction to the Corporation. It is vested with the ultimate responsibility of the management and performance of the Corporation. The Board has its Charter and accordingly, decisions of the Board are aligned to serve in the best interest of the Corporation. The 4th Corporate Plan 2022 is being drafted.

The Board frames policies and programs and oversees its implementation. It has constituted following five (5) Sub-Committees to assist in the management of the day-to-day affairs of the Corporation and to facilitate a smooth and efficient flow of decision-making process.



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1. Audit Committee,
2. Nomination & Remuneration Committee,
3. Risk Management Committee,
4. Corporate Social Responsibility & Sustainability Committee and
5. Shareholders' Committee (Stakeholders' Relationship Committee)

The Corporation, being a 'Railway Administration' under the Indian Railways Act, 1989, is a member of Indian Railways Conference Association (IRCA) and follows the operating and commercial rules framed by Ministry of Railways from time to time.

The Board of Directors consists of fourteen Directors, out of which four are functional Directors including Chairman and Managing Director, Director (Finance), Director (Way & Works) and Director (Operations & Commercial). Two Nominee Directors from Ministry of Railways, one Nominee Director from each participating state (Maharashtra, Karnataka, Goa and Kerala) are part-time official Directors and there are four part-time Non-official Directors (Independent Directors) in the Board. The Corporation, being a Government Company under Section 2(45) of the Companies Act, 2013, its functional Directors (Executive) and part-time Non-official Directors (Independent Directors) are appointed by the Department of Public Enterprises (DPE), the President of India nominates two Directors representing Ministry of Railways and Governor of each participating States nominates an Officer of the rank of Secretary or above as the Director in the Corporation.

The details of the Directors on the Board of the Corporation during the period from 01st April, 2020 to 31st March, 2021 and as on date of this report are given below:

SL. NO.	NAME OF THE DIRECTORS	TENURE	
		DATE OF APPOINTMENT	DATE OF CESSATION
1	Shri Sanjay Gupta* Chairman and Managing Director, DIN 06710604	08.07.2016	
2	Shri Subhash Chand Gupta Director (Way & Works), DIN 08339258	15.01.2019	
3	Shri R.M. Bhadang Director (Finance) & CFO DIN 09050270	28.01.2021	
4	Mrs. Anju Ranjan Executive Director, F/E-1/Railway Board DIN 06681154	21.06.2018	



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5	Shri Vinay Srivastava Executive Director (PSU)/ Railway Board, DIN 08638850	10.12.2019	
6	Shri Ashish Kumar Singh Additional Chief Secretary (Transport & Ports), Government of Maharashtra, DIN 02751191	06.08.2018	
7	Shri Kapil Mohan Additional Chief Secretary, IDD, Government of Karnataka, DIN 03627128	05.08.2019	
8	Shri K.R. Jyothilal Principal Secretary (Transport), Government of Kerala, DIN 01650017	29.05.2020	
9	Dr. Tariq Thomas Secretary (Transport), Government of Goa DIN 07569786	19.04.2021	
10	Air Marshal Sukhchain Singh, AVSM VSM (Retd.) , Independent Director, DIN - 06920513 (Qualified the Online Proficiency Self Assessment Test for Independent Director's Databank on June 23, 2020)	11.07.2019	
11	CA M. Devaraja Reddy Independent Director, DIN 07112941	11.07.2019	
12	Prof. Dr. R. Srinivasan Independent Director, DIN 08546633	11.07.2019	
13	Shri Hari Das Gujrati Director (Operations & Commercial) DIN 01393052	18.01.2018	25.07.2020
14	Shri Amit Satija Secretary (Transport), Government of Goa DIN 08989543	07.09.2020	19.04.2021

(*) Holds the additional charge of Director (Operations & Commercial).

The Board of Directors meets at least once in a quarter and at more frequent intervals, if considered



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necessary, focusing on formulation of policies, strategies and business plans, exercising control, delegation of powers, reviewing performance of the Corporation, approving contracts for high value items, half yearly/periodical results, annual accounts, capital expenditure proposals, compliance with statutory/regulatory requirements, major accounting provisions and other statutorily required matters. The Board Meetings are generally scheduled well in advance and the notice of each Board Meeting is given in writing to each Director well in time. All the items on the agenda are accompanied by notes giving comprehensive information on the related subjects and in certain matters such as financial/business plans and financial results, detailed presentations are made. The agenda and the relevant notes are sent in advance separately to each Director and only in exceptional cases, the same is tabled at the time of the meeting. The Board is also free to recommend the inclusion of any matter for discussion in consultation with the Chairman. As and when required, Senior Executives of the Corporation are also invited to attend Board Meetings and provide clarifications. During the year under review, five Board Meetings were held through Video Conferencing on 28.05.2020, 30.07.2020, 13.11.2020, 14.12.2020 and 26.02.2021.

The Corporation is providing training to Board Members. They are also given principal documents about the Corporation which include Memorandum and Articles of Association, Brochure, Annual Report, latest unaudited financial results, Corporate Plan with MoU targets and achievements, DPE guidelines on Corporate Governance for CPSEs and related provisions on Duties, Responsibilities, etc. of Directors.

All Directors are covered with the Director and Officer Insurance Liability Policy with requisite sum.

The Board members, based on their requirement, attend various seminars, conferences, training programs from time to time. During the year, Corporation's Directors were nominated / had attended training programs organized by DPE, CII, ASSOCHAM, Indian Research Centre, SCOPE, Institute of Directors, etc. through online/offline mode.

The composition of Board of Directors, attendance at the Board meetings during the year 2020-21, attendance at the last Annual General Meeting and the number of other Directorships, Chairmanships and Committee's memberships is placed at Annexure – 3.

31. AUDIT COMMITTEE

The terms of reference of the Audit Committee are as specified in Section 177 of the Companies Act, 2013, and the rules framed there under and the Guidelines on Corporate Governance issued by the Department of Public Enterprises. The primary function of the Committee is to assist the Board of Directors in fulfilling its oversight responsibilities by reviewing the financial reports, the Corporation's systems of internal controls regarding finance, accounting and legal compliance that



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management and the Board have established and the Corporation's auditing, accounting and financial reporting process, generally.

The Audit Committee reviews reports of the Internal Auditors, meets Statutory Auditors and discusses their findings, suggestions and other related matters and reviews the major accounting policies followed by the Corporation. The Audit Committee reviews the half yearly and annual financial statements before their submission to the Board.

The Chairman of the Audit Committee apprises the Board about the observations of the Audit Committee during the Board Meetings. The Minutes of the Audit Committee Meetings are placed before the Board of Directors, for information and noting.

The recommendations of the Audit Committee on any matter relating to financial management including the Audit Report, shall be binding on the Board. However, where such recommendations are not accepted by the Board, the reasons for the same shall be recorded in the minutes of the Board meeting and the same are to be communicated to the shareholders. In fulfilling the above role, the Audit Committee has powers to investigate any activity within its terms of reference, seek information from employees and obtain outside legal and professional advice.

The Audit Committee comprises the following:

SL. NO.	NAME OF MEMBER	STATUS
1	CA Mosali Devaraja Reddy, Independent Director	Chairman
2	Shri Sanjay Gupta, Chairman and Managing Director	Member
3	Prof. Dr. R. Srinivasan, Independent Director	Member

Director (Finance) and Statutory Auditor of the Corporation are Permanent Invitees to the Audit Committee. The Company Secretary is the Secretary to the Audit Committee.

The 89th to 92nd Audit Committee Meetings were held through Video Conferencing on 27.05.2020, 30.07.2020, 13.11.2020 and 12.12.2020 resp. During the year 2020-21, the attendance of the Members of the Audit Committee at the meetings is as follows:

NAME OF DIRECTOR	STATUS	NO. OF MEETINGS		
		HELD	REQUIRED TO BE ATTENDED	ATTENDED
CA Mosali Devaraja Reddy, Independent Director	Chairman	4	4	4



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Shri Sanjay Gupta Chairman & Managing Director	Member	4	4	4
Prof. Dr. R. Srinivasan, Independent Director (w.e.f. 28.05.2020)	Member	4	3	3

The Chairman of the Audit Committee was not present at the last Annual General Meeting.

32. NOMINATION AND REMUNERATION COMMITTEE

The Corporation, being a Government Company, its functional Directors are appointed by the President of India, through Ministry of Railways. The Directors draw remuneration as determined by the Government of India and as per the terms and conditions of their appointment, as amended from time to time.

The Nomination and Remuneration Committee comprises of following:

SL. NO.	NAME OF MEMBER	STATUS
1	Air Marshal Sukhchain Singh, AVSM, VSM (Retd.), Independent Director	Chairman
2	Mrs. Anju Ranjan, Executive Director, Finance (Expenditure -I), Railway Board	Member
3	CA Mosali Devaraja Reddy, Independent Director	Member
4	Prof. Dr. R. Srinivasan, Independent Director	Member
5	Shri Sanjay Gupta, Chairman and Managing Director	Member

The scope of the Committee is as under;

- I. To decide Performance Related Pay ("Pay") of the Corporation.
- II. Performing such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee, etc.

During the year 2020-21 meeting of Nomination and Remuneration Committee was not held.



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33. COMPANY'S POLICY ON DIRECTOR'S APPOINTMENT, REMUNERATION AND RELATED DISCLOSURES

As per Section 134 (3) (p) of the Companies Act 2013, the Board's Report of a Listed Company shall include a statement indicating the manner of formal annual evaluation of Board, Individual Directors etc. Ministry of Corporate Affairs has vide its notification dated 05.06.2015 notified the exemptions to Government Companies from the provisions of the Companies Act, 2013 which inter-alia provides that Section 134 (3) (p) regarding statement on formal annual evaluation shall not apply to Government Companies in case the Directors are evaluated by the Ministry which is administratively in-charge of the Company as per its own evaluation methodology. Further, in line with aforementioned exemptions, Sub-Sections (2), (3) & (4) of Sec.178 regarding appointment, performance evaluation and remuneration shall not apply to Directors of Government Companies.

In terms of notification dated 05.07.2017 issued by MCA the provisions in Schedule IV of the Companies Act, 2013 about reviewing the performance of Chairperson and Non-Independent Directors and the Board as a whole by the Independent Directors in their separate meeting and that on the basis of performance evaluation of Independent Directors, it shall be determined whether to extend or continue their term of appointment shall not apply to a Government Company if the requirements in respect of same are specified by the concerned Ministries or Departments of the Central Government and such requirements are complied with by the Government Companies. Since the appointment of the all Directors in the Company is decided by the Government of India, the requirement related to evaluation of Directors as stated in Schedule IV are not applicable to the Corporation.

Konkan Railway Corporation Limited is a Government Company under the administrative control of Ministry of Railways. The selection procedure for all the Directors including C&MD is also laid down by the Government of India and all the Directors including C&MD of the Company have been appointed in accordance with the said procedure. The functional Directors including C&MD are selected on the recommendations of PESB in accordance with the procedure and guidelines laid down by Government of India. Its functional Directors including C&MD are appointed by Ministry of Railways and there is system and procedure laid down by Department of Public Enterprises for evaluation of its functional Directors including C&MD.

The evaluation frame work for assessing the performance of functional Directors including C&MD comprises of the following Key areas:

- Performance of the Company is undertaken through MOU signed with Ministry of Railways.
- The evaluation of Directors includes self-evaluation by the respective Directors and subsequent assessment by C&MD for the functional Directors and thereafter final evaluation by the Ministry of Railways, the Administrative Ministry.



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- The evaluation of C&MD includes his self-evaluation and final evaluation by the Ministry of Railways.
- In respect of Government nominee Directors of the Ministry of Railways and four participating States i.e. Maharashtra, Goa, Karnataka and Kerala their respective evaluation is done by the Ministry of Railways and States of Maharashtra, Goa, Karnataka and Kerala as per the procedure laid down under their respective service rules. The evaluation of Independent Directors is done by the Board of the Company.

The induction of Officers at below Board level is made by way of recruitment, promotion and/or lateral entry by way of deputation/immediate absorption of the Officials from Ministry of Railways, Government Departments and other PSUs. The performance of below Board level Officials at HAGs/SAGs is evaluated on the basis of the achievement of MOU targets as approved by Administrative Ministry and DPE and other targets fixed by the concerned controlling Board level Directors. Konkan Railway Corporation Limited follows a robust Annual Performance Appraisal Report (APAR) in compliance with the instructions of administrative Ministry i.e. Ministry of Railways for evaluation of performance of its below Board level Official in HAGs/SAGs and below grade. Format for evaluation comprises Appraisal of performance against objectives and targets in each Key Performance Areas (KPAs), Quality of works and attributes like Decision making ability and judgement, Inter-personal relation and team work, Initiative, Personal characteristics, Reliability/Dependability, Attitude towards SC/ST/Weaker section of society, analytical ability, Subject/Task knowledge, Attitude towards work, Quality of output, Communication skills, Safety, approach to Customers, Human Resource Development, Cost and Expenditure control, Innovation/new technology progression, Cleanliness/Environment progression and Participation in social activities/functions, General, Fitness, Performance and Grading. KPAs are proposed by the Appraisee and approved by Appraiser in the beginning of the year which is subject to mid-year review for further modification/improvement, if any. The Officials are rated for their performance accordingly.

Konkan Railway Corporation Limited being a Government Company, the remuneration payable to its Board Level functional Directors including C&MD is in accordance with the guidelines issued by Department of Public Enterprises (DPE) in pursuance of recommendations of the committee on pay revision under IDA pattern and Senior Management officials below Board Level and all other employees under CDA pattern is in accordance with VII CPC.

The Board of Directors has taken note of the selection and remuneration of the Board Level functional Directors, appointed by the Administrative Ministry i.e. Ministry of Railways, in accordance with DPE guidelines. Details of Remuneration of Functional Directors of the Corporation during the year 2020-21 are as under:



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(₹ in lakh)

NAME OF THE DIRECTOR	DESIGNATION	PAY	ALLOWANCES	TOTAL
Shri Sanjay Gupta	Chairman and Managing Director	31.81	18.99	50.80
Shri Subhash Chand Gupta	Director (Way & Works)	26.71	15.83	42.54
Shri R.M. Bhadang	Director (Finance)	3.83	3.52	7.35
Shri Hari Das Gujrati	Ex-Director (Operations & Commercial)	8.86	6.87	15.73

34. SHAREHOLDERS' COMMITTEE (STAKEHOLDERS' RELATIONSHIP COMMITTEE)

The Shareholders' Committee comprises the following:

SL. NO.	NAME OF MEMBER	STATUS
1	Smt. Anju Ranjan, Executive Director, Finance (Expenditure-I), Railway Board	Chairperson
2	Shri Ashish Kumar Singh, Additional Chief Secretary (Transport & Ports), Government of Maharashtra	Member
3	Shri Kapil Mohan, Additional Chief Secretary (IDD), Government of Karnataka	Member
4	Shri K.R. Jyothilal Principal Secretary (Transport), Government of Kerala	Member
5	Dr. Tariq Thomas Secretary (Transport), Government of Goa (w.e.f.19.04.2021)	Member
6	Shri Sanjay Gupta, Chairman & Managing Director	Member

The Shareholders' Committee was constituted for approving transfers, transmissions, splitting, consolidation of Bonds and Shares; Allotment of Bonds & Shares and redressal of Shareholders/ Investors complaints. Equity and Preference Shares are not listed in any of the stock exchanges. Only privately placed Bonds are listed in the National Stock Exchange of India Limited. Company Secretary is acting as Compliance Officer to address and resolve the queries/complaints received from Shareholders or Bondholders. As per section 178(5) of the



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Companies Act, 2013, the Corporation need not constitute Stakeholders' Relationship Committee.

The 13th to 14th Shareholders' Committee Meeting were held through Video Conferencing on 13.11.2020, and 26.02.2021 resp. The meetings were held for allotment of equity shares under 3rd Rights Issue.

The attendance of the Members of the Shareholders' Committee at the meetings is as follows: -

NAME OF DIRECTOR	STATUS	NO. OF MEETINGS		
		Held	REQUIRED TO BE ATTENDED	ATTENDED
Mrs. Anju Ranjan, Executive Director, Finance (Expenditure-I), Railway Board	Chairperson	02	02	02
Shri Ashish Kumar Singh, Additional Chief Secretary (Transport & Ports), Government of Maharashtra	Member	02	02	00
Shri Kapil Mohan, Additional Chief Secretary (IDD), Government of Karnataka	Member	02	02	01
Shri K.R. Jyothilal Principal Secretary (Transport), Government of Kerala	Member	02	02	01
Shri Amit Satija Secretary (Transport), Government of Goa	Member	02	02	00
Shri Sanjay Gupta, Chairman & Managing Director	Member	02	02	02

35. MEETING OF INDEPENDENT DIRECTORS

Pursuant to the requirements of Schedule IV (Code of Independent Directors) of Companies Act, 2013 and in accordance with Department of Public Enterprises (DPE)'s Office Memorandum No. F. No. 16 (4)/2012-GM dated 20 June 2013, a separate meeting of Independent Directors, without the presence of any Functional Directors, Government Nominee Directors and Management personnel of Corporation, was to be held during the year under review. During the year, a meeting of



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Independent Directors was held through Video Conferencing on 24.03.2021 and all the Independent Directors were present in the meeting.

36. DECLARATION OF INDEPENDENT DIRECTORS

The Independent Directors have confirmed and declared that they are not disqualified to act as Independent Directors as per Section 149 (7) of the Companies Act, 2013 and they have complied with the Code for Independent Directors prescribed in Schedule IV to the Act (to the extent applicable to a Government Company). The declarations were placed in the meeting of Board of Directors, which was duly noted and recorded.

37. RISK MANAGEMENT COMMITTEE

The Corporation has in place a Risk Management Policy in line with the DPE Guidelines on Corporate Governance for CPSEs to ensure the integration and alignment of the risk management system with the corporate and operational objectives. The Risk Management Cell constituted by the Risk Management Committee was tasked to evaluate department wise risks along with mitigation plan. Accordingly, a booklet was prepared covering departmental risks and its mitigation plan and same was placed before the Risk Management Committee and subsequently approved by the Board of Directors.

The Risk Management Committee comprises the following:

SL. NO.	NAME OF MEMBER	STATUS
1	Shri Sanjay Gupta, Chairman and Managing Director	Chairman
2	Shri Subhash Chand Gupta, Director (Way & Works)	Member
3	Air Marshal Sukhchain Singh, AVSM, VSM(Retd.), Independent Director	Member

The 12th Risk Management Committee Meeting was held through Video Conferencing on 24.03.2021 and attended by all the members of the Committee except Shri Subhash Chand Gupta, Director (Way & Works).

38. CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABILITY COMMITTEE (“CSR & S COMMITTEE”)

The Board of Directors of the Corporation has approved the Corporate Social Responsibility and Sustainability Policy formulated as per Section 135 of the Companies Act, 2013 and rules made there under. The CSR & S Committee has following members for planning, implementation and monitoring the CSR & S activities within the ambit of Schedule VII of Companies Act, 2013 and DPE



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guidelines.

The CSR & S Committee comprises of following Directors: -

SL. NO.	NAME OF MEMBER	STATUS
1	Shri Sanjay Gupta, Chairman and Managing Director	Chairman
2	Shri Subhash Chand Gupta, Director (Way & Works)	Member
3	Prof. Dr. R. Srinivasan, Independent Director	Member

The Company Secretary is the Secretary to the Committee.

Chief Personnel Officer (CPO) of the Corporation has been nominated as the nodal officer to oversee the works of CSR activities.

The 15th CSR & S Committee meeting was held through Video Conferencing on 25.09.2020. The attendance of the Members of the CSR & S Committee at the meetings is as follows: -

NAME OF DIRECTOR	STATUS	NO. OF MEETINGS		
		Held	REQUIRED TO BE ATTENDED	ATTENDED
Shri Sanjay Gupta , Chairman and Managing Director	Chairman	1	1	1
Shri Subhash Chand Gupta, Director (Way & Works)	Member	1	1	1
Prof. Dr. R. Srinivasan, Independent Director	Member	1	1	1

A Report on Corporate Social Responsibility (CSR) and Sustainable Development Activities is enclosed as Annexure – 4.

39. ANNUAL GENERAL MEETINGS

The last three Annual General Meetings (AGM) were held at the Registered Office of the Corporation on 13.07.2018, 05.07.2019 and 14.12.2020 (held through Video Conferencing). Only one special resolution was passed in the last three AGMs. The Annual General Meeting for the year 2020-21 will be held at the Registered Office (through VC) on Monday, 27th September, 2021.



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The attendance of the Shareholders at the last Annual General Meeting is as under:

SL. NO.	NAME OF THE SHAREHOLDER	30TH AGM ATTENDED OR NOT ATTENDED BY THE SHAREHOLDER
1	Shri Sanjeev Mittal, Member (Infrastructure), Railway Board	Not Applicable
2	Representative of President of India	Yes
3	Representative of Governor of Maharashtra	Yes
4	Representative of Governor of Karnataka	Yes
5	Representative of Governor of Goa	Yes
6	Representative of Governor of Kerala	Yes
7	Special Commissioner, Govt. of Maharashtra	Yes
8	Resident Commissioner, Govt. of Karnataka	No
9	Resident Commissioner, Govt. of Goa	No
10	Resident Commissioner, Govt. of Kerala	Yes
11	Shri Rajesh Argal , Additional Member (Planning), Railway Board	Not Applicable
12	Shri Vinay Srivastava , Executive Director (PSU), Railway Board	Not Applicable

Number of Extraordinary General Meetings held during the year: Nil

Postal Ballot Meeting held during the year: Nil

40. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134 (3) (c) and Section 134(5) of the Companies Act, 2013, the Board of Directors of the Corporation confirms as under: –

- (i) That in the preparation of the annual accounts, the applicable accounting standards has been followed along with proper explanation relating to material departures;
- (ii) That the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Corporation at the end of the financial year 31st March,



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2021 and of the profit of the Corporation for that period;

(iii) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Corporation and for preventing and detecting fraud and other irregularities.

(iv) The Directors had prepared the annual accounts on a 'going concern' basis.

(v) Being a listed Corporation, the Directors had laid down internal financial controls to be followed by the Corporation and that such internal financial controls are adequate and were operating effectively and

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

41. VIGIL MECHANISM

The Corporation has a vigil mechanism to report about unethical behavior, actual or suspected fraud or violation of the Corporation's Code of Conduct. As a part of its vigil mechanism, the Corporation has adopted a Whistle Blower Policy to provide appropriate avenues to the employees of the Corporation to report to the Management. The Policy also provides for adequate safeguards against victimization of employees who avail of the mechanism. It provides for direct access to the Chairman of the Audit Committee in exceptional cases. The Vigil Mechanism (Whistle Blower Policy) is available on the website of the Corporation at http://konkanrailway.com/uploads/editor_images/1542798231_whistleblower-21-11-18.pdf.

42. EXTRACT OF ANNUAL RETURN

A copy of the Annual Return for the financial year 2020-21 is available at <http://konkanrailway.com/departments/viewdept/bonds>.

43. DETAILS ON JV AND ASSOCIATE COMPANIES

Corporation has one Associate Company named Jaigarh Digni Rail Limited (JDRL), which was incorporated on 21.05.2015 as a SPV with contribution of 26% Equity by the Corporation, 11% equity by Maharashtra Maritime Board and 63% equity by JSW Jaigarh Port Limited. As on 31st March, 2021, the total investment of the Corporation in JDRL stands at ₹ 26.00 Crore. JDRL was incorporated for construction, operation and maintenance of a Railway system for providing port



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connectivity between Jaigad Port and proposed Digni Railway Station on KR Route. Due to the change in Coal Import policy, the forecasted coal traffic to Jaigad Port was in question. The detailed traffic study was carried out recently by an external agency (PWC) and proved that there is substantial dip in the projected coal traffic to the port. Due to the financial unviability of the project, JDRL has approached Ministry of Railways for amicable closure of the Concession Agreement.

44. PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS

The particulars of loans, guarantees and investments are disclosed in the financial statement at note no. 7 & 8.

45. DETAILS OF FIXED DEPOSITS

The Corporation has not accepted deposits from public as envisaged under Sections 73 to 76 of Companies Act, 2013 read with Companies (Acceptance of Deposit) Rules, 2014.

46. RELATED PARTY TRANSACTIONS

There have been no materially significant related party transactions between the Company and the Directors, the Management, the Associate Company or the relatives except for those disclosed in the financial statements. Accordingly, particulars of contracts or arrangements with related parties referred to in Section 188 (1) of the Companies Act, 2013 along with the justification for entering into such contract or arrangement in Form AOC-2 does not form part of the report.

47. DETAILS OF KEY MANAGERIAL PERSONNEL WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR

Shri R.M. Bhadang, Director (Finance) has been appointed as Chief Finance Officer (CFO) and Key Managerial Personnel by the Board of Directors w.e.f. 26.02.2021.

48. COMPLIANCES

48.1 During the last three years, there has been no instance of non-compliance by the Corporation on any matter, related to the Companies Act, 2013 or any Corporate/Industrial Law. The guidelines issued by the Department of Public Enterprises; Government of India have also been complied with. The Corporation has complied with the Guidelines on Corporate Governance for CPSEs issued by the Department of Public Enterprises, Government of India. The Corporation has submitted Quarterly Compliance Report on Corporate Governance regularly to the Ministry of Railways, Government of India.



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48.2 CEO & CFO CERTIFICATION

The Chairman & Managing Director (CEO) and Director Finance (CFO) have certified in writing with respect to the truth and fairness of the financial statements, due compliances and financial reporting which was placed before the Audit Committee and the Board of Directors, is enclosed to this Report as Annexure – 5.

48.3 Certificate on Compliance of Corporate Governance

Certificate obtained from M/s. Rupali Abhyankar & Co., Practicing Company Secretaries, regarding compliance of the conditions of Corporate Governance is placed as Annexure – 6.

49. CODE OF CONDUCT

The Board of Directors of the Corporation has approved the revised “Code of Business Conduct and Ethics for Board Members and Senior Management” for better Corporate Governance and fair & transparent practices as per Guidelines issued by the Department of Public Enterprises. The revised Code of Conduct is displayed on the website of the Corporation at http://konkanrailway.com/uploads/editor_images/1550560293_Revised%20Code%20of%20conduct%20%20%20Approved%20%20155%20BoD%20-%202018-01-2019.pdf.

The Board members and Senior Management personnel to whom the said Code is applicable have affirmed compliance with the same for the year ended 31st March, 2021. A declaration to this effect signed by the Chairman & Managing Director of the Corporation is appended hereunder.

49.1 Declarations

Pursuant to the Department of Public Enterprise's (DPE) Guidelines on Corporate Governance for Central Public Sector Enterprises as contained in the DPE OM No. 18(8)/2005-GM dated 14 May 2010, it is hereby declared that all Board Members and Senior Management Personnel of the Corporation have affirmed compliance with the Code of Conduct & Ethics for Board Members and Senior Management Personnel of Konkan Railway Corporation Limited, for the year ended 31st March, 2021.

50. DISCLOSURES

50.1 During the year, there has been no materially significant related party transaction with the Directors, Management or their relatives that have a potential conflict with the interest of the Corporation.

50.2 The Corporation has complied with all the requirements of the Listing Agreement



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entered into with the National Stock Exchange as well as the regulations and guidelines of Securities and Exchange Board of India (SEBI) and Secretarial Standards as prescribed by Institute of Company Secretaries of India. There has been no instance of non-compliance of any statutory regulation, government guidelines nor has there been any penalties or strictures imposed on the Corporation by either SEBI or the National Stock Exchange or any statutory authority for non-compliance with any matter related to the capital markets and guidelines issued by them during the last three years.

50.3 Compliance on Corporate Governance: This Report duly complies with the legal requirements in respect of data that should be disclosed in a Corporate Governance Report for the year 2020-21.

51. PRESIDENTIAL DIRECTIVE

During the year no Presidential Directive was received.

52. IMPLEMENTATION OF RIGHT TO INFORMATION (RTI) ACT, 2005

RTI Act, 2005, as an instrument for improving the system of Governance and a 'weapon of mass empowerment' has raised the expectations of all sections of the society. In order to promote transparency and accountability in administration, designated Central Public Information Officer (CPIOs) at Corporate Office and Regional Offices are entrusted with the responsibility of providing information to citizens requesting for the information under the Act. Grievances received on the Centralized Public Grievance Redress and Monitoring System (CPGRAMS) are promptly monitored and acted upon. The RTI Act, 2005 and other details are available on KR Website at https://konkanrailway.com/pages/viewpage/right_to_information_act.

Summary of applications received and disposed of during the year 2020-21 under the Act is furnished below:

Block I: Details about the requests and appeals

	Opening Balance 1/4/2020	Transferred Applications [u/s 6(3)]	Total Received	Transferred Applications U/s 6(3)	Requests /Appeals rejected	Requests /Appeals replied	Clo-sing Bal-ance
No. of Requests	24	113	189	12	-	300	14
First Appeals	1	---	14	---	-	14	1



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CAPIOs designated	CPIOs designated	AAs designated
0	3	3

Block II: Details about fees Collected, penalty imposed and disciplinary action taken

Registration Fees collected u/s 7	Addl. Fee Collected u/s 7(3)	Penalty Amount Recovered as directed by CIC u/s 20(1)	Disciplinary action taken against any officer u/s 20(2)
₹ 1900	₹ 5155	0	0

Block III: Details Regarding Mandatory Disclosures

I	Is the Mandatory Disclosures under Sec. 4(1)(b) posted on the website	Yes
II	Details of webpage, where the disclosure is posted	www.konkanrailway.com
III	Last Date of updating of Mandatory disclosure under Section 4(1)b	2020-09-20
IV	Has the Mandatory Disclosure been audited by third party as per DOPT vide OM No. 1/6/2011-IR dated 15-04-2013	Appraisal has been submitted to Auditor
V	Detail/URL of webpage, where the Audit Report is posted	Awaited
VI	Date of audit of Mandatory disclosures under Sec. 4(1)b	Awaited

53. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATION IN FUTURE

During the year under review there are no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and company's operation in future. However, the contingent liabilities reported to the note to the financial statement may have significant and material impact on the going concern status and company operation in future, if orders are passed against the Corporation.

54. GENERAL

Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:



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- (i) Detailed reasons for any voluntary revision of financial statement in the relevant financial year in which the revision is made.
- (ii) Issue of equity shares with differential rights as to dividend, voting or otherwise.
- (iii) No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and future operations of the Corporation.

55. GENERAL SHAREHOLDERS' INFORMATION AND DISCLOSURE UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

55.1 Share/Bond Transfer System

All privately placed bonds are in dematerialized form. Equity Shares are also in dematerialized form having ISIN - INE139F01017.

55.2 Listing of Bonds

The privately placed bonds are listed in National Stock Exchange of India Limited (NSE) and annual listing fee for the year 2021-22 has been paid to NSE.

55.3 Name and Address of Registrar & Transfer Agent is as under

Link Intime India Private Limited,
C-101, 247 Park, LBS Marg, Vikhroli (W), Mumbai -400083
email: rnt.helpdesk@linkintime.co.in

55.4 Disclosure under Regulation 53(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015

Name and contact details of Debenture Trustee to the Debentures (Bonds) is as under :

IDBI Trusteeship Services Limited,
Asian Building, Ground Floor, 17. R. Kamani Marg,
Ballard Estate, Mumbai – 400 001.
email: itsl@idbitrustee.com

55.5 Details of Securities Trustee

Name and contact details of Securities Trustee to the Term Loan Facility of ₹ 1200 Crore, is as under:

Milestone Trusteeship Services Pvt. Ltd.
402-A, Hallmark Business Plaza,
Sant Dnyaneshwar Marg,
Opp. Gurunanak Hospital, Bandra East,
Mumbai.
e-mail: venkatesh@milestonetrustee.in
www.milestonetrustee.in



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55.6 Means of Communication

All half yearly results were published in Free Press Journal (English), Nav Shakti (Rajbasha) and Hamara Mahanagar (Marathi). Audited Balance sheets and Profit & Loss accounts along with Annual Review placed before the both the House of Parliament of the previous years are available at http://konkanrailway.com/pages/viewpage/annual_accounts. Communication with stakeholders is also done through Twitter Handle, Facebook Page, Instagram and Press Release in print media and website of the Corporation.

All notices/ intimations pertaining to Book Closure/Record dates for payment of yearly/half yearly interest to the Bondholders (all series of Bonds) were published in Free Press Journal (English), Nav Shakti (Rajbasha) and Hamara Mahanagar (Marathi).

55.7 Disclosure under Regulation 53(f) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 188(2) of Companies Act, 2013 with regard to Related Party transaction

The details of related party transactions are provided in the financial statement under the heading “Related Party Disclosures” at para no. 45 to the standalone financial statement for the financial year 2020-21.

55.8 Details of Dematerialization of Bonds

SL. NO.	ISIN NO.	NATURE OF ISSUE	SERIES OF THE SECURITY	AMOUNT (₹ IN CRORE)
1	INE139F07048	Privately placed bonds	16-II	170
2	INE139F07055	Privately placed bonds	16-III	110
3	INE139F07063	Privately placed bonds	16-IV	500
4	INE139F07071	Privately placed bonds	17-I	250
5	INE139F07089	Privately placed bonds	17-II	250
6	INE139F07097	Privately placed bonds	17-III	50
7	INE139F07105	Privately placed bonds	18-I	300
8	INE139F07113	Privately placed bonds	19-I	120
Total				1,750

55.9 Record Date for Payment of Interest to Bondholders

The Record Date for payment of Interest to the Bondholders on 1st January is 16th December



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and for payment of Interest on 1st July is 16th June, every year.

55.10 Address for correspondence

The investors' correspondence should be addressed to: Registered & Corporate Office at Belapur Bhavan, Plot No.6, Sector 11, CBD Belapur, Navi Mumbai - 400 614, Maharashtra.

55.11 Financial Calendar

Annual financial results of previous year	July
Annual General Meeting	August / September
First half yearly results	November
Second half yearly results	May

55.12 Market Price Data of Scrips

- The Bonds are not actively traded in the National Stock Exchange. Hence, market cap is not available.
- The Equity and Preference Shares of the Company are not listed.

55.13 Details of Investor Grievances

The Corporation has not received any complaint from the National Stock Exchanges or SEBI or the Ministry of Corporate Affairs or any other Governmental or Non-Governmental agency, since the last ten years with regard to grievances of the Bondholders.

56. PROCUREMENT OF GOODS & SERVICES FROM MSEs

In line with the Public Procurement Policy for Micro & Small Enterprise (MSEs) Order, 2012 and Amendment Order 2018, for the financial year 2020-21 against the set target of 25%, the Corporation has achieved 91.8% (₹ 42.23 Crore out of total ₹ 46 Crore) procurement of goods & services from MSEs excluding oils, diesel and rails and has achieved 0.24% (₹ 0.1 Crore) and 0.39% (₹ 0.16 Crore) from SC/ST MSEs & MSEs owned by Women Entrepreneurs resp. out of total procurement of goods & services from MSEs.

57. PROCUREMENT OF GOODS & SERVICES THROUGH GEM

Total procurement made from GeM is ₹ 6.44 Crore which also includes the 26 service contracts valuing ₹ 5.16 Crore.

58. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Corporation prohibits any kind of act of sexual harassment at work place and included the acts



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amounting to sexual harassment at workplace in its Conduct Rules and Certified Standing Order and Discipline and Appeal Rules, 2001 [as certified on 06.02.2001 by the Regional Labour Commissioner (Central), Mumbai under Industrial Employment (Standing Orders) Act, 1946] so as to prohibit any such Act. Corporation constituted an Internal Complaints Committees at Corporate Office, Belapur and Regional Offices at Ratnagiri and Karwar to receive and investigate complaints related to “Sexual harassment at workplace” following the guidelines issued by Hon'ble Supreme Court of India in Visakha Vs. State of Rajasthan. A Special Counsellor is also appointed at Corporate Office. During the year no cases were reported under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Pursuant to Rule 8(5) (x) of the Companies (Accounts) Rules, 2014, it is declared that the Corporation has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

59. MANAGEMENT DISCUSSION & ANALYSIS REPORT

59.1 Industry Structure and Development

The core business activity of the Corporation is transportation of passengers and goods by rail and providing various related logistic supports. The Railway transportation in India is reserved for the Public Sector. The second major core activity of the Corporation is undertaking of construction projects by utilizing its vast experience in engineering and management skills available with the Corporation in construction of tunnels and bridges.

59.2 Strengths & Weaknesses

Mega-project management skills

The Corporation is able to handle mega Railway and construction projects because of its vast experience in special engineering, construction and management skills.

Efficient Train Operation

Daily on an average 54 nos. of passenger carrying trains and 12 nos. of freight trains including Roll on Roll off (RORO) services are run on the single line section and punctuality performance is close to 95%.

59.3 Opportunities and Threats

Originating traffic is low. Passenger traffic on this line is very buoyant but the goods traffic is mainly cross traffic loaded from other Zonal Railways. In order to improve the originating traffic, the Corporation proposes to increase the container services and undertake port connectivity projects. Corporation has also undertaken Project Management Consultancy works.



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59.4 Segment-wise and product wise performance

(₹ in Crore)

Particulars	2019-20	2020-21	% Variation
Traffic Earnings	1126.72	588.64	(47.75) %
Project Earnings	1501.56	973.90	(35.14) %
Total	2628.28	1562.54	(40.54) %

Reduction in 2020-21 was due to effect of Covid-19 Pandemic.

59.5 Future Outlook

Internal Projects:

59.5.1 Roha – Veer Doubling

This section includes doubling of 47 km, which in turn will reduce traffic congestion and other savings like fuel, train punctuality etc. Likely to be completed in 2021-22.

59.5.2 Electrification of KR route

At present, on Konkan Railway, the trains are running with diesel traction. After the electrification, there will be projected saving of ₹ 200 Crore per annum on the fuel cost and net saving of ₹ 60 Crore per annum after paying Principal and Interest on loan. Work is expected to be completed in 2021-22.

Projects being executed as other Business Activity:

59.5.3 Rail Connectivity to Vizhinjam International Seaport, Kerala

The work involves execution of construction works for Rail connectivity from Seaport to nearest feasible railway station. DPR has been submitted to concerned authority for approval. Estimated value of work is ₹ 1032 Crore.

59.5.4 International Projects: Final Location Survey for new BG line between Raxaul and Kathmandu

East Central Railway (ECR) has awarded Final Location Survey for new BG Line (136 km) between Raxaul and Kathmandu to the Corporation. FLS works are in progress. Value of order is ₹ 30.44 Crore.

59.5.5 Operationalization of Passenger Train services in Jaynagar - Kurtha section of Nepal Railway Nepal

Government of Nepal has awarded the prestigious contract for Operationalization of Passenger Train services in Jaynagar-Kurtha section of Nepal Railway. Value of order is ₹ 21.94 Crore.



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59.5.6 Rolling Stock Projects

New revenue streams are being created in Rolling Stock Sector with initiatives such as Construction of Rolling Stock Factory at Chiplun at an estimated contract value of ₹ 402.6 Crore Smart Yard Project for Indian Railways has been allotted to KRCL.

60. RISKS AND AREA OF CONCERNS

60.1 Changes in Freight & Passenger Fares

The freight and passenger fares are decided by Ministry of Railways and the changes may or may not be favorable to Konkan Railway.

60.2 Changes in Traffic pattern

Majority of freight traffic on Corporation is cross, food grain & fertilizer traffic. The pattern of freight traffic is not fixed but changing all the time depending upon various factors like production, supply and demand.

60.3 Change due to Covid-19 Lockdown

The earning of the Corporation during the year was badly affected due to Covid-19 Pandemic and lockdowns. The continuation of lockdown during 2nd wave of the pandemic may affect future earnings of the Corporation.

61. ACKNOWLEDGEMENT

The Board of Directors gratefully acknowledge the assistance, active support and guidance received from the Ministry of Railways, Government of India, as well as from the State Governments of Maharashtra, Goa, Karnataka and Kerala. The Board of Directors express deep appreciation of the valuable contribution made by the officers and employees of the Corporation during the year under review.

For and on behalf of the Board of Directors

Sd/-

Sanjay Gupta

Chairman and Managing Director

DIN 06710604

Place: Navi Mumbai

Date: 28th June, 2021



KONKAN RAILWAY CORPORATION LTD.

ANNEXURE – 1

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH 2021

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

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

To,
The Members,
Konkan Railway Corporation Limited
CIN: U35201MH1990GOI223738
Belapur Bhavan, Sector 11 CBD Belapur
Navi Mumbai 400614 India

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Konkan Railway Corporation Limited (hereinafter called the company). Due to Covid -19 Pandemic the Secretarial Audit is conducted based on the registers and records provided in electronic format and accordingly verification is done. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my Opinion thereon.

Based on our 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 2021 has 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 2021 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;



KONKAN RAILWAY CORPORATION LTD.

3. The Depositories Act, 1996 and the Regulations and Bye-laws Framed thereunder
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings. NOT APPLICABLE
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; NOT APPLICABLE
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; NOT APPLICABLE
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; NOT APPLICABLE
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; NOT APPLICABLE
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; NOT APPLICABLE
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; NOT APPLICABLE
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; NOT APPLICABLE
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; NOT APPLICABLE
6. The management has identified and confirmed that the following laws are specifically applicable to the company namely;
 - (a) Railways Act, 1989;
 - (b) Contract Labour Regulation and Abolition Act, 1970;
 - (c) Employees Provident Fund and Miscellaneous Provisions Act, 1952;
 - (d) Employees State Insurance Act, 1948;
 - (e) Equal Remuneration Act, 1976;
 - (f) Indian Contract Act, 1872;
 - (g) Income Tax Act, 1961, Indirect Tax Laws;
 - (h) Indian Stamp Act, 1999;



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- (i) Industrial Disputes Act, 1947;
- (j) Maternity Benefits Act, 1961;
- (k) Minimum Wages Act, 1948;
- (l) Negotiable Instruments Act, 1881;
- (m) Payment of Bonus Act, 1965;
- (n) Payment of Gratuity Act, 1972;
- (o) Payment of Wages Act, 1936 and other applicable labour laws

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

- (i) Revised Secretarial Standards with regard to meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by Institute of Company Secretaries of India with effect from 1st October 2017;
- (ii) Debt Listing Agreements entered into by the Company with National Stock Exchange, DPE Guidelines on Corporate Governance for CPSE

We further Report that:

Konkan Railway Corporation is a Government Company under the administrative control of Ministry of Railways, Government of India; the Directors are nominated/ appointed by the Government of India. The Government of India is in process of selecting requisite number of independent directors. In absence of requisite number of independent directors, the company has not complied with the mandatory requirement pertaining to the composition of the Board of Directors for the year 2020-21.

To best of our understanding we are of the view that 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 observations.

Observation Number 1: Company has come out with 3rd Rights Issue, to the shareholders in their existing shareholding proportion. Subscription amount is not received from some shareholders. However in-principal approval for subscription to the 3rd Right Issue in the Board Meeting have duly been received from Government of Kerala and the Government of Karnataka. Further, it is observed that the 160th Board of Directors in their meeting held on 20th January, 2020 have allowed for receiving the subscription from the shareholders even after the closure of Rights Issue. It is noticed that some of subscription is still due as on date.

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.



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There were no other specific events actions having major bearing on Company's Affairs in pursuance of the above referred laws.

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

Date: 22/06/2021

Place: Navi Mumbai

UDIN: F009230C000498851

Sd/-
Rupali Abhyankar & Co
FCS 9230 CP 10509



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Annexure I to Secretarial Audit Report of Konkan Railway Corporation Limited for the financial Year ended March 31, 2021

To,
The Members,
Konkan Railway Corporation Limited
CIN: U35201MH1990GOI223738
Belapur Bhavan, Sector 11 CBD Belapur
Navi Mumbai 400614 India

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

1. Maintenance of secretarial records, proper system to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively 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 practice and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on the test basis to ensure that the correct facts are reflected in secretarial records. We believe that processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of the financial records and books of accounts of the company.
4. Wherever required, we have obtained, Management's Representation about the compliance of laws, Rules, regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, Rules, regulations and 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 efficacy or effectiveness with which the management has conducted the affairs of the company.

Date: 22nd June, 2021
Place: Navi Mumbai
UDIN : F009230C000498851

Rupali Abhyankar & Co
Company Secretary
Sd/-
(Rupali Abhyankar)
Proprietor
FCS 9230 CP 10509



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ANNEXURE – 2

MANAGEMENT REPLY TO THE OBSERVATION OF SECRETARIAL AUDITOR

Sr. No.	Observation of Secretarial Auditor	Management Reply
1	Observation Number 1: Company has come out with 3 rd Rights Issue, to the shareholders in their existing shareholding proportion. Subscription amount is not received from some shareholders. However in-principal approval for subscription to the 3 rd Right Issue in the Board Meeting have duly been received from Government of Kerala and the Government of Karnataka. Further, it is observed that the 160 th Board of Directors in their meeting held on 20 th January, 2020 have allowed for receiving the subscription from the shareholders even after the closure of Rights Issue. It is noticed that some of subscription is still due as on date.	Agreed.



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ANNEXURE – 3

DIRECTORS' OTHER DIRECTORSHIP AND ATTENDANCE AT MEETINGS

Name of the Director, their qualification and date of birth	Category of Directorship	No. of Board Meetings		Attendance at last AGM	Directorship in other companies		Membership in Board's committee (in other companies)	
		Held	Attended		As Chairman	As Director	As Chairman	As Member
Shri Sanjay Gupta, BE(Mech) 20.03.1964	Chairman & Managing Director	5	5	Yes	0	0	0	0
Shri Subhash Chand Gupta, M. Tech (Soil Mechanics & Foundation Engineering) 06.01.1965	Director (Way & Works)	5	5	Yes	0	0	0	0
Shri R. M. Bhadang, Civil Engineer, CS, ICWAI, MBA(Finance) 01.06.1966	Director (Finance)	1	1	Not Applicable	0	0	0	0
Smt. Anju Ranjan, M. Sc (Botany), IRAS 20.03.1966	Executive Director, Finance (Expenditure-I), Railway Board	5	5	Yes	0	2	0	1
Shri Vinay Srivastava, Master in Public Administration 19.05.1971	Executive Director (PSU), Railway Board	5	4	Yes	0	4	0	0



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Shri Ashish Kumar Singh, IAS 31.12.1963	Additional Chief Secretary (Transport & Ports), Government of Maharashtra	5	1	No	0	1	0	1
Shri Kapil Mohan, IAS 17.09.1963	Additional Chief Secretary IDD, Government of Karnataka	5	4	No	0	9	0	0
Shri K.R. Jyothilal, IAS 31.05.1969	Principal Secretary (Transport), Government of Kerala	4	3	No	0	8	0	0
Dr. Tariq Thomas, IAS 12.07.1984	Secretary (Transport), Government of Goa	0	0	Not Applicable	0	0	0	0
Air Marshal Sukhchain Singh, AVSM VSM (Retd.), B.Tech(Electronics & Commn) M.Tech(integrated Electronics & Circuits) M.Sc(Military Science) MBA (Operation Research) 01.11.1955	Independent Director	5	5	Yes	0	0	0	0



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CA Mosali Devaraja Reddy, Chartered Accountant 01.08.1961	Independent Director	5	5	No	0	0	0	0
Prof. Dr. R. Srinivasan, MBA, PhD 05.05.1964	Independent Director	5	3	No	0	0	0	0
Shri Hari Das Gujrati, M.Sc (Specialisation in Electronics), MBA(Finance), PGDM(Marketing), IRTS 12.08.1961	Ex-Director (Operations & Commercial)	1	1	Not Applica ble	-	-	-	-
Shri Amit Satija, IAS 07.08.1978	Ex-Secretary (Transport), Government of Goa	3	1	No	-	-	-	-



KONKAN RAILWAY CORPORATION LTD.

ANNEXURE – 4

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

1. BRIEF OUTLINE ON CSR POLICY OF THE CORPORATION

The CSR policy of the Corporation aims at developing Corporation specific social responsibility strategies in long, medium and short-term period with built in mechanism for implementation and monitoring towards all-round development of people residing in and around the Corporation's area of operation. The CSR policy and the activities undertaken under the CSR policy of the Corporation can be viewed at <https://konkanrailway.com/pages/viewpage/csractivity>.

2. COMPOSITION OF CSR COMMITTEE

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Shri Sanjay Gupta	Chairman and Managing Director / Executive Director	1	1
2	Shri Subhash Chand Gupta	Director (Way & Works) / Executive Director	1	1
3	Prof. Dr. R. Srinivasan	Independent Director	1	1

- 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 : <https://konkanrailway.com/pages/viewpage/csractivity>.
- 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): Not Applicable
- Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: Nil



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6. Average net profit of the company as per section 135(5): ₹ 76, 14, 00,000/-
7. (a) Two percent of average net profit of the company as per section 135(5): ₹ 1,52,28,000/-.
- (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): ₹ 3,22,27,000/- (it includes unspent CSR amount of ₹ 1,69,99,000/- of previous year).
8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	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.
1,70,14,439/-	1,52,12,561/-*	30.04.2021			

* From the unspent amount, KRCL has spent ₹ 26,75,000/- on 23.04.2021, accordingly the company has transferred balance amount to Unspent CSR Account, out of which ₹ 18,965/- will be transferred to PM CARES FUND on or before 30.09.2021.



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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
1.	Repair of 03 Higher Secondary Schools at Panthal, Dharmari & Mamankote near USBRL Project, Reasi - J&K	Education-Item No.(ii)	Yes	Jammu & Kashmir	Reasi	02 years	23,50,000	11,75,000	11,75,000	Yes	-	-
2.	Development of 01 lemon grass unit at Sirah near USBRL Project, Reasi - J&K	Environmental Sustainability - Item No.(iv)	Yes	Jammu & Kashmir	Reasi	02 years	10,00,000	5,00,000	5,00,000	Yes	-	-
3.	Fruit/Plant nursery at Hunder & Kalyugbagh	Environmental Sustainability - Item No.(iv)	Yes	Jammu & Kashmir	Reasi	02 years	20,00,000	10,00,000	10,00,000	Yes	-	-



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	near USBRL Project, Reasi - J&K											
4.	Installing napkin manufacturing unit in convergence with UMEED, SRLM near USBRL Project, Reasi - J&K	Health Care - Item No.(i)	Yes	Jammu & Kashmir	Reasi	02 years	10,00,000	9,55,800	44,200	Yes	-	-
5.	CSR activity on the theme of "Health & Nutrition" as per DPE Guideline in two aspirational districts of Osmanabad in Maharashtra and Yadgir in Karnataka	Health Care - Item No.(i)	Yes	Karnataka	Yadgir	02 years	71,28,000	0	71,28,000	-	-	-



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6	Maintenance of toilet near Rawanf ond, Madgaon	Sanitation - Item No.(i)	Yes	Goa	South Goa	02 Years	3,31,000	2,34,389	96,611			
7.	Imparting Computer Literacy and importance about hygiene	Education - Item No.ii	Yes	Maharashtra & Karnataka	Ratnagiri & Uttara Kannada	02 Years	7,11,000	10,829	7,00,171			
8	Construction and Development of Ramakrishna Hegde Skill Development Centre (RHSDC) (including soft skill)	Education - Item No.ii	Yes	Karnataka	Dakhina Kannada	02 Years	28,81,000	6,280	28,74,720			
9	CSR fund for Covid-19	Disaster Management - Item No. xii	Yes	Maharashtra, Goa and Karnataka	Any Place	2 years	16,80,189	5,295	16,74,894			
	Total						1,90,81,189	38,87,593	1,51,93,596			



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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes / No)	Location of the project		Amount spent for the project (in ₹)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1.	Purchase of 1 RO water filter for Smt. Radheybhai Jagusthe High School Kuwarbhav, Ratnagiri	Education Item No.ii	Yes	Maharashtra	Ratnagiri	97,235	Yes	-	-
2.	Purchase of a 40 KVA DG set for RHSDC	Education – Item No.ii	Yes	Karnataka	Dakshina Kannada	4,83,800	Yes	-	-
3.	Corpus for RHSDC	Education – Item No.ii	Yes	Karnataka	Dakshina Kannada	1,25,00,000	Yes	-	-
	Total					130,81,035			

(d) Amount spent in Administrative Overheads: ₹ 45,811/-.

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

(f) Total amount spent for the Financial Year (8b + 8c + 8d + 8e) : 170,14,439/-.

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



KONKAN RAILWAY CORPORATION LTD.

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	1,52,28,000/-
(ii)	Total amount spent for the Financial Year	1,70,14,439/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	17,86,439/-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	17,86,439/-

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

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1.	2017-18	0	1,05,79,000	-	-	-	1,57,69,000
2.	2018-19	0	2,38,68,000	-	-	-	1,30,53,000
3.	2019-20	0	55,64,000	PM CARES	1,06,00,000	30.03.2020	1,69,99,000
	Total		4,00,11,000		1,06,00,000		4,58,21,000

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed / Ongoing
1	P-1	Construction & Development of RHSDC (including soft skills training)	2016-17	4 years	1,00,00,000	2,48,000	2,48,000	Ongoing
			2017-18		1,99,98,000	53,11,000	55,59,000	Ongoing
			2018-19		3,39,12,000	2,11,19,000	2,66,78,000	Ongoing
			2019-20		57,19,000	28,39,000	2,95,17,000	Ongoing
	Total				6,96,29,000	2,95,17,000		



KONKAN RAILWAY CORPORATION LTD.

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

Many CSR activities could not be completed due to Covid-19 pandemic and lockdown in the country. The unspent amount in those CSR activities would be spent in the year 2021-22 as these are categorised as Ongoing Projects.

Place: Navi Mumbai
Dated: 28th June, 2021

Sd/-
Sanjay Gupta
Chairman and Managing Director
Chairman of CSR & S Committee
DIN 06710604



KONKAN RAILWAY CORPORATION LTD.

ANNEXURE - 5

CEO & CFO CERTIFICATION

We hereby certify to the Board that:

- (a) We have reviewed financial statements and the cash flow statement for the year 2020-21 and that 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 Corporation's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Corporation during the year, which are fraudulent, illegal or violative of the Corporation's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Corporation and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee significant changes in accounting policies during the year 2020-21 and that the same have been disclosed in the notes to the financial statements.
- (e) There are no significant changes in internal control policy.
- (f) There are no instances of any frauds that have come to notice.

Sd/-

R. M. Bhadang
Director (Finance) & CFO
DIN 09050270

Sd/-

Sanjay Gupta
Chairman and Managing Director
DIN 06710604

Place: Navi Mumbai
Dated: 28th June, 2021



KONKAN RAILWAY CORPORATION LTD.

ANNEXURE - 6

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of Konkan Railway Corporation Limited

We have examined the compliance of conditions of corporate governance by **Konkan Railway Corporation Limited** (hereinafter referred "the Company"), for the year ended on 31st March, 2021 as stipulated in relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosures requirements) Regulations, 2015 as amended ("SEBI Listing Regulations").

Management's Responsibility

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

Auditor's Responsibility

1. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
2. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
3. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance (the "Guidance Note") issued by ICSI.

Based on our examination of the relevant records and according to the information and explanations provided to us and the representation provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in SEBI Listing Regulations during the year ended March 31, 2021 except to the following observation;

Company has come out with 3rd Rights Issue, to the shareholders in their existing shareholding proportion. Subscription amount is not received from some shareholders.



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However, in-principal approval for subscription to the 3rd Rights Issue in the Board Meeting have duly been received from Government of Kerala and the Government of Karnataka. Further, it is observed that the 160th Board of Directors in their meeting held on 20th January, 2020 have allowed for receiving the subscription from the shareholders even after the closure of Rights Issue. It is noticed that some of subscription is still due as on date.

We further state that such compliance is neither an assurance as to the future viability of the Company nor efficiency or effectiveness with which the management has conducted the affairs of the Company.

Date: 21/06/2021
Place: Navi Mumbai
UDIN: F009230C000498873

Sd/-
CS Rupali Abhyankar
Company Secretary
FCS 9230 CP 10509



KONKAN RAILWAY CORPORATION LTD.

**V.K.SURANA & CO.
CHARTERED ACCOUNTANTS**

Unit No. 202, Tower – A, Peninsula Business Park, Senapati Bapat Marg,

Lower Parel, Mumbai-400013

Ph. No.: 91-22-41731000, Fax: 91-22-41731010

INDEPENDENT AUDITOR'S REPORT

**To the Members of Konkan Railway Corporation Limited
Report on the Audit of the Standalone Financial Statements**

Opinion

We have audited the standalone financial statements of Konkan Railway Corporation Limited ("the Company"), which comprise the balance sheet as at 31st March 2021, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information. (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and loss (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in



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accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statement.

Emphasis of Matter

- A. We draw attention to Note No. 7.2 of the standalone financial statements and independent auditors report of Jaigarh Digni Rail Limited (JDRL), associate company whereby the auditor have given emphasis on the material uncertainty related to going concern consequent to provision of impairment losses amounting to Rs. 45.31 Crores as the project is suspended and also the Company has unilaterally invoked the Performance Bank Guarantee.

However, in view of the positive net worth of the company, going concern assumptions, the Company already in possession of Rs 23.26 crore and the offer given by JSWJPL to recoup the loss of investment, if any, it is the considered opinion of the management that the investment made in JDRL is intact even though the JDRL has accounted for an impairment loss and the Networth of the JV company has partially eroded.

- B. We draw attention to Note No. 57 of the standalone financial statements related to effect of COVID- 19 on the Company's standalone financial statement due to outbreak of Corona virus (COVID-19) pandemic in India which has significantly impacted operation of the Company, thereby the Coaching revenue has reduced substantially during the current year to Rs 200.69 Crores as compared to Rs 680.78 Crore in the previous year (i.e reduction of Coaching revenue by 70.52%) and project revenue has also been affected substantially to Rs.973.89 crores during the current year as against Rs.1501.56 crore in the previous year (i.e. reduction of 35.14 %).

Likewise during April'21 & May'21, due to prevailing travel restrictions & partial lock down in various states, there is a continuing impact on financial performance of the Corporation.

In view of financial constraint faced due to COVID pandemic, on the request of the company, the Ministry of Railways has granted refundable financial assistance of Rs.235 crores on 21 May 2021 and with the improving situation of train operations, the management is hopeful of revival of normal revenue and to overcome the financial constraint faced due to COVID-19.

- C. We draw attention to Note No. 48 of the standalone financial statements,



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that the Balances of the Receivable and Payable accounts of Major Railways, Suppliers, Contractors etc. are subject to confirmation / adjustments / reconciliations. The Company will review of such balances for carrying out necessary adjustments in the subsequent years.

- D. We also draw attention to Note No. 8, 16, 17 & 45.3 of the standalone financial statements related to loan given to Konkan Railway Welfare Organisation (KRWO) wherein the principal and interest is overdue to the tune of Rs. 27.49 Crores. Further the balance confirmation as on 31.03.2021 is not received.
- E. We draw attention to Note No. 27 of the standalone financial statements related to Trade Payable to Zonal Railways on account of train operating expenses of Rs. 592.56 Crores which includes Rs. 365.12 Crores outstanding for more than 1 year while outstanding for more than 3 years is of Rs. 167.25 Crores, as old as 2008-09 and onwards including old unclaimed amounts.

We draw attention to Note No. 17 of the standalone financial statements related to Other Inter Railway Financial Adjustment (IRFA) Receivables from Zonal Railways of Rs. 270.69 Crores, which includes outstanding for more than 3 years of Rs. 27.09 crores lying since long, as old as 2008-2009 and onwards.

- F. We draw attention to Note No. 20a.7 of the standalone financial statements, which shows that there is a difference of Rs. 214.02 Crores in authorized share capital as per records of Ministry of Corporate Affairs – MCA (Rs. 8293.53 Crores) and as per company's records (Rs. 8079.51 Crores). The application given to MCA for correction / reduction in authorised share capital in line with approval of President of India, is not yet acted upon.
- G. We draw attention to Note No. 12 of the standalone financial statements related to Investments wherein presently the Investment of free fund is also kept deposited with Life Insurance Corporation (LIC) in the Group Leave Encashment Scheme, including life assurance benefit. The same need to be evaluated as per Norms and Guidelines including disclosure and considering it as unfunded, Refer Note No. 38 (C) of the standalone financial statements for disclosure of Employee benefits as per Ind AS 19.
- H. We draw attention to Note No. 49 of the standalone financial statements related to Taxes on Income whereby, considering the huge accumulated losses and current trend of income, the management is of the view that the future taxable profit shall



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not be sufficient to recoup/recover the unabsorbed losses & unabsorbed depreciation in future. In view of this, Provision for Income Tax on taxable income earned during current financial year and deferred tax asset related to carried forward unabsorbed losses & unabsorbed depreciation have not been created by the company.

- I. We draw attention to the face of Balance Sheet related to Trade payables and Note No. 27 of the standalone financial statements, wherein amount are not disclosed related to Micro and Small Enterprises as per the disclosure requirement of Schedule III of the Companies Act 2013.
- J. Non-compliances of the Company Law Matters related to:
 - i) We draw attention to the Note No. 20a.4 of the standalone financial statements regarding non-closure of Right Issue within 30 days in respect of 2nd and 3rd right issue leading into Non Compliance of Section 62 (1) (a) (i) of Companies Act 2013.
 - ii) We draw attention to clause xiv of the Annexure A to this independent report regarding Non Compliance of Section 42 of the Companies Act 2013 whereby the share application money received for 2nd & 3rd right issue is not kept in a separate bank account in a scheduled bank. Also the company has not allotted shares within 60 days from the date of receipt of amount for 3rd right issue.

Our opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters to be communicated is described in Annexure D of our report.

Other Matter

Due to the COVID 19 induced restrictions on physical movement and strict timelines, the audit team could not visit the audit place for undertaking the required audit procedures as prescribed under ICAI issued Standards on Auditing, including but not limited to:

- Inspection, observation, examination and verification of the original documents / files.



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- Physical verification of cash, Inventories, Original fixed deposit receipts, original copies of investments, including adequate internal controls thereof.
- Verification of original sanction letters of loans obtained by the bank, bank records, etc.
- Observation with regard to access controls and data security.

The above audit procedures were conducted during the visit of one of the unit of the company in the month of March'2021 and we do not found any material misstatement during such verification. Further the management has provided us with the scanned copies of the relevant documents and records required for the purpose of our statutory audit and we have obtained the sufficient appropriate audit evidence which is required in forming our opinion.

Our opinion is not modified in respect of these matters.

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

The Company's Board of Directors is responsible for Preparation of other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the 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 Responsibilities for the Standalone 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 standalone financial statements that give a true and fair view of the state of affairs, profit or loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India. This responsibility also includes maintenance



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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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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



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- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(l) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system with reference to standalone financial statement 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone 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 standalone 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.



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From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone 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, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required under section 143(5) of the Companies Act, 2013, we give in the "Annexure B", a statement on the directions issued by the Comptroller and Auditor General of India after complying the suggested methodology of Audit, the action taken thereon and its impact on the accounts and standalone financial statement of the company.
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 Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act read with relevant rules.
 - (e) As per notification No. G.S.R. 463 (E). dated 5th June' 2015 issued by Ministry of Corporate Affairs, Provisions of section 164(2) of Companies Act 2013 is not applicable to the Company, being a Government Company.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Standalone Financial



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Statement and the operating effectiveness of such controls, refer to our separate Report in “Annexure C”.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 standalone financial statements – Refer Note No. 42 to the standalone financial statements.
- ii. Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(h) With respect to the matter to be included in the Auditors' Report under section 197(16) of the Act, as amended:

As per notification No. G.S.R. 463 (E). dated 5th June' 2015 issued by Ministry of Corporate Affairs, Provisions of section 197 of Companies Act 2013 is not applicable, being a Government Company. Accordingly, the section 197(16) of the Act is not applicable to the Company. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For V. K. Surana & Co.
Chartered Accountants
Firm Reg No 110634W

Sd/-
CA. Sudhir Surana
Partner
Membership No. 43414
Nagpur, June 28, 2021
UDIN- 21043414AAAACS2286



KONKAN RAILWAY CORPORATION LTD.

Annexure A to the Independent Auditor's Report of even date on the Standalone financial statements of Konkan Railway Corporation Limited

(Referred to in Paragraph 1 under "Report on Other Legal and Regulatory Requirements" section of our report).

A statement on matters specified in paragraph 3 & 4 of the Companies (Auditor's Report) Order 2016 ("the order"), in terms of section 143(11) of the Companies Act, 2013,

(i) (a) The Company has maintained records of Fixed Assets, however therein sufficient description of the asset to make identification possible, situation and location / custody of the assets is not mentioned. Also in certain cases the quantities and per unit rates are not mentioned.

(b) The company has policy of physical verification of fixed assets every year by a physical verification cell. However due to outbreak of COVID 19 pandemic, no physical verification has been done during current financial year. Due to which we are unable to comment on the material discrepancies of physical verification.

In our opinion the team of physical verification cell & procedure adopted is not adequate / reasonable considering the size of the Company, Nature & volume of the assets. The procedure for physical verification of fixed assets needs to be strengthened whereby independent external agency / inter-departmental team should carry out the physical verification in the phase manner.

(c) According to the information and explanation given to us and the record examined by us, the title deeds / conveyance deeds of the leasehold land and Buildings are held in the name of the company. However, in respect of freehold land worth Rs. 208.07 Crores held by the company, due to lack of sufficient information and reconciliation with books, we are unable to comment whether all the title deeds of such freehold land are held in the name of the Company.

(ii) As explained to us, the company have policy of physical verification of the inventory of stores, spares, diesel and others on annual basis by the Stock Verification Cell under Perpetual Inventory System while Inventories of Rails are physically verified once in two years. However due to outbreak of COVID 19 pandemic, no physical verification has been done during current financial year. Due to which we are unable to comment on the material discrepancies of physical verification.



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In our opinion, the frequency of verification is reasonable as regard to the size, nature and volume of Inventories.

(iii) According to the information and explanations given to us, the Company has granted unsecured loans to its one of its related party – Konkan Railway Welfare Organisation, covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:

- a) The terms and conditions of grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest except that the loan is unsecured and carrying simple rate of interest of 7% per annum which is lower than the borrowing cost of the company and also lower than yield of government security, then prevailing, close to the tenor of the loan.

Total loan amount granted during the year is Nil and balance outstanding as at balance sheet date is Rs. 20.33 Crores and interest accrued thereon is Rs. 9.07 Crores.

- b) The Schedule of repayment of principal & payment of interest is stipulated but repayment of principal or payment of interest is not regular.

Principal along with interest is to be recovered within the span of 7 years from the date of disbursement, however amount of Rs. 19.03 Crores becomes overdue but still outstanding and lying as Loans under the head “Current Financial Assets”. Similarly, Interest accrued on loans of Rs. 8.46 Crores is overdue and lying under the head “Other Current Financial Assets”.

- c) The amount overdue for more than ninety days in respect of the Principal and interest are:

Particular	Amount
No. of Cases of non-payment of Interest overdue	More than 5 installments of interest
No. of Cases of non-payment of principal overdue	11 installments of principal
Principal Amount Overdue	19.03
Interest Overdue	8.46
Total Amount Overdue	27.49



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According to the information and explanations given to us, the reasonable steps have been taken by the Company for recovery of principal amount and interest.

- (iv) As per information and explanation given to us, Company has not sanctioned any loans, investments, guarantees and Security within the provision of section 185 and 186 of Companies Act 2013 except in one case where the Company has granted unsecured loans to one of its related party – Konkan Railway Welfare Organisation wherein the rate of interest charged / recovered by the company is 7% - simple interest, which is lower than the yield of government security, then prevailing, close to the tenor of the loan. The same is in contravention to the sub-section 7 of section 186 of the Companies Act 2013. The company has complied the provisions of section 186 of the Companies Act 2013 in respect of Investment made with Associate Company.
- (v) The Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us and on the basis of our examination of the records, 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. Accordingly, paragraph 3(vi) of the Order is not applicable.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records, the Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Income-Tax, Goods and Services Tax, Duty of Customs, Cess and other statutory dues with the appropriate authorities applicable to the company. As explained to us, the employee's state insurance is not applicable to the company.

According to the information and explanations given to us and on the basis of our examination of the records, no material undisputed arrears of statutory dues including Provident Fund, Income-Tax, Goods and Services Tax, Duty of Customs, Cess and other statutory dues with the appropriate authorities applicable to the company were outstanding as on 31st March, 2021 for a period of more than six months from the date they become:

Further Sales-Tax, Service Tax, Duty of Excise and Value Added Tax are not applicable to the company during the current financial year due to migration of the all indirect



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taxes to Goods and Services Tax and for other reasons.

- (b) According to the information and explanations given to us, there are no material disputed dues of Sales-Tax, Duty of Excise, Income Tax and Duty of customs which have not been deposited on account of dispute. The details of dues of Value Added Tax, and Service Tax which have not been deposited by the company on account of disputes and the forum where the dispute is pending are given as under along with the details of amount deposited under protest / adjusted by tax authorities:

Name of Statute	Nature of Dues	Form where dispute is Pending	Periods to which the amount relates	Gross disputed amount Rs. in Crores	Amount deposited under protest/ adjusted by tax authorities Rs. in Crores	Amount not deposited Rs. in Crores
Finance Act	Service Tax	CESTAT Mumbai as per directives of Mumbai High Court	2009-10 to 2014-15	704.40	10.00	694.40
Finance Act	Service Tax	CESTAT Mumbai	2017-18	0.11	0.01	0.10
Jharkhand Value Added Tax Act	Value Added Tax	Patna High Court	2004-05 to 2008-09	19.00	Nil	19.00
Total Disputed Statutory Dues which have not been deposited				723.51	10.01	713.50

Note – The Demand of Tax Deducted at Source (TDS) amounting to Rs. 0.60 Crores appearing in the income tax portal is not considered in the above disputed dues considering the fact that same arises out of mismatch in the information provided by the company and information available with Income Tax Portal.

Assessment of Income Tax for the Financial Year 2007-08 to 2016-17 are pending at various level of Appellate Authority. However, considering the past Assessment, substantial carry forward business losses & un-absorbed Depreciation loss, there will not be any outflow / impact on financials of the company.

The Company has received demand order from Commissioner, CGST & Central Excise on 01.04.2021, to the tune of Rs.15.27 Crores apart from 100% penalty and Interest thereon for Service Tax liability on NTPC Kudgi & Gadawara project for period Apr'2015 to Jun'2017. The Corporation has preferred an appeal to CESTAT, Mumbai. Since the order was received in FY 21-22, the same is not reported in the above disputed tax liabilities.



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- (viii) According to the information and explanation given to us the Company has not defaulted in the repayment of loans or borrowings from banks, financial institutions and Bond Holders. Further the company did not have any outstanding loans or borrowings from Government and there are no dues to debenture holders during the year.
- (ix) During the year, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments), so the question of application of funds does not arise. The company has raised money by way of Term loans during the year and in our opinion and according to the information and explanations given to us the money raised were utilised for the purposes for which term loan was availed.
- (x) To the best our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year nor have we been informed of such cases by the management.
- (xi) As per notification No. G.S.R. 463 (E). dated 5th June' 2015 issued by Ministry of Corporate Affairs, the Provisions of section 197 of Companies Act 2013 is not applicable to the Company, being a Government Company. Accordingly, paragraph 3(xi) of the Order is not applicable.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanation given to us and based on our examination of records, during the year the Company has entered into transactions with related parties which majorly comprises of governments namely different railways and government companies.

In respect of the Transactions with Governments (namely different railways) and other related parties, to whom the provisions of section 188 of Companies Act 2013 are applicable, the provisions of section 177 and section 188 have been complied in respect of those transactions.

In respect of the Transactions with Governments Companies, to whom the provisions of section 188 of Companies Act 2013 are not applicable vide Notification No G.S.R 463 (E) dated 5th June 2015 issued by Ministry of Corporate Affairs. However, the provisions of section 177 of the Companies Act have been complied in respect of transactions with Government Companies.



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As prescribed in Para 25 of Ind AS 24, the company has claimed the exemption of detailed disclosure requirements of Related Party transactions. However, as per Para 26 of Ind AS the requisite disclosure have been incorporated in the Notes to standalone financial statement except the outstanding balances as on the balance sheet date.

- (xiv) During the FY 2020-21, the company has allotted shares against 2nd right & 3rd right issue of equity share capital and the requirement of section 42 of the Companies Act 2013 related to it has been complied except that the share application money is not kept in a separate bank account in a scheduled bank and the company has not allotted shares within 60 days from the date of receipt of amount.

Further the company has allotted the shares against 3rd right issue after 190 days from the date of receipt of share application money, contrary to the provisions of section 42 of the Companies act 2013 which says that if the company is not able to allot the securities within that period, it shall repay the application money to the subscribers within fifteen days from the date of completion of sixty days and if the company fails to repay the application money within the aforesaid period, it shall be liable to repay that money with interest at the rate of twelve percent per annum from the expiry of the sixtieth day.

The details of non-allotment of shares within 60 days are as under:

Name of Shareholder	Date of receipt of Share application money	Date of allotment	No. of Days required for allotment of shares	Amount in Rs. Crores
				Shares allotted
Ministry of Railways	07-05-2020	13-11-2020	190	25.40
	19-06-2020		147	81.31
Total				106.71

The details of receipt and utilisation of share application money is given as under:

Details of Share Application money pending allotment	Amount in Rs. Crores
Opening share application money pending allotment as on 01.04.2020	19.00
Amount received during the FY 20-21 against share application	201.72
Shares allotted / issued against Share application money	198.13
Closing share application money pending allotment as on 31.03.2021	22.59



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Out of the amount raised including Opening Share Application amount has been used for the purpose for which the funds were raised and balance unspent amount at the end of year have been kept in Bank deposits / Investments.

Details of Utilisation of Funds out of amount received	Amount in Rs. Crores
Balance unspent amount kept as Bank deposits/ Investments as on 31 st March'2020 related to share application money received upto 31/03/2020	107.76
Amount received during the FY 20-21 against share application	201.72
Total amount	309.48
Less amount utilised by the company for the purpose for which the funds were raised upto 31 st March'2021	143.94
Balance unspent amount kept as Bank deposits / Investments as on 31 st March'2021	165.54

The Company has not made any preferential allotment or private placement of fully or partly convertible debentures during the year, so the question of applicability of clause does not arise to that extent.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non- cash transactions with its directors or persons connected with directors during the year and hence provisions of Section 192 of Companies Act 2013 are not applicable to the company. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For V. K. Surana & Co.
Chartered Accountants
Firm Reg No.110634W

Sd/-
CA. Sudhir Surana
Partner
Membership No. 43414
Nagpur, June 28, 2021
UDIN- 21043414AAAACS2286



KONKAN RAILWAY CORPORATION LTD.

Annexure B to the Independent Auditor's Report of even date on the Standalone financial statements of Konkan Railway Corporation Limited

(Referred to in Paragraph 2 under "Report on Other Legal and Regulatory Requirements" section of our report).

Report on Directions and Additional Directions, if any issued under section 143(5) of the Companies Act, 2013:

The directions were issued by the Comptroller and Auditor General of India (CAG) for FY 2020-21 and onwards. Further the following directions are also hosted on the website of CAG - <http://www.care.cag.gov.in/policy/Directions2020-21.pdf>

We have reported our observations on the standalone financial statement for FY 20-21 on the basis of those directions.

Sr. No.	Directions	Action Taken & Auditor's Response	Impact on accounts and Standalone Financial Statements
1	Whether the comp any has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The Company has a system in place to process most of the accounting transactions through IT system. However, the inventory management module is not interfaced with the Accounts and fixed assets register is maintained in excel. However, the final effect is taken in the accounts through separate accounting transaction.	There is no impact on the Accounts and Standalone Financial Statement.
2	Whether there is any restructuring of an existing loan or cases of waiver/write of of debts/loans/interest etc. made by a lender to the company due to the 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).	During the year there is no restructuring of existing loan, nor cases of waiver and write of of debts /loan or interest by the lender to the company due to company's inability to repay the loan.	There is no impact on the Accounts and Standalone Financial Statement.
3	Whether funds (grants/subsidy etc.) received/receivable for specific schemes from Central/State.	The funds received / receivable for specific schemes from central/ state agencies are properly accounted for.	There is no impact on the Accounts and Standalone Financial Statement.



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Sr. No.	Directions	Action Taken & Auditor's Response	Impact on accounts and Standalone Financial Statements
	Government or its agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation.	<p>With respect to utilization of funds received amounting to Rs. 12.50 Crores (Rs.9 Crore:28.09.2017, Rs.3.50 Crores :15.03 .2018) and interest accrued thereon from Ministry of Tourism, Govt. of India for development of tourism infrastructure at certain stations, as per the terms of sanction if the amount is not utilized within 6 months the same should be surrendered to Central Government, unless extension is granted. However, the same is not being done. Total Amount utilized till 31.03.2021 is Rs. 9.32 Crores & kept as Capital work in progress.</p> <p>During FY 2019-20, the company has received Rs.17.64 Crore from Ministry of Railways under Nirbahaya Fund for installing CCTV cameras at various stations in Konkan Railway route out of which Rs. 8.76 Cr is utilized till 31.03.2021. The remaining balance of Rs. 8.88 Cr is pending to be utilized as on 31.03.2021.</p> <p>During FY 2020-21, the Company has received Rs.3.63 crore from Goa PWD for construction of RUB in lieu of LC-45 on cost sharing basis. Total Amount utilized till 31.03.2021 is Rs. 0.81 Crores & kept as Capital work in progress.</p>	

2) Additional Directions under section 143(5) of the Companies Act, 2013

For the F.Y. 2020-2021 no additional directions have been issued by the Comptroller and Auditor General of India under section 143(5) of the Companies Act, 2013.

For V. K. Surana & Co.

Chartered Accountants

Firm Reg No.110634w

Sd/-

CA. Sudhir Surana

Partner

Membership No. 43414

Nagpur, June 28, 2021

UDIN- 21043414AAAACS2286



KONKAN RAILWAY CORPORATION LTD.

Annexure C to the Independent Auditor's Report of even date on the Standalone financial statements of Konkan Railway Corporation Limited

(Referred to in Paragraph 3 (f) under "Report on Other Legal and Regulatory Requirements" section of our report).

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 **Konkan Railway Corporation Limited** ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Board of Director's 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, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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



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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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



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Emphasis of Matter Paragraph

We draw attention in respect of the following business processes which are not yet initiated/processed / generated through IT (Information Technology) System:

- a) Sub-ledgers of the Suppliers, Contractors and other parties are not maintained in IT System. Only the contract wise details of settled transactions are generated in IT system. Due to this the age wise analysis of the outstanding dues, classification of Micro, Small and Medium Enterprises and details of timely repayment of dues could not be generated from IT System and manual intervention is involved in this aspects.
- b) Consumption of Inventory and Stock lying at the respective storage locations are not yet maintained in IT Systems and manual records are maintained by the company at each storage locations. Due to which, the details regarding the Movement Analysis, Age-wise analysis and purchase of inventories despite having sufficient inventory balances could not be generated from the IT system and manual intervention is involved in this aspects.
- c) Fixed Asset Register is not maintained in IT System and complete records are maintained in the excel file. Due to which manual calculations have been carried out for working of Depreciation amount which involves the manual intervention in this process.
- d) Non-generation of ledgers with no transactions during the current financial year, while generating all ledgers in excel workbook.
- e) Contractors Bills are maintained Contract wise manually but the report containing the Contract wise details along with initial history is not generated from the IT System.

However, in respect of the above we do not found any material deviation from the standard procedures adopted by the company in so far as it relates to the adequacy of the internal financial controls over the financial reporting and there is no material financial impact. And we recommend to implement the above procedures through IT systems in order have better internal financial controls.

Our opinion is not modified in respect of these matters.



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Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For V. K. Surana & Co.

Chartered Accountants

Firm Reg No.110634w

Sd/-

CA. Sudhir Surana

Partner

Membership No. 43414

Nagpur, June 28, 2021

UDIN-21043414AAAACS2286



KONKAN RAILWAY CORPORATION LTD.

Annexure D to the Independent Auditor's Report of even date on the Standalone financial statements of Konkan Railway Corporation Limited

(Referred to in Paragraph 1 under “Key Audit Matters” section of our report).

Sr. No.	The Key Audit matters	How our audit addressed the key audit matter / Auditor's Response
1	<p>Recoverability and assessment of Trade Receivables, Other Inter Railway Financial Adjustment (IRFA) Receivables</p> <p>Trade Receivables of the company comprise mainly receivables in relation to the Traffic Earning Receivable.</p> <p>Other Inter Railway Financial Adjustment (IRFA) Receivables comprise of Fuel Charges recoverable from Railways.</p> <p>These balances are recognised at their anticipated realisable value, based on allocation of traffic done by Centre for Railway Information System (CRIS), a Central Government entity. The same is worked on the basis of trains of one railway plying through own as well as other railways track.</p> <p>Refer Note No. 13 of standalone financial statement related to Trade receivables.</p> <p>Refer Note No. 17 of standalone financial statement related to Inter Railway Financial Adjustment (IRFA) Receivables.</p> <p>Refer Note No. 48 of standalone financial statement related to Balance Confirmation and reconciliations.</p>	<p>Our key audit procedures included and were not limited to the following:</p> <p>We have performed the following procedures in relation to the recoverability of trade receivables and Inter Railway Financial Adjustment (IRFA) Receivables:</p> <ul style="list-style-type: none"> • Tested the calculations of claims on account of apportioned Traffic Earnings on sample basis. • Tested the accuracy of aging of trade receivables and Inter Railway Financial Adjustment (IRFA) at year end on a sample basis. • Obtained the details of outstanding receivables and identified the claim wherever there is substantial delay in payment. • Assessed the recoverability of the unsettled receivables on a sample basis through our evaluation of management's assessment with reference to the credit profile of the Other Railways, their historical payment pattern and latest correspondence with customers and to consider if any additional provision should be made; and • Tested subsequent settlement of trade receivables after the balance sheet date on a sample basis, if any. <p>We found the key judgements and assumptions used by management in the recoverability assessment of trade receivables to be supportable based on the available evidence.</p> <p>We have drawn attention in Emphasis of Matters on trade receivables and Other Receivable accounts in respect of Balance Confirmations and reconciliations, which in our judgement, are fundamental to the users' understanding of the standalone financial statements.</p>
2.	<p>Evaluation of Direct Tax Positions</p> <p>The Company has huge carry-forward accumulated business loss and unabsorbed depreciation under the Income Tax Law.</p>	<p>Our key audit procedures included and were not limited to the following:</p> <p>Obtained details of completed tax assessments and demands for the year ended March 31, 2021 from management.</p>



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Sr. No.	The Key Audit matters	How our audit addressed the key audit matter / Auditor's Response
	<p>Considering the past trend of income, management is of the view that the future taxable profit shall not be sufficient to recoup/recover the carried forward unabsorbed losses & unabsorbed depreciation.</p> <p>In view of this, deferred tax asset related to carried forward unabsorbed losses & unabsorbed depreciation have not been created by the company. Further Provision for Income Tax is not created on taxable income earned during current financial year due to availability of set off of losses / unabsorbed depreciated.</p> <p>Assessment of Income Tax for the Financial Year 2007-08 to 2014-15 are pending at various level of Appellate Authority. However, the Management is of the opinion that, considering the outcome of past Assessment and existing carry - forward un-absorbed Depreciation Loss, there will not be any impact on financials of the company.</p> <p>Refer Note No. 49 to the Standalone Financial Statements for Taxes on Income.</p> <p>Refer Note No. 42 to the Standalone Financial Statements for Contingent Liability on account of pending assessments.</p>	<p>We involved our internal experts to assess whether the carried forward accumulated losses and unabsorbed depreciation are sufficient to discharge the Income Tax Liability arising out of the current year profits.</p> <p>We have analysed the management's underlying assumptions in estimating the future taxable profit considering the past trend of income.</p> <p>We have analysed the management's view in estimating that huge carry forward business losses and unabsorbed depreciation shall not be recovered considering the past trend and consequently non-creation of deferred tax asset on accumulated losses and unabsorbed depreciation.</p> <p>We have evaluated the uncertainty of tax liability which may arise due to Income Tax assessment in respect of the Financial Year 2007-08 to 2014-15 and compared the same with carried forward accumulated losses and unabsorbed depreciation in order to ensure whether there will be additional impact on the financials of the company on account of Income Tax Assessments.</p> <p>We have drawn attention in Emphasis of Matters on Non-creation of Income Tax Provision and Deferred Tax Asset considering the huge accumulated losses and, which in our judgement, are fundamental to the users' understanding of the standalone financial statements.</p>
3.	<p>Inter Railway Bill Passing System and Reconciliations</p> <p>Trade payable of the Company comprise mainly comprises of the claim of various Railways on account of Loco Hire Charges, Wagon Hire Charges, Fuel charges.</p> <p>The claims are recognised on the following basis:</p> <p>1) Loco Hire Charges: Per Hour basis</p>	<p>Our key audit procedures included and were not limited to the following:</p> <p>We have performed the following procedures in relation to the payment / settlement of trade payables:</p> <ul style="list-style-type: none"> • Tested the calculations of claims on account of Loco Hire charges with number of hours operated in the month in the territory of Company. Tested the calculations of claims on account of Wagon Hire charges with number of days operated in the month in the territory of Company.



KONKAN RAILWAY CORPORATION LTD.

Sr. No.	The Key Audit matters	How our audit addressed the key audit matter / Auditor's Response
	<p>2) Wagon Hire Charges: Per Day basis,</p> <p>3) Fuel charges: On GTKm (Gross Ton Kilometer) basis as per the calculation of run mileage.</p> <p>Note No. 27 of the standalone financial statements for Trade Payables.</p>	<p>Tested the calculations of claims on account of fuel with GTKM basis i.e. the gross ton kilometre run of the train belonging to Company which run on the track of other Railways during the month.</p> <ul style="list-style-type: none"> • Tested the accuracy of aging of trade payable at year end on a sample basis. • Obtained the details of outstanding payable and identified the claim wherever there is substantial delay in payment. • Assessed the liability of the old overdue unpaid claims on a sample basis through our evaluation of management's assessment with reference to the credit policy of other railways, historical payment pattern to customers and latest correspondence / reconciliation with the customers and to consider if any extra provision need to be reversed; and • Tested subsequent settlement of trade payables after the balance sheet date on a sample basis, if any.
4.	<p>Disputed Statutory Dues</p> <p>The Company has received a Demand of Rs.704.40 crore and applicable interest thereon, from the Service Tax department for the period 2009-10 to 2013-14.</p> <p>The Company is engaged in providing services of Transportation of passenger and goods by Rail but the service tax department has identified it as another business transaction between KRCL and Indian Railways stating that KRCL is providing business support services to Indian railways by making available its rail infrastructure and manpower to Indian Railways.</p> <p>KRCL has challenged the order as unconstitutional and against service tax law and a matter of double taxation.</p> <p>Refer Note No 42 to the Standalone Financial Statement regarding contingent liabilities.</p>	<p>Our audit procedures included and were not limited to the following:</p> <p>Our audit procedures include the following substantive procedures:</p> <ul style="list-style-type: none"> • Obtained understanding of Service Tax Demand on providing Business Support Services and updated status of the dispute; • We along with our internal tax experts – <p>a) Read and analysed select key correspondences, external legal opinions / consultations by management in this regards;</p> <p>b) Discussed with appropriate senior management and evaluated management's underlying key assumptions of not creating provisions in this regards;</p> <p>c) Assessed management's estimate of the possible outcome of the disputed cases.</p>



KONKAN RAILWAY CORPORATION LTD.

Sr. No.	The Key Audit matters	How our audit addressed the key audit matter / Auditor's Response
5.	<p>Impact of COVID -19 on the Company's operations and standalone financial statement.</p> <p>On 11 March 2020, the World Health Organisation declared the Novel Coronavirus (COVID-19) outbreak to be a pandemic.</p> <p>The outbreak of Corona virus (COVID-19) pandemic in India has resulted in a nationwide lock down and travel restriction by the Government of India which has significantly impacted business operation of the Company.</p> <p>We have identified the impact of, and uncertainty related to the COVID-19 pandemic as a key event and consideration for Company's Operations on account of:</p> <ul style="list-style-type: none"> - Short and long term effect on company's business operations and its consequential first order and cascading negative impact on revenue; - impact of the pandemic on the Revenue and Expenses; and <p>Refer Note No 57 to the Standalone Financial Statement regarding contingent liabilities.</p>	<p>Our audit procedures included and were not limited to the following:</p> <ul style="list-style-type: none"> - Obtained and reviewed the management impact assessment on account of reduction in revenue during current financial year, including judgement and estimates applied in determining the areas of impact. - Assessed the determination of impact on traffic earnings & project revenues on account of travel restrictions due to nationwide lockdown consequent to COVID-19. - Assessed the determination of reduction in direct operating expenses during lockdown period consequent to COVID-19. - Assessment of how the management has factored the deterioration in the overall economic environment arising from COVID-19. - Assessed management's cost reduction measures taken by the company in order to reduce the impact COVID-19. - Assessed and evaluated expenditure incurred towards preventive health measures as an additional cost for prevention of COVID-19. - Performed subsequent event procedures upto the date of the audit report. - Assessed and tested the disclosure relating to COVID-19 Impact on financial position for FY 20-21 and for the period April'21 to June'21.

For V. K. Surana & Co.
Chartered Accountants
Firm Reg No.110634w

Sd/-
CA. Sudhir Surana
Partner
Membership No. 43414
Nagpur, June 28, 2021
UDIN-21043414AAAACS2286



KONKAN RAILWAY CORPORATION LTD.

Management Replies to the Statutory Auditor's remarks for the Financial Year ended 31st March 2021

Sr. No. <u>Emphasis of Matter Para:</u>	Statutory Auditor's Remarks	Management Reply
A)	<p>We draw attention to Note No. 7.2 of the standalone financial statements and independent auditors report of Jaigarh Digni Rail Limited (JDRL), associate company whereby the auditor have given emphasis on the material uncertainty related to going concern consequent to provision of impairment losses amounting to ₹ 45.31 Crore as the project is suspended and also the Company has unilaterally invoked the Performance Bank Guarantee.</p> <p>However, in view of the positive net worth of the company, going concern assumptions, the Company already in possession of ₹ 23.26 Crore and the offer given by JSWJPL to recoup the loss of investment, if any, it is the considered opinion of the management that the investment made in JDRL is intact even though the JDRL has accounted for an impairment loss and the Net worth of the JV company has partially eroded.</p>	Factually Correct
B)	We draw attention to Note No. 57 of the standalone financial statements related to effect of	Factually Correct



KONKAN RAILWAY CORPORATION LTD.

Sr. No. <u>Emphasis of Matter Para:</u>	Statutory Auditor's Remarks	Management Reply
	<p>COVID- 19 on the Company's standalone financial statement due to outbreak of Corona virus (COVID-19) pandemic in India which has significantly impacted operation of the Company, thereby the Coaching revenue has reduced substantially during the current year to ₹ 200.69 Crore as compared to ₹ 680.78 Crore in the previous year (i.e reduction of Coaching revenue by 70.52%) and project revenue has also been affected substantially to ₹ 973.89 Crore during the current year as against ₹ 1501.56 Crore in the previous year (i.e. reduction of 35.14 %).</p> <p>Likewise, during April'21 & May'21, due to prevailing travel restrictions & partial lock down in various states, there is a continuing impact on financial performance of the Corporation.</p> <p>In view of financial constraint faced due to covid pandemic, on the request of the company, the Ministry of Railways has granted refundable financial assistance of ₹ 235 Crore on 21 May 2021 and with the improving situation of train operations, the management is hopeful of revival of normal revenue and to overcome the</p>	



KONKAN RAILWAY CORPORATION LTD.

Sr. No., <u>Emphasis of Matter</u> <u>Para:</u>	Statutory Auditor's Remarks	Management Reply
	financial constraint faced due to COVID-19.	
C)	We draw attention to Note No. 48 of the standalone financial statements, that the Balances of the Receivable and Payable accounts of Major Railways, Suppliers, Contractors etc. are subject to confirmation / adjustments / reconciliations. The Company will review of such balances for carrying out necessary adjustments in the subsequent years.	The major amount of receivable and payable are related to Inter Railway Financial Adjustment Account. The practice of confirmation of receivable / payable between zonal railway is not very well established. However, Meetings / Correspondence (as and when required) are carried with Zonal Railways for reconciliation of accounts, to ensure the true and fair balances reflect in the accounts. Reconciliation / adjustment of various receivable / payables are continuous process.
D)	We also draw attention to Note No. 8, 16, 17 & 45.3 of the standalone financial statements related to loan given to Konkan Railway Welfare Organisation (KRWO) wherein the principal and interest is overdue to the tune of ₹ 27.49 Crore. Further the balance confirmation as on 31.03.2021 is not received.	Total outstanding Principal and Interest as on 31st March 2020 as per the books of KRCL and KRWO tallies with each other. However, there is lack of clarity in adjustment of repayment of loan by KRWO between Principal and Interest. It will be sorted out in due course. Pending finalisation of books of accounts by KRWO the balance confirmation as on 31.03.2021 is pending.



KONKAN RAILWAY CORPORATION LTD.

Sr. No. <u>Emphasis of Matter Para:</u>	Statutory Auditor's Remarks	Management Reply
E)	We draw attention to Note No. 27 of the standalone financial statements related to Trade Payable to Zonal Railways on account of train operating expenses of ₹ 592.56 Crore which includes ₹ 365.12 Crore is outstanding for more than 1 year while outstanding for more than 3 years is of ₹ 167.25 Crore, as old as 2008-09 and onwards including old unclaimed amounts.	<p>There is substantial delay on the part of various zonal railways to raise the invoice and arrange information to enable KRCL to clear the dues, especially amount pertaining to previous periods.</p> <p>Receivables and Payables from / to South Central Railways up to 2017-18 have been settled, resulting in substantial reduction in outstanding amount. Reconciliation with other zonal railways are also in process.</p>
F)	We draw attention to Note No. 20a.7 of the standalone financial statements, which shows that there is a difference of ₹ 214.02 Crore in authorized share capital as per records of Ministry of Corporate Affairs – MCA (₹ 8293.53 Crore) and as per company's records (₹ 8079.51 Crore). The application given to MCA for correction / reduction in authorised share capital in line with approval of President of India, is not yet acted upon.	Agreed. The Company is in process to approach Govt. of India (MoR) to grant approval for diminution of the Authorized Share Capital in line with information with MCA.
G)	We draw attention to Note No. 12 of the standalone financial statements related to Investments wherein presently the Investment of free fund is also kept deposited with Life Insurance Corporation	Disclosure under Note No. 38 (C) for Employee Benefit Expenses is commensurate with the disclosure requirement of Ind AS-19.



KONKAN RAILWAY CORPORATION LTD.

Sr. No. <u>Emphasis of Matter Para:</u>	Statutory Auditor's Remarks	Management Reply
	(LIC) in the Group Leave Encashment Scheme, including life assurance benefit. The same need to be evaluated as per Norms and Guidelines including disclosure and considering it as unfunded, Refer Note No. 38 (C) of the standalone financial statements for disclosure of Employee benefits as per Ind AS 19.	
H)	We draw attention to Note No. 49 of the standalone financial statements related to Taxes on Income whereby, considering the huge accumulated losses and current trend of income, the management is of the view that the future taxable profit shall not be sufficient to recoup/recover the unabsorbed losses & unabsorbed depreciation in future. In view of this, Provision for Income Tax on taxable income earned during current financial year and deferred tax asset related to carried forward unabsorbed losses & unabsorbed depreciation have not been created by the company.	Factually Correct
I)	We draw attention to the face of Balance Sheet related to Trade payables and Note No. 27 of the standalone financial statements, wherein amount are not disclosed	Special attention is given by KRCL for timely payment to MSME vendors. The requisite information for the disclosure under MSME Act,2005 will be captured in new



KONKAN RAILWAY CORPORATION LTD.

Sr. No. <u>Emphasis of Matter Para:</u>	Statutory Auditor's Remarks	Management Reply
	related to Micro and Small Enterprises as per the disclosure requirement of Schedule III of the Companies Act 2013.	financial accounting system.
J)	Non-compliances of the Company Law Matters related to:	
	i) We draw attention to the Note No. 20a of the standalone financial statements regarding non-closure of Right Issue within 30 days in respect of 2nd and 3rd right issue leading into Non-Compliance of Section 62 (1) (a) (i) of Companies Act 2013.	Agreed.
	ii) We draw attention to clause xiv of the Annexure A to this report regarding Non-Compliance of Section 42 of the Companies Act 2013 whereby the share application money received for 2nd & 3rd right issue is not kept in a separate bank account in a scheduled bank and the company has not allotted shares within 60 days from the date of receipt of amount.	Noted for corrective action in future.
Annexure A - The Companies (Auditor's Report) Order 2016 ("the order"), in terms of section 143(11) of the Companies Act, 2013		
(i) (a)	The Company has maintained records of Fixed Assets, however therein sufficient description of the asset to make identification	The assets register format will be modified to incorporate the requisite details suggested by the auditor. Currently, Fixed Asset



KONKAN RAILWAY CORPORATION LTD.

Sr. No. <u>Emphasis of Matter Para:</u>	Statutory Auditor's Remarks	Management Reply
	possible, situation and location / custody of the assets is not mentioned. Also, in certain cases the quantities and per unit rates are not mentioned.	Register is prepared manually. However, in the new system this will be developed in association with CDAC in second phase. Physical verification process will be strengthened considering the difficulties in correlating the assets as per FAR and asset physically in existence at various locations, composition of the committee etc.
(b)	The company have policy of physical verification of fixed assets every year by a physical verification cell. However due to outbreak of Covid 19 pandemic, no physical verification has been done during current financial year. Due to which we are unable to comment on the material discrepancies of physical verification. In our opinion the team of physical verification cell & procedure adopted is not adequate / reasonable considering the size of the Company, Nature & volume of the assets. The procedure for physical verification of fixed assets needs to be strengthened whereby independent external agency / inter-departmental team should carry out the physical verification in the phase manner.	Factually Correct. The Process and team of physical verification will be evaluated further to strengthen it.



KONKAN RAILWAY CORPORATION LTD.

Sr. No. <u>Emphasis of Matter</u> <u>Para:</u>	Statutory Auditor's Remarks	Management Reply
(c)	According to the information and explanation given to us and the record examined by us, the title deeds of the leasehold land are held in the name of the company. However, in respect of freehold land worth ₹ 205.96 Crore held by the company, due to lack of sufficient information and reconciliation with books, we are unable to comment whether all the title deeds of such freehold land are held in the name of the Company.	KRCL has acquired the land during construction phase through land acquisition process under Land Acquisition Act 1894 and has clear titles of all such most of the land through mutation process. Now the increase in land value is primarily on account of increase in land compensation through decree of various courts and minor fresh land acquisition.
(iii)	<p>According to the information and explanations given to us, the Company has granted unsecured loans to its one of its related party – Konkan Railway Welfare Organisation, covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:</p> <p>a) The terms and conditions of grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest except that the loan is unsecured and carrying simple rate of interest of 7% per annum which is lower than the borrowing cost of the company and also lower than yield of government security, then</p>	The sanctions of loans to KRWO @7% is as per BOD approval.



KONKAN RAILWAY CORPORATION LTD.

Sr. No. <u>Emphasis of Matter Para:</u>	Statutory Auditor's Remarks	Management Reply
	<p>prevailing, close to the tenor of the loan.</p> <p>Total loan amount granted during the year is Nil and balance outstanding as at balance sheet date is ₹ 20.33 Crore and interest accrued thereon is ₹ 9.07 Crore.</p>	
	<p>b) The Schedule of repayment of principal & payment of interest is stipulated but repayment of principal or payment of interest is not regular.</p> <p>Principal along with interest is to be recovered with in the span of 7 years from the date of disbursement, however amount of ₹ 19.03 Crore becomes overdue but still outstanding and lying as Loans under the head "Current Financial Assets". Similarly, Interest accrued on loans of ₹ 8.46 Crore is overdue and lying under the head "Other Current Financial Assets".</p>	<p>KRCL has directed KRWO to liquidate its assets and repay the principal and interest thereon at the earliest.</p>
Annexure C Report on the Internal Financial Controls Over Financial Reporting		
(a)	<p>Sub-ledgers of the Suppliers, Contractors and other parties are not maintained in IT System. Only the contract wise details of settled transactions are generated in IT</p>	<p>C-DAC has developed the new Financial Accounting Module for KRCL which is under process of implementation.</p>



KONKAN RAILWAY CORPORATION LTD.

Sr. No. <u>Emphasis of Matter Para:</u>	Statutory Auditor's Remarks	Management Reply
	system. Due to this the age wise analysis of the outstanding dues, classification of Micro, Small and Medium Enterprises and details of timely repayment of dues could not be generated from IT System and manual intervention is involved in this aspect.	Stores & Inventory module is also being developed for computerized inventory system. Financial Accounting (FA) and Stores & Inventory (SI) module is in process of integration. Similarly, other shortcomings like absence of Sub ledger for parties, fixed asset register etc. have also been taken care in the new Financial Accounting system.
(b)	Consumption of Inventory and Stock lying at the respective storage locations are not yet maintained in IT Systems and manual records are maintained by the company at each storage locations. Due to which, the details regarding the Movement Analysis, Age-wise analysis and purchase of inventories despite having sufficient inventory balances could not be generated from the IT system and manual intervention is involved in this aspect.	
(c)	Fixed Asset Register is not maintained in IT System and complete records are maintained in the excel file. Due to which manual calculations have been carried out for working of Depreciation amount which involves the manual intervention in this process.	

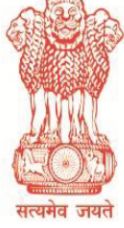


KONKAN RAILWAY CORPORATION LTD.

Sr. No., <u>Emphasis of Matter</u> <u>Para:</u>	Statutory Auditor's Remarks	Management Reply
(d)	Non-generation of ledgers with no transactions during the current financial year, while generating all ledgers in excel workbook.	
(e)	Contractors Bills are maintained Contract wise manually but the report containing the Contract wise details along with initial history is not generated from the IT System.	



KONKAN RAILWAY CORPORATION LTD.



महानिदेशकलेखापरीक्षाकार्यालय, मध्यरेल
नवीनप्रशासनिकभवन, चौथीमंजिल
दा.नौ.मार्ग, मुंबई, छ.शि.ट - 400 001
Office of the Director General of Audit
Central Railway
4th Floor, New Administrative Building
Dadabhai Naoroji, CSMT, Mumbai - 400 001
Phone: 022-2262 1343 Fax: 022-2262 0720
e-mail: pdarlycr@cag.gov.in



लोकहितार्थं सत्यनिष्ठा
Dedicated to Truth in Public Interest

No. DGA/CR/KRCL/Suppl. Audit/2020-21/835

Dated: 27-08-2021

To

The Chairman and Managing Director,
Konkan Railway Corporation Ltd.,
Belapur Bhavan, Belapur CBD,
Navi Mumbai-400 614

Sir,

Sub: Comments of the Comptroller and Auditor General of India under Section 143 (6) of the companies Act 2013 on the accounts of Konkan Railway Corporation Limited for the year 2020-21.

The Comments of the Comptroller and Auditor General of India under Section 143 (6) (b) of the Companies Act, 2013 on the financial statements of Konkan Railway Corporation Limited (KRCL) for the period from 1st April 2020 to 31st March 2021 is attached herewith in **Annexure-I**.

The Comments may be placed next to the Statutory Auditor's Report with a proper indication in the list of contents in the Printed Annual Report of KRCL for the year 2020-21.

Receipt of this letter and the enclosure may please be acknowledged.

Thanking you,

Yours sincerely,

(Sandip Roy)
Director General of Audit

Encl: as above.



KONKAN RAILWAY CORPORATION LTD.

Copy to the **Director General (Railways)**, Office of the Comptroller and Auditor General of India,
New Delhi -110 124 for information.

(Sandip Roy)
Director General of Audit



KONKAN RAILWAY CORPORATION LTD.

Annexure-I

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143 (6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF KONKAN RAILWAY CORPORATION LIMITED (KRCL) FOR THE YEAR ENDED 31ST MARCH, 2021

The preparation of financial statements of Konkan Railway Corporation Limited (KRCL) for the year ended 31st March, 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the Management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Companies Act, 2013 are responsible for expressing opinion on the financial statements under Section 143 of the Companies Act, 2013 based on independent audit in accordance with the standards on auditing prescribed under Section 143 (10) of the Companies Act, 2013. This is stated to have been done by them vide their Audit Report dated 28.06.2021

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Konkan Railway Corporation Limited (KRCL) for the year ended 31st March, 2021 under Section 143 (6) (a) of the Companies Act, 2013. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under Section 143 (6) (b) of the Companies Act, 2013 which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report.



KONKAN RAILWAY CORPORATION LTD.

A. Standalone & Consolidated Balance Sheet for the year ended 31st March 2021

Equity & Liabilities

Current Liabilities

Trade Payable (ii) ₹ 838.02 crore

As per Division II of Schedule III of Companies Act 2013, the Company is required to disclose Trade Payables (Creditors), in the Balance Sheet, by categorising it separately into MSME and Non MSME creditors.

However, the Company had not categorised 'Trade Payables' as MSME and Non-MSME creditors as per the above provision of the Companies Act, 2013.

B. Independent Auditors Report on Standalone financial statement for the year ended 31st March 2021

A reference is invited to Para (xiv) of Annexure 'A' to Independent Auditor's Report on the Standalone Financial Statements of the Company wherein it is stated that the Company has allotted the shares against 3rd rights issue after 190 days from the date of receipt of share application money, contrary to the provisions of section 42 of the Companies Act, 2013. The Statutory Auditors comment is deficient to the extent that amount of interest which the Company is liable to repay due to failure of the Company to repay the application money within prescribed period, as per section 42 of the Companies Act, 2013, has not been stated.

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

**(SANDIP ROY)
DIRECTOR GENERAL OF AUDIT**

Place: Mumbai
Date: 27-08-2021



KONKAN RAILWAY CORPORATION LTD.

Management replies in respect of Comments of the Comptroller and Auditor General of India under section 143(6)(b) of the Companies Act 2013 on the accounts of Konkan Railway Corporation Limited for the year 2020-21

Sr. No.	Comments	Management Reply
A)	<p>Standalone & Consolidated Balance Sheet for the year ended 31st March 2021.</p> <p>Equity & Liabilities Current Liabilities Trade Payable (ii) ₹ 838.02 crore.</p> <p>As per Division II of Schedule III of Companies Act 2013, the Company is required to disclose Trade Payables (Creditors), in the Balance Sheet, by categorising it separately into MSME and Non MSME creditors. However, the Company had not categorised 'Trade Payables' as MSME and Non-MSME creditors as per the above provision of the Companies Act, 2013.</p>	<p>Noted.</p> <p>The computer accounting software, prevailing in the FY 2020-21 i.e JRAP (in use since year 2000) didn't have facility to book the party wise transactions, corresponding to details required as per MSME Act.</p> <p>However, Konkan Railway Corporation Ltd (KRCL) has implemented a new Accounting model (IFAS) from 1st April 2021 which has provision for MSME & Non MSME party ledger. This will enable KRCL for categorisation of "Trade Payable" as MSME and Non MSME.</p>
B)	<p>Independent Auditors Report on Standalone financial statement for the year ended 31st March 2021.</p> <p>A reference is invited to Para (xiv) of Annexure 'A' to Independent Auditor's Report on the Standalone Financial Statements of the Company wherein it is stated that the Company has allotted the</p>	<p>The company has issued shares against 3rd right issue under section 62 of the Companies Act 2013.</p> <p>Further the liability of interest under provisions of section 42(6) of the Companies Act 2013 will arise only</p>



KONKAN RAILWAY CORPORATION LTD.

Sr. No.	Comments	Management Reply
	<p>shares against 3rd rights issue after 190 days from the date of receipt of share application money, contrary to the provisions of section 42 of the Companies Act, 2013. The Statutory Auditors comment is deficient to the extent that amount of interest which the Company is liable to repay due to failure of the Company to repay the application money within prescribed period, as per section 42 of the Companies Act, 2013, has not been stated.</p>	<p>in case of refund of share application money to the subscriber after specified date.</p> <p>In view of the above, the liability for payment of interest to the subscriber will not arise after allotment of shares as the company has not refunded the share application money to the subscriber.</p>



KONKAN RAILWAY CORPORATION LTD.
STANDALONE BALANCE SHEET AS AT 31st MARCH, 2021

(₹ in Crore)

Particulars	Note No.	As at 31 st March'2021		As at 31 st March'2020	
ASSETS					
Non-current assets					
Property, Plant and Equipment	3	3,348.06		3,215.64	
Capital work-in-progress	4	1,552.99		1,182.81	
Other Intangible assets	5	0.04		0.05	
Intangible assets under development	6	0.58		0.58	
Financial Assets					
i) Investments	7	26.00		26.00	
ii) Loans	8	0.33		1.30	
iii) Other financial assets	9	0.25		0.52	
Other non-current assets	10	62.39		53.00	
Total Non-current assets			4,990.64		4,479.90
Current assets					
Inventories	11	46.32		89.68	
Financial Assets					
i) Investments	12	1,537.12		910.44	
ii) Trade receivables	13	159.78		148.28	
iii) Cash and cash equivalents	14	290.56		658.53	
iv) Bank balances other than (iii) above	15	1.80		3.75	
v) Loans	16	20.38		19.03	
vi) Other financial assets	17	281.31		367.03	
Current Tax Assets (Net)	18	3.86		15.30	
Other current assets	19	288.53		221.63	
Total Current assets			2,629.66		2,433.67
Total Assets			7,620.30		6,913.57
EQUITY AND LIABILITIES					
Equity					
Equity Share capital	20	1,481.19		1,283.06	
Instruments entirely equity in nature	20a	4,079.51		4,079.51	
Other Equity	21	(3,990.52)		(3,442.99)	
Total Equity			1,570.18		1,919.58
LIABILITIES					
Non-current liabilities					
Financial Liabilities					
i) Borrowings	22	2,680.73		2,330.25	
ii) Other Financial Liabilities	23	1.86		3.56	
Provisions	24	742.54		452.38	
Other non-current liabilities	25	46.64		32.21	
Total Non-Current Liabilities			3,471.77		2,818.40
Current liabilities					
Financial Liabilities					
i) Borrowings	26	148.96			
ii) Trade payables					
a) Total outstanding dues of micro, small and medium enterprises;		-		-	
b) Total outstanding dues of creditors other than micro, small and medium enterprises.	27	838.02		1,027.32	
iii) Other financial liabilities	28	491.53		551.97	
Other Current Liabilities	29	1,028.57		535.28	
Provisions	30	71.27		61.02	
Total Current Liabilities			2,578.35		2,175.59
Total Liabilities			6,050.12		4,993.99
Total Equity and Liabilities			7,620.30		6,913.57

See accompanying notes to the Standalone Financial Statements
Significant Accounting Policies
As per our report of even date

For V K Surana & Co.
Chartered Accountants
Firm Registration No. 110634W

Sd/-
CA Sudhir Surana
Partner
Membership No. 043414
UDIN : 21043414AAAACS2286
Place : Nagpur
Date : 28th June, 2021

2

For and on behalf of Board

Sd/-
RAJESH BHADANG
Director (Finance)
DIN:09050270

Place : Navi Mumbai
Date : 28th June, 2021

Sd/-
SANJAY GUPTA
Chairman and Managing Director
DIN:06710604

Sd/-
RAJENDRA PARAB
Company Secretary



KONKAN RAILWAY CORPORATION LTD.

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2021

(₹ in Crore)

Particulars	Note No.	For the Year Ended	
		31 st March'2021	31 st March'2020
I. Revenue From Operations			
Sale of services:			
i) Traffic revenue	31	588.64	1,126.72
ii) Project revenue	32	973.90	1,501.56
Other operating revenue	33	13.81	14.40
Total Revenue from Operations		1,576.35	2,642.68
II. Other Income	34	80.94	92.12
III. Total Income (I+II)		1,657.29	2,734.80
IV. Expenses			
Cost of Operation			
i) Train Operation Expenses	35	329.38	581.61
ii) Project Cost	36	839.52	1,414.34
Change in inventory of Finished Goods	37	42.25	(42.25)
Employee benefits expense	38	558.05	535.15
Finance costs	39	138.03	131.90
Depreciation and amortization expense	3 & 5	63.63	61.98
Other expenses	40	52.84	48.23
Total expenses (IV)		2,023.70	2,730.96
V. Profit/(loss) before tax (III- IV)		(366.41)	3.84
VI. Tax expense:			
i) Current tax		-	-
ii) Deferred tax		-	-
VII. Profit / (Loss) for the year (V-VI)		(366.41)	3.84
VIII. Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss		(184.70)	(190.80)
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
Total Other Comprehensive Loss, net of tax		(184.70)	(190.80)
IX. Total Comprehensive Income for the year (VII+VIII)		(551.11)	(186.96)
X. Earnings per equity share of par value of ₹ 1,000/-:			
i) Basic		(267.85)	3.00
ii) Diluted *	47	-	0.72
* Note :EPS is Anti-dilutive for the F.Y.2020-21			

See accompanying notes to the Standalone Financial Statements
Significant Accounting Policies
As per our report of even date
For V K Surana & Co.
Chartered Accountants
Firm Registration No. 110634W
Sd/-
CA Sudhir Surana
Partner
Membership No. 043414
UDIN : 21043414AAAACS2286
Place : Nagpur
Date : 28th June, 2021

For and on behalf of Board

2 Sd/- RAJESH BHADANG Director (Finance) DIN:09050270 Place : Navi Mumbai Date : 28th June, 2021	Sd/- SANJAY GUPTA Chairman and Managing Director DIN:06710604 Sd/- RAJENDRA PARAB Company Secretary
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(₹ in Crore)

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KONKAN RAILWAY CORPORATION LTD.

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2021

(₹ in Crore)

PARTICULARS	As at the end of 2020-21	As at the end of 2019-20
CASH FLOW FROM INVESTMENT ACTIVITIES		
(Increase)/Decrease in Property, Plant and Equipments	(196.04)	(138.20)
Loss on Sale of Fixed Asset	(0.00)	(0.01)
Profit on Sale of Asset	(0.01)	.00
Decrease / (Increase) in Capital Work in Progress	(302.86)	(400.86)
Decrease / (Increase) in Intangible Asset	-	(0.05)
Decrease / (Increase) in Intangible Asset under development	-	(0.57)
Decrease / (Increase) in Other Non-Current Assets	(9.39)	(16.75)
Interest on Deposits	77.33	70.16
Decrease / (Increase) in Non-Current Loans	.96	-
Decrease / (Increase) Other Non-Current financial assets	.27	4.46
Increase / (Decrease) Financial Asset-Loan	(1.35)	.00
Decrease / (Increase) in Current Investments	(626.67)	(56.32)
Decrease / (Increase) in Bank balances other than Cash and Cash Equivalent	1.95	9.40
Decrease / (Increase) in Other Non-Current Liabilities	4.29	3.58
Decrease / (Increase) Other Current financial assets	85.72	113.33
NET CASH USED IN INVESTMENT ACTIVITIES B	(965.80)	(411.83)
CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Share Capital	198.13	23.52
Lease Liability	(1.70)	3.56
Finance Cost on Capital Project	(67.32)	(43.69)
Increase / (Decrease) Share Application Money Pending Allotment	3.59	7.24
Loan from Bank for Capital Project	350.49	391.16
Loan from Bank	148.96	-
Finance Cost	(138.03)	(131.90)
NET CASH USED IN FINANCING ACTIVITIES C	494.12	249.90
Net increase in Cash & Cash equivalents D= A+B+C	(367.94)	367.02
Cash & Cash equivalents at beginning of year E	658.53	282.50
Cash & Cash equivalents at end of the year F= D+E	290.56	658.53

See accompanying notes to the Standalone Financial Statements

Significant Accounting Policies

As per our report of even date

For V K Surana & Co.

Chartered Accountants

Firm Registration No. 110634W

Sd/-

CA Sudhir Surana

Partner

Membership No. 043414

UDIN : 21043414AAAACS2286

Place : Nagpur

Date : 28th June, 2021

2

For and on behalf of Board

Sd/-

RAJESH BHADANG

Director (Finance)

DIN:09050270

Place : Navi Mumbai

Date : 28th June, 2021

Sd/-

SANJAY GUPTA

Chairman and Managing Director

DIN:06710604

Sd/-

RAJENDRA PARAB

Company Secretary



KONKAN RAILWAY CORPORATION LTD.

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2021

A. Equity Share Capital

(₹ in Crore)

Particulars	Balance at 1st April'2020	Changes in equity share capital during Financial year 2020-21	Balance at 31st March'2021	Balance at 1st April'2019	Changes in equity share capital during Financial year 2019-20	Balance at 31st March'2020
Equity Share Capital	1,283.06	198.13	1,481.19	1,259.54	23.52	1,283.06

B. Instruments Entirely Equity in Nature

Compulsorily Convertible Preference Shares:

(₹ in Crore)

Particulars	Balance at 1st April'2020	Changes in Compulsorily Convertible Preference Shares during Financial year 2020-21	Balance at 31st March'2021	Balance at 1st April'2019	Changes in Compulsorily Convertible Preference Shares during Financial year 2019-20	Balance at 31st March'2020
Compulsorily Convertible Non Cumulative Preference Shares	4,079.51	-	4,079.51	4,079.51	-	4,079.51

C. Other Equity

(₹ in Crore)

Particulars	Share application money pending allotment	Reserves and Surplus	Items of Other Comprehensive Income	Total
		Retained Earnings	Remeasurements of the defined benefit plans	
Balance at the 1st April 2019	11.76	(3,106.85)	(178.56)	(3,273.66)
Changes in accounting policy	-	-	-	-
Prior period errors	-	10.39	-	10.39
Restated balance at the 1st April 2019	11.76	(3,096.46)	(178.56)	(3,263.27)
Total Comprehensive Income for the year	-	3.84	(190.80)	(186.96)
Share application money received during the financial year	30.76	-	-	30.76
Issue of Share Capital against the Share Application money	23.52	-	-	23.52
Balance at 31st March 2020	19.00	(3,092.62)	(369.36)	(3,442.99)
Balance at the 1st April 2020	19.00	(3,092.62)	(369.36)	(3,442.99)
Changes in accounting policy *	-	-	-	-
Prior period errors	-	-	-	-
Restated balance at the 1st April 2020	19.00	(3,092.62)	(369.36)	(3,442.99)
Total Comprehensive Income for the year	-	(366.41)	(184.70)	(551.11)
Share application money received during the financial year	201.72	-	-	201.72
Issue of Share Capital against the Share Application money	198.13	-	-	198.13
Balance at 31st March 2021	22.59	(3,459.03)	(554.07)	(3,990.51)

Nature and purpose of reserves: Since there are no reserves other than Retained Earnings, the disclosure requirement "stating description of the purposes of each reserve within equity" is not applicable.



KONKAN RAILWAY CORPORATION LTD.

*With effect from 1st April, 2019, Ind AS 116 – “Leases” (Ind AS 116) supersedes Ind AS 17 – “Leases”. The Company has adopted Ind AS 116, retrospectively with the cumulative effect of initially applying the standard, recognized on the date of initial application (April 1, 2019). The application of Ind AS 116 has resulted into recognition of ‘Right-of-Use’ asset with a corresponding Lease Liability in the Balance Sheet. However the company has applied the option given in transitional provisions of the Ind AS 116, and recognised the right-of-use asset at an amount equal to the lease liability at the date of initial application, relating to those operating lease arrangement recognised in the balance sheet immediately before the date of initial application. Due to which there is no impact on the date of initial application i.e. 01/04/2019 on the opening balance of retained earnings.

See accompanying notes to the Standalone Financial Statements
Significant Accounting Policies
As per our report of even date

For V K Surana & Co.

Chartered Accountants
Firm Registration No. 110634W

Sd/-

CA Sudhir Surana

Partner
Membership No. 043414
UDIN : 20043414AAAACF6409
Place : Nagpur
Date : 28th June, 2021

For and on behalf of Board

Sd/-

RAJESH BHADANG

Director (Finance)

DIN:09050270

Place : Navi Mumbai
Date : 28th June, 2021

Sd/-

SANJAY GUPTA

Chairman and Managing Director

DIN:06710604

Sd/-

RAJENDRA PARAB

Company Secretary



KONKAN RAILWAY CORPORATION LTD.

Notes to Standalone Financial Statements

1. Corporate information:

Konkan Railway Corporation Ltd. ('Corporation') is a Government Company domiciled in India and is incorporated on 19th July'1990 under the provisions of the Companies Act . The registered office of the company is located at Belapur Bhavan, Plot No 6, Sector 11, CBD-Belapur, Navi Mumbai 400614.

The Corporation is engaged into the passenger and goods transport services by rail as well as project services for Zonal Railways and Other Agencies.

The bonds of the company are listed on National Stock Exchange.

The standalone financial statements are approved for issue by the Company's Board of Directors on June 28, 2021.

2. Significant Accounting Policies

A. Basis of Preparation of Standalone Financial Statements

2.1 The standalone financial statements of the Corporation have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and amendments thereafter and the relevant provisions of the Companies Act 2013, as applicable. The standalone financial statements for the year are prepared in accordance with Ind-AS.

The standalone financial statements are prepared on a going concern basis. The standalone financial statements have been prepared on a historical cost convention and on an accrual concept basis.

The standalone financial statements are presented in INR which is the functional currency of the Corporation, and all values are rounded to the nearest crore (INR 00,00,000).

2.2 Accounting Estimates

The preparation of the Standalone financial statements, in conformity with the recognition and measurement principles of Ind AS, requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of Standalone financial statements and the results of operation during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates which are recognised in the period in which they are determined.



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Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the Standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the Standalone financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the Standalone financial statements.

B. Property, Plant and Equipment & Depreciation.

- i. When a major replacement or maintenance is performed, its cost is recognized in the carrying amount of the plant and equipment, if the recognition criteria are satisfied and the gross block and depreciation block of old assets is removed from the block. All other repair and maintenance costs are recognized in profit or loss as incurred.
- ii. As required by IND AS 16 the depreciation has been calculated considering Component Accounting wherever relevant i.e. if component of an asset is significant in value as compared to the total value of the asset and its useful life is different than the life of the asset. The depreciation of each such component is calculated separately.
- iii. The Corporation considered adjustment to carrying cost of its assets on account of cost of decommissioning, only if the same is significant.
- iv. The Property, Plant and Equipment's in use are shown at cost comprises of purchase price, import duties and non-refundable purchase taxes, after deducting trade discounts and rebates less accumulated depreciation and accumulated impairment losses, if any. Adjustments arising from Foreign Exchange Rate variations relating to borrowings attributable to fixed assets are allocated to those assets purchased out of Foreign Exchange Loans. Borrowing costs that are directly attributable to the construction or production of a qualifying asset are capitalized as part of the cost of that asset if the recognition criteria are met.
- v. An item of property, plant and equipment and any significant part is derecognized upon disposal or when no future economic benefits are expected from its use or disposal and any gain or loss arising from it is included in the income statement when the asset is derecognized.



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- vi. Depreciation under Straight-Line Method is charged as per useful life prescribed in Schedule II of the Companies Act, 2013 except the following items:

Asset description	Life of asset (in years)	Basis of Depreciation
Lease hold land		As per Lease agreement
Bridges	80	As per Research Designs & Standards Organization Code
Tunnels	80	
P.Way Track: a) Rails and Fastenings b) Sleepers. c) Ballast	25 35 35	As per Technical assessment.
ROB/RUB/Level crossing	60	As per Railway Finance code
Loco Diesel	36	
Wagons	30	
Crane	25	
Other service wagon	30	
Tower Wagon	40	
Electronic Interlocking	15	

- vii. Depreciation on assets added/disposed off during the year is charged from/up to the date of addition/disposal. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.
- viii. As the corporation had paid the original compensation based on the value determined and provided by Special Land Acquisition Officer (SLAO), the Interest on additional compensation as per the Court award is added to the cost of land, considering it as part of land compensation.
- ix. In case of Fixed Assets other than Land the amount of arbitration claim and interest upto 26.01.1998 (date of Capitalization) is added to the fixed assets. Interest paid for post 26.01.1998 is be charged to Revenue.

C. Capital work-in-progress:

Tangible property, plant and equipment's which are not yet ready for their intended use are carried at cost, comprising direct cost, comprises of purchase price, import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, related incidental expenses and attributable interest and are shown as Capital work-in-progress.



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The capital inventory at the year end is also shown under Capital Work in progress.

D. Inventories:

- i. The inventories are valued at cost or net realizable value whichever is lower. The cost of Inventories is determined on FIFO basis.
- ii. Stores for repairs and maintenance are initially charged off to revenue in the year of purchase and at the balance sheet date the inventory physically available is valued at cost and booked. Used material which is reusable is valued at Net Realizable Value.
- iii. Project and construction related Works in Progress are valued at cost till the major portion of the job is completed or net realizable value whichever is lower.
- iv. Cost includes expenditures incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition.
- v. Net realizable value is the estimated selling price in the ordinary course of business, less the selling expenses.

E. Foreign Currencies:

Foreign currency transactions are initially recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

- i. Monetary items denominated in foreign currencies at the year end are restated at year end foreign exchange rates. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.
- ii. Any income or expense on account of foreign exchange difference either on settlement or on translation is recognized in the Statement of Profit & Loss except in case where they relate to acquisition of Fixed Assets in which case they are adjusted to the carrying cost of such Fixed Assets.
- iii. In cases where the historical cost of a depreciable asset has undergone a change due to increase or decrease in the long term liability on account of foreign exchange fluctuations arising at the year end, the depreciation on the revised unamortized depreciable amount is provided prospectively over the residual useful life of the asset from the year following such capitalization.

F. Post-employment benefits and short-term employee benefits:



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i. Defined benefit plans:

The liability in respect of defined benefit plans and other post-employment benefits (mainly pensions to employees joined prior to 01.01.2004 and Gratuity) are calculated using the projected unit credit method and spread over the period during which the benefit is expected to be derived from employees' services, consistent with the advice of qualified actuaries. The long term obligations are measured at present value of estimated future cash flows discounted at rates reflecting the yields on risk free government bonds that have maturity dates approximating the terms of the Corporation's obligations.

Actuarial gains and losses are recognized in Other Comprehensive Income.

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, attrition rate and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

ii. Termination benefits:

Termination benefits are recognized as an expense when the Corporation is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized as an expense if the Corporation has made an offer encouraging voluntary redundancy. It is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

iii. Defined contribution plans:

The Corporation pays fixed contributions in relation to several state plans and insurances for individual employees. The Corporation has no legal or constructive obligations to pay contributions in addition to its fixed contributions, which are recognized as an expense in the period that related employee services are received.

iv. Compensated leave of absence:

The Corporation's current policies permit certain categories of employees to accumulate and carry forward a portion of their unutilized compensated absences



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and utilize them in future periods or receive cash in lieu thereof in accordance with the terms of such policies. The Corporation measures the expected cost of accumulating compensated absences as the additional amount that the Corporation expects to pay as a result of the unused entitlement that has accumulated at the statements of financial position date. Such measurement is based on actuarial valuation as at the statements of financial position date carried out by a qualified actuary. Gains and losses resulting from remeasurements of the net defined benefit liability are included in profit and loss account as Leave encashment expenses in the period in which they occur.

v. Post Retirement Medical benefits:

The Company have Post Retirement Medical Benefit Plan for Employees and their spouse at superannuation with minimum 20 years of service against one time contribution by the employee equivalent to the last month's basic pay at the time of retirement. The valuation of the benefit plan has been carried by the qualified actuary. Gain and losses resulting from measurement of the net defined benefit liabilities are included in the Profit & Loss account.

vi. Other Employees benefit:

Service cost on the Corporation's defined benefit plan is included in employee benefits expense. Employee contributions, all of which are independent of the number of years of service, are treated as a reduction of service cost. Net interest expense on the net defined benefit liability is included in finance costs. Gains and losses resulting from remeasurements of the net defined benefit liability are included in Other Comprehensive Income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Employees who have joined service on or after 1.1.2004 are governed by 'National Pension System' as announced by the Government of India. The said scheme is a defined contribution scheme and contribution is charged to Statement of Profit & Loss.

G. Leased Assets:

With effect from 1st April, 2019, Ind AS 116 – “Leases” supersedes Ind AS 17 – “Leases”. The Company has adopted Ind AS 116, retrospectively with the cumulative effect of initially applying the standard, recognized on the date of initial application (April 1, 2019). The application of Ind AS 116 has resulted into recognition of 'Right-of-Use' asset with a corresponding Lease Liability in the Balance Sheet. However the company has applied the option given in transitional provisions of the Ind AS 116, and recognised the right-of-use asset at an amount equal to the lease liability at the date of initial application, relating to those operating lease arrangement recognised in the



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balance sheet immediately before the date of initial application. Due to which there is no impact on the date of initial application i.e. 01/04/2019 on the opening balance of retained earnings.

The Company as a lessee: The Company's lease asset classes primarily consist of leases for land and buildings, Vehicles, Plant and Machinery, IT Assest. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether : (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short -term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those



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from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Company as a lessor : Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the ROU asset arising from the head lease. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

Transition

The Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the ROU asset as an amount equal to lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the Balance Sheet immediately before the date of transition to Ind AS.

The Company as a lessor: Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the ROU asset arising from the head lease. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

H. Revenue Recognition:

The Corporation recognises revenue to depict the transfer of promised services to



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customers. The revenue is recognised in accordance with Ind AS 115 Construction Contracts is detailed as under:

- i. Ministry of Corporate Affairs (MCA) notified Ind AS 115 on 28 March 2018, which came into effect from 1 April 2018. Ind AS 115 replaces Ind AS 11 (Construction Contracts) and Ind AS 18 (Revenue). It is a single source of revenue guidance for entities across industries. The corporation has recognised its revenue in accordance with Ind AS 115 – Revenue from Contracts with Customers as under:
- ii. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services. Generally, control is transferred upon supply of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the contracts.
- iii. Revenue from rendering of services is recognised over the time by measuring the progress towards complete satisfaction of performance obligations at the reporting period.
- iv. In many cases, the Company receives short-term advances from its customers. The Company does not adjust the committed amount of consideration for the effects of a significant financing component if it expects, that the period between the transfer of the good or service to the customer as per the contract and the receipt of payment from customers will be one year or less.
- v. The Company also receives long-term advances from customers. Excess income generated out of differential interest are recognised as finance income for the corporation.
- vi. Contract balances: Contract balances represent the balance of contract to an amount for which the Company's right could not have been established. No such balances have been accounted for in the books of the Corporation for the current Financial year.
- vii. Trade receivables: A receivable represents the Company's right to an amount of consideration that is unconditional, and the corporation has accounted the same in line with the provisions of Ind AS 115.
- viii. Contract Assets & Liabilities: A Contract Assets is the performance by transferring goods and services to a customer, before the customer pays consideration or before



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payment is due, the entity shall present the contract as a contract asset, excluding any amount presented as a receivables.

- ix. A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.
- x. The Corporation has complied with the aforesaid provision in preparation of Standalone Financial Statement.
- xi. Contract modification: During the year no contracts were modified, hence contracts were not required to be recognised as separate & distinct.
- xii. The traffic earning from Railway business is received from goods and passenger traffic. Goods earnings are pertaining to Railway Receipts generated through the system for carriage of goods over railway network. Passenger earnings are pertaining to Tickets booked by people.
- xiii. Performance Obligation: Railway Receipt (RR) is prepared by the railway for booking the freight for movement of goods from one station to another station. Once the RR is prepared, performance obligation of Railways is to transport the materials up to location defined in the Railway Receipt.
- xiv. Revenue from passenger is recognised once the Tickets(seat) are booked on railway network based on application submitted by passengers. Seat once allotted by railways gives exclusive right of travel to the concerned passenger only. Railways cannot allot this reserved seat to another person unless it is cancelled by first person. Journey by passenger on the specified date is the performance obligation of railways.
- xv. The passenger must pay 100% fare at the time of booking the seat. There is no variable consideration involved. There is no significant financing component involved. The railways take the responsibility of safe journey up to the destination booked by the passenger.
- xvi. Revenue collected by all railways on account of freight and fares is processed through a computerized program run by CRIS to allocate the share of revenue to each railway for the distance travelled by the train on that railway. For KRCL, Central Railway is the nodal agency for the settlement of dues among KRCL and all other railways. Revenue



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on account of apportioned earnings is booked by KRCL based on monthly settlement between KRCL and Central Railway through single window system. Revenue collected on KR stations every month is treated as originating earnings and the same is brought into the books of accounts.

The above treatment is in line with provision of Ind AS 115 related to performance obligation.

- xvii. Sale of scrap, salvage or waste materials is accounted at the time of realization.
- xviii. Commission received on encashment of warrants issued by Defense/Police is recognized on accrual basis.
- xix. Interest income is recognized using Effective interest rate (EIR). Interest income is included in finance income in the statement of profit and loss.
- xx. Dividend income is recognised when the Corporation's right to receive the payment is established, which is generally when shareholders approve the dividend.

I. Contractor's claims:

- i. Claims for escalation by contractors are accounted for only when such claims are accepted after due verification.
- ii. Penalty for delay in completion / defective work is accounted as and when recovered from the contractors.

J. Provisions:

Provision is made for all known undisputed liabilities (legal or constructive) existing on the date of balance sheet.

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

No provision for contingency is recognized in respect of warranty/ defect or maintenance liability where the corporation has back to back arrangement with sub-contractor for the same liability and there is certainty that such liability would be made good by the sub-contractor.



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K. Intangible Assets and Amortization:

- i. Intangible assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization/depletion and accumulated impairment losses. All costs, including financing costs till commencement of commercial production, net charges on foreign exchange contracts and adjustment arising from exchanges rate variation attributable to the intangible assets are capitalized.
- ii. Amortization/Depreciation of Intangible Assets is made as under:
 - a) Patents, designs, R&D expenses considered as intangible assets - over their useful life or 10 years whichever is lower.
 - b) Specialized computer software - over a period of 3 years.

L. Financial Derivatives:

Derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The purchase contracts that meet the definition of a derivative under Ind-AS 109 are recognized in the statement of profit and loss.

M. Contingent liabilities and Contingent assets:

- i. Contingent Liability is disclosed in the case of:-
 - a) a present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation.
 - b) a possible obligation, unless the probability of outflow of resources is remote.
- ii. Contingent liability is disclosed for defects or maintenance liability when corporation has no back to back arrangements with sub-contractor for liability and there is virtual certainty that such liability would be made good by the sub-contractor.
- iii. Contingencies are reviewed at each balance sheet date and adjusted to reflect the correct management estimates.
- iv. Contingent Assets are not recognised in the standalone financial statements. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.



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N. Taxes on Income:

Income tax comprises of current and deferred income tax. Income tax is recognised as an expense or income in the Statement of Profit and Loss, except to the extent it relates to items directly recognised in equity or in OCI.

a. Current Income Tax

Current income tax is recognised based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the Income Tax Act, 1961. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

b. Deferred Income Tax

Deferred tax is determined by applying the Balance Sheet approach. Deferred tax assets and liabilities are recognised for all deductible temporary differences between the financial statements' carrying amount of existing assets and liabilities and their respective tax base. Deferred tax assets and liabilities are measured using the enacted tax rates or tax rates that are substantively enacted at the Balance Sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the period that includes the enactment date. Deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Such assets are reviewed at each Balance Sheet date to reassess realisation. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Minimum Alternative Tax ("MAT") credit is recognised as an asset only when and to the extent it is probable that the Company will pay normal income tax during the specified period.

O. Impairment of Non-Financial Assets:

The Company assesses at each Balance Sheet date whether there is any indication that an asset, including intangible asset, may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is



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reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Profit and Loss Account.

Recoverable amount is determined:

- In case of an individual asset, at the higher of the assets' fair value less cost to sell and value in use; and
- In case of cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of cash generating unit's fair value less cost to sell and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specified to the asset. In determining fair value less cost to sell, recent market transaction are taken into account. If no such transaction can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit and Loss, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through the Statement of Profit and Loss.

P. Financial Instruments:

FINANCIAL ASSETS

Initial recognition and measurement

Financial assets are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Investment in Subsidiaries, Associates and Joint Ventures

The Company has accounted for its investments in Subsidiaries, associates and joint venture at cost less impairment loss (if any).



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Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

Financial assets at amortized cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate ("EIR") method. Impairment gains or losses arising on these assets are recognized in the Statement of Profit and Loss.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in the Statement of Profit and Loss. In respect of equity investments (other than for investment in subsidiaries and associates) which are not held for trading, the Company has made an irrevocable election to present subsequent changes in the fair value of such instruments in OCI. Such an election is made by the Company on an instrument by instrument basis at the time of transition for existing equity instruments/ initial recognition for new equity instruments.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are immediately recognized in statement of profit and loss.

Impairment of Financial Assets

In accordance with Ind AS 109, the Company applies the expected credit loss ("ECL") model for measurement and recognition of impairment loss on financial assets and



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credit risk exposures. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL. ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls).

De-recognition of Financial Assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralized borrowing for the proceeds received.

EQUITY INSTRUMENT AND FINANCIAL LIABILITIES

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments which are issued for cash are recorded at the proceeds received, net of direct issue costs. Equity instruments which are issued for consideration other than cash are recorded at fair value of the equity instrument.

Financial Liabilities

Initial recognition and subsequent measurement

Financial liabilities are recognized initially at fair value and in case of borrowing and



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payables, net of directly attributable cost.

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit or loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

De-recognition of Financial Liabilities

Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting Financial Liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis to realise the assets and settle the liabilities simultaneously.

Q. Current and Non-Current Classifications:

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

An asset as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Occurs primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- 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.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading



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- It is due to be settled within twelve months after the reporting period, or
- 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.

R. Borrowing Cost:

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

S. Government Grant

Governments grant are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the period that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

T. Earnings per share:

Basic earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company and weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at



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fair value (i.e. the average market value of the outstanding equity shares).

U. Trade receivables and Trade payables :

Trade receivables

A receivable is classified as a 'trade receivable' if it is in respect of the amount due on account of goods sold or services rendered in the normal course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortized cost using the EIR method, less provision for impairment.

Trade payables

A payable is classified as a 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. These amounts are unsecured and are usually settled as per the payment terms stated in the contract. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortized cost using the EIR method.



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3. Property, Plant and Equipment

(₹ in Crore)

Classification	Gross carrying amounts				Accumulated Deprecations, Amortisation and Impairment				Net carrying amounts	
	As at the beginning of financial Year	Additions	Deletions / disposals	As at the end of financial year	As at the beginning of financial Year	Charge for the Year	Deletions / disposals	As at the end of financial year	As at the end of current financial year	As at the end of previous financial year
For the year ended March 31, 2021										
LAND:										
i) FREE HOLD LAND	205.96	2.25	0.14	208.07	-	-	-	-	208.07	205.96
ii) LEASE HOLD LAND	4.94	-	-	4.94	2.05	0.07	-	2.12	2.82	2.89
iii) EARTH WORK	1,074.14	103.11	-	1,177.25	-	-	-	-	1,177.25	1,074.14
LEASE ASSETS AS PER IND AS 116:	-	-	-	-	-	-	-	-	-	-
i) LEASED ASSET VEHICLE	0.07	1.13	-	1.21	0.01	0.41	-	0.41	0.79	0.07
ii) LEASED ASSET S&T EQUIPMENT	8.67	0.14	-	8.81	2.68	2.70	-	5.38	3.43	6.00
BUILDINGS	286.46	7.68	-	294.14	75.93	4.59	-	80.53	213.61	210.52
PLANT AND EQUIPMENT	389.83	65.28	0.00	455.11	263.88	11.55	0.00	275.43	179.68	125.94
FURNITURE AND FIXTURES	5.73	0.27	0.00	6.00	2.88	0.46	0.00	3.34	2.65	2.85
VEHICLES	6.94	-	-	6.94	4.69	0.45	-	5.14	1.80	2.25
OFFICE EQUIPMENT	40.05	0.33	0.07	40.31	31.59	2.51	0.05	34.05	6.26	8.45
PWAY TRACK (RAILS,BALLAST,SLEEPERS)	929.69	12.98	0.01	942.66	546.63	21.66	0.00	568.30	374.36	383.05
BRIDGES & TUNNELS	1,676.30	-	-	1,676.30	526.58	18.04	-	544.62	1,131.68	1,149.72
ROB, RUB, FOB & FC	29.40	3.93	0.03	33.31	5.34	0.51	0.00	5.85	27.46	24.06
LOCOS & OTHERS ROLLING STOCK	37.14	0.00	-	37.15	17.41	1.54	-	18.95	18.19	19.73
TOTAL	4,695.33	197.10	0.24	4,892.19	1,479.69	64.49	0.06	1,544.12	3,348.06	3,215.64
For the year ended March 31, 2020										
LAND:										
i) FREE HOLD LAND	160.44	45.69	0.17	205.96	-	-	-	-	205.96	160.44
ii) LEASE HOLD LAND	4.94	-	-	4.94	1.97	0.07	-	2.05	2.89	2.97
iii) EARTH WORK	1,047.84	26.30	-	1,074.14	-	-	-	-	1,074.14	1,047.84
LEASE ASSETS AS PER IND AS 116:	-	-	-	-	-	-	-	-	-	-
i) LEASED ASSET VEHICLE	-	0.07	-	0.07	-	0.01	-	0.01	0.07	-
ii) LEASED ASSET S&T EQUIPMENT	-	8.67	-	8.67	-	2.68	-	2.68	6.00	-
BUILDINGS	281.87	4.58	-	286.46	71.40	4.53	-	75.93	210.52	210.47
PLANT AND EQUIPMENT	354.85	34.98	0.00	389.83	253.71	10.17	0.00	263.88	125.94	101.14
FURNITURE AND FIXTURES	4.36	1.37	-	5.73	2.43	0.45	-	2.88	2.85	1.93
VEHICLES	6.44	0.52	0.01	6.94	4.31	0.39	0.01	4.69	2.25	2.12
OFFICE EQUIPMENT	37.68	2.48	0.11	40.05	29.11	2.59	0.10	31.59	8.45	8.57
PWAY TRACK (RAILS,BALLAST,SLEEPERS)	915.72	17.05	3.09	929.69	525.01	21.63	-	546.63	383.05	390.72
BRIDGES & TUNNELS	1,676.07	0.24	-	1,676.30	508.55	18.04	-	526.58	1,149.72	1,167.52
ROB, RUB, FOB & FC	29.29	0.11	-	29.40	4.87	0.46	-	5.34	24.06	24.42
LOCOS & OTHERS ROLLING STOCK	37.06	0.08	-	37.14	15.88	1.54	-	17.41	19.73	21.18
TOTAL	4,556.56	142.15	3.39	4,695.33	1,417.24	62.56	0.12	1,479.69	3,215.64	3,139.32



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- 3.1. In accordance with the provisions of Ind AS the effect of prior period depreciation accounted for during the year is ₹0.04 Crores (₹0.58 Crores), by restating the previous year figures for the depreciation relating to FY 2019-20 and retained earnings for depreciation relating to period prior to 2019-20. Consequently the opening Gross block and depreciation block of relevant Fixed Assets has been reduced and restated.
- 3.2. Fixed assets exclude track measuring 185.275 km's (of gross value ₹131.66 Crore) was sold to consortium led by IL&FS in the F.Y. 1995-96. Subsequently the same was sold by consortium led by IL&FS to Ministry of Railways in the F.Y. 2003-04. Thereafter the same was leased back by Railways to Corporation.
- 3.3. In cases where most of the works have been completed and only some portion remain to be executed but the assets is ready for put to use, then the value of same is capitalized based on the technical assessment.
- 3.4. On all the capital cost relating to construction / erection etc. of any fixed assets involving assistance and monitoring of manpower of KRCL, the Corporation charges specified percentage of cost of project for Engineering, Electrical and S&T Department as 'Direction & General (D & G) Charges' in accordance with the Railway Board guidelines.
- 3.5. The Corporation is having the regular program for physical verification of fixed assets. Adjustment on account of discrepancy, if any, is carried out after due verification and reconciliation. However, during the current year prevailing Covid-19 issue, Corporation could not undertake physical verification of Fixed Assets.
- 3.6. Land cost includes indirect expenses incurred in the process of acquisition of land and the interest paid as per the court order in connection with enhancement of compensation of land price. Provisional advance payments consequent to awards based on certificates of Special Land Acquisition officer (SLAO) is adjusted as and when final awards and acquaintance details are certified by the SLAO's.
- 3.7. 8.50%, 2500 taxable bonds of 17-I series amounting to ₹ 250 Crores have been issued for capital projects which includes additional Stations and Looplines. The net interest during capitalization period amounting to ₹ 11.61 crore (net of interest payable ₹ 14.70 crore, interest earned ₹ 3.09 crore) on these bonds is charged to related Project in accordance with Ind AS23. Interest amounting to ₹ 5.32 Crore (₹ 2.90 Crore) on these Bonds charged to Profit and Loss during the year.



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- 3.8. Depreciation related to Asset used in USBRL Project is charged to the Project. Depreciation related to asset used for Route electrification and Doubling project is charged to respective CWIP. Total depreciation charged to the project/CWIP is ₹0.86 crore (₹0.58 crore).
- 3.9. During the course of execution of deposit work relating to development of railway facilities for the customers, certain asset are created on the land of KRCL, the cost of which is recovered from the customers. However, as per the agreement the ownership of such property always rest with the KRCL and the customer has only right to use.

As no cost is borne by KRCL such properties are continued at zero cost.



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4. Capital work-in-progress

(₹ in Crore)

Particulars	As at 31 st March 2021	As at 31 st March 2020
Closing Carrying Amount of Capital work-in-progress	1,552.98	1,182.81

- 4.1 8.50% 2500 taxable bonds of 17-I series amounting to ₹250 Crores were issued for capital projects which includes additional Stations and Looplines. Interest amounting to ₹1.21 crore (₹11.92 Crore) on these bonds is included in respective project upto end of the year in accordance with Ind AS 23 Borrowing Costs.
- 4.2 The Corporation has entered into a Rupee Term Loan Agreement for ₹1200 Crores loan for 20 years tenure on 9th April, 2017 with State Bank of India and EXIM Bank for its Route Electrification and Roha to Veer Doubling Project. The interest rate applicable is one year MCLR of SBI, with annual reset. KRCL has availed ₹927.57 crore (₹577.97 crore) as on 31st March 2021. Accordingly, interest amounting to ₹54.5 Crores, cumulative ₹88.62 Crore (₹32.52 Crore, Cumulative ₹34.12 Crores) have been charged to the project in accordance with Ind AS 23 Borrowing Costs.
- 4.3 Capital Work in Progress includes capital inventory amounting to ₹ 160.00 crore (₹32.29 Crore) Comprising of Rails, Sleepers, Cables etc.

5. Other Intangible Assets

(₹ in Crore)

Classification	Gross carrying amounts				Accumulated Amortisation and Impairment				Net carrying amounts	
	As at the beginning of financial Year	Additions	Deletions / disposals	As at the end of financial year	As at the beginning of financial Year	Charge for the Year	Deletions / disposals	As at the end of financial year	As at the end of current financial year	As at the end of previous financial year
For the year ended March 31, 2021										
PATENT	1.20	-	-	1.20	1.15	0.01	-	1.16	0.04	0.05
KNOWHOW	13.90	-	-	13.90	13.90	-	-	13.90	-	-
TOTAL	15.10	0.00	0.00	15.10	15.05	0.01	0.00	15.06	0.04	0.05
For the year ended March 31, 2020										
PATENT	1.15	0.05	-	1.21	1.15	-	-	1.16	0.05	-
KNOWHOW	13.90	-	-	13.90	13.90	-	-	13.90	-	-
TOTAL	15.05	0.05	0.00	15.10	15.05	0.00	0.00	15.05	0.05	0.00

6. Intangible Asset under Development

(₹ in Crore)

Particulars	As at 31st March 2021	As at 31st March 2020
Financial accounting software (Integrated Financial Accounting System)	0.58	0.58
Total	0.58	0.58



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Notes forming part of the Standalone Financial Statements

7. Non-Current Financial Assets : Investments

(₹ in Crore)

Particulars	As at 31 st March, 2021		As at 31 st March, 2020	
Financial Asset Measured at cost, Unquoted				
Investments in equity instruments of Associates:				
2,60,00,000 (2,60,00,000) Fully paid Equity Shares of				
Jaigarh Digni Rail Limited at par value of ₹ 10/- each		26.00		26.00
TOTAL		26.00		26.00

7.1 The Corporation has made long term equity investment in Jaigarh Digni Rail Limited (JDRL) with 26% holding and thereby, in terms of Ind-AS 28 the Corporation has significant influence in JDRL.

7.2 JDRL is a JV company in which KRCL and Maharashtra Maritime Board (MMB) holds 26% and 11 % equity respectively and balance is held by JSW Jaigarh Port Limited (JSWJPL). JDRL was formed for construction, operation and maintenance of a Railway system for providing port connectivity between Jaigad Port and Digni Railway Station on KR Route. JDRL has entered into the requisite Concession Agreement with Ministry of Railway through KRCL.

Consequent to failure of JDRL to achieve the milestone of Financial closure in terms of the Concession Agreement, KRCL had encashed the Bank Guarantee of ₹ 23.26 Crores in FY 2019-20 and has kept it as a liability pending further directions from MoR, GOI.

Further during the current period, & until the date, the facts and circumstances relating to severer dip in cargo projection, electrification costs, significant escalations in project costs due to changes in extant laws, non-commissioning of complementary rail links of Chiplun-Karad and Vaibhavwadi-Kolhapur, difficulties in effecting financial closure, non- acquisition of land, steep rise in land prices etc. have transpired the JDRL Project unviable. The second study report by PWC has fortified the fact that traffic projections are bleak, making the project unviable.

During the joint meetings of investing partners, the KRCL has expressed its concern that the KRCL being Government company, involving public money the investment of ₹ 26 Crores in the project cannot be forgone. In response to this, JSWJPL vide its letter dated 24 May 2021, has expressed its intentions to make good investment of KRCL, with a request of amicable closure of Concession Agreement and Shareholders' Agreement without any other costs, penalty or liabilities.

As at 31st March'2021, JDRL has accounted for an impairment loss on its CWIP amounting to ₹ 45.31 Crore indicating the intention of the management of the company not to continue the project. However, at the same time the JV is exploring alternative usage of the current infrastructure available / built for the railway network and have engaged experts in this field for utilization of Company assets . As such the accounts are drawn on going concern basis.

Therefore, in view of the positive net worth of the company, going concern assumptions, KRCL is already in possession of ₹23.26 crore and the offer given by M/s JSWJPL to recoup the loss of investment, if any, it is the considered opinion of the management that the investment made in M/s JDRL is intact even though the JDRL has accounted for an impairment loss and the Network of the JV company has partially eroded.

8 Non-Current Financial Assets :Loans

(₹ in Crore)

Particulars	As at 31 st March, 2021		As at 31 st March, 2020	
Financial assets measured at amortized cost				
Loans to related parties (Considered good-Unsecured)				
Konkan Railway Welfare Organisation		-		1.30
Other Loans (Considered good-Secured)				
House Building Advance		0.33		-
TOTAL		0.33		1.30

8.1 Loan given to Konkan Railway Welfare Organisation (KRWO), formed for the welfare of the employees of the Corporation, carries interest @ 7% p.a and is repayable in 7 years from the date of disbursement. The loans were disbursed during the period 2010-11 to 2014-15. The KRWO has executed mortgage deed (not registered) in favour of the Corporation for land purchased at Ulve, Suratkal, Madgaon and Ratnagiri. The loan has been classified as unsecured. Balance of KRWO are subject to confirmation.



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8.2 During the current year house building advance for construction of house was given to employees which is secured by mortgage.

9. Non-Current Financial Assets : Other Financial Assets

(₹ in Crore)

Particulars	As at 31 st March, 2021		As at 31 st March, 2020	
Financial assets carried at amortized cost				
Unsecured, considered good				
Bank deposit with remaining maturity of more than 12 months as on Balance sheet date, held as margin money or security against the bank guarantees and others.		0.20		-
Other Bank Deposits with remaining maturity of more than 12 months as on Balance sheet date		0.03		-
Interest Accrued but not due		0.02		0.52
TOTAL		0.25		0.52

10. Other non-current assets

(₹ in Crore)

Particulars	As at 31 st March, 2021		As at 31 st March, 2020	
Capital Advances				
Unsecured, considered good				
Capital Advances including Advances for Land Acquisition		49.50		35.13
Unsecured, considered doubtful				
Capital advance	0.97		0.97	
Less: Provision for Doubtful Advances	0.97	-	0.97	-
Advance other than Capital Advance				
Unsecured, considered good				
With Govt. authorities		12.88		17.87
TOTAL		62.38		53.00

11. Inventories

(₹ in Crore)

Particulars	As at 31 st March, 2021		As at 31 st March, 2020	
Valued at Lower of Cost (FIFO Basis) or Net Realisable Value (As taken, valued and certified by the Management)				
Stores and spares		38.58		38.72
Diesel		5.03		5.74
Rails (including reusable for replacement purpose)		2.71		2.97
Finished Goods (Rolling Stock - DEMU) (Refer Note No. 11.1)		-		42.25
TOTAL		46.32		89.68

11.1 Inventory of Finished good was DEMU rakes which have been exported to Nepal in the current year.

11.2 The above inventories does not include the inventories procured for project clients which are lying in the companies premises as these inventories are charged/billed to respective projects.



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Current Financial Assets

12. Investments

(₹ in Crore)

Particulars	As at 31 st March, 2021		As at 31 st March, 2020	
Unquoted, At cost				
Investments with Life Insurance Corporation (LIC) under Group Leave encashment Scheme including Life Assurance Benefits		1,537.12		910.44
TOTAL		1,537.12		910.44

12.1 Investment with Life Insurance Corporation under Group Leave encashment Scheme includes Life Assurance Benefits and is also used for general business purpose.

Current Financial Assets

13. Trade Receivables

(₹ in Crore)

Particulars	As at 31 st March, 2021		As at 31 st March, 2020	
Trade Receivables (Considered good-Unsecured)				
Traffic Earnings and other receivable		125.02		108.32
Projects Receivables		34.76		39.96
Trade Receivables which have significant increase in Credit Risk				
Traffic Earnings and other receivable	0.54		0.54	
Less: Provision for bad and doubtful debts	0.54	-	0.54	-
Projects Receivables	21.92		9.77	
Less: Provision for bad and doubtful debts	21.92	-	9.77	-
TOTAL		159.78		148.28

13.1 All trade Receivables are having uniform credit terms as agreed between parties and there is no incidence of extended credit days/terms. Hence, this does not involve any significant financing element. There are trade receivables which are not realised in time or as per the credit terms due to various reasons and it is subject to reconciliation for final settlement.

13.2 Udupi Power Corporation Ltd (UPCL), previously known as Nagarjun Power Corporation Ltd.- (NPCL) has made a Power Plant at Padubidri, Udupi. UPCL had appointed the LANCO Infratech Ltd. as their EPC Contractor/agent, and, informed KRCL, that, LANCO, on behalf of UPCL, will deal with KRCL in relation with the Railway Siding work. An amount of ₹ 12.14 Crores, is due from UPCL /LANCO Infratech Ltd. However, LANCO has gone into liquidation and official liquidator has been appointed. KRCL has filed the Civil Recovery Suit OS no. 119/2016 against UPCL (Principal Employer) and LANCO (its agent).

Appraisal of financial status in the website of LANCO shows that the realizable value of assets of LANCO is substantially less than its secured creditors and there are remote chances of recovery from LANCO. No hearing has taken place during the year. Considering the long time involved in judgement and uncertainty of realizing the amount, on a prudent basis the provision for doubtful dues is made during the year.

13.3 Project Receivables includes loss due to foreign currency fluctuation to the extent of ₹ 0.05 crore (₹ NIL).



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Notes forming part of the Standalone Financial Statements

14. Cash and Cash Equivalents

(₹ in Crore)

Particulars	As at 31 st March, 2021		As at 31 st March, 2020	
Balances with banks (of the nature of cash and cash equivalents)				
a) In Current Accounts		83.13		104.26
b) In Deposit Accounts with original maturity of less than 3 months				
i) In Autosweep Account		203.55		549.87
ii) In Fixed Deposit		2.00		2.00
Cash on hand		1.88		2.40
TOTAL		290.56		658.53

15. Bank Balances Other Than Cash and Cash Equivalents

(₹ in Crore)

Particulars	As at 31 st March, 2021		As at 31 st March, 2020	
In Deposit Accounts with original maturity of more than 3 months but remaining maturity of less than 12 months				
In Fixed Deposit		0.58		-
In Fixed Deposit held as margin money or security against the bank guarantees and others		1.22		3.75
TOTAL		1.80		3.75

Current Financial Assets

16. Loans

(₹ in Crore)

Particulars	As at 31 st March, 2021		As at 31 st March, 2020	
Financial assets measured at amortized cost				
Loans to related parties (considered good - Unsecured)				
Loans to Konkan Railway Welfare Organisation		20.33		19.03
Loans to others (considered good - Secured)				
House Building Advacne(HBA)		0.05		-
TOTAL		20.38		19.03

16.1 Loan given to Konkan Railway Welfare Organisation (KRWO), formed for the welfare of the employees of the Corporation, carries interest @ 7% p.a and is repayable in 7 years from the date of disbursement. The loans were disbursed during the period 2010-11 to 2014-15. The KRWO has executed simple mortgage deed in favour of the Corporation. The loan has been classified as unsecured.

16.2 As on 31st March, 2021 Loan amounting to ₹ 19.03 Crore (₹ 19.03 Crore) has become due on completion of seven years from the disbursement of respective loans. The management is in the process of recovery of the same.



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Current Financial Assets

17. Other Financial Assets

(₹ in Crore)

Particulars	As at 31 st March, 2021		As at 31 st March, 2020	
Unsecured, considered good				
Interest Accrued but not due on Investments and Deposits		0.06		2.25
Interest Accrued and due on Deposits		0.05		0.05
Interest Accrued on Loans (Refer note 17.1)		9.07		7.13
Other Inter Railway Financial Adjustment (IRFA) Receivables		270.69		355.31
Gratuity Receivable from LIC of India		0.51		1.23
Advances to Employees		0.16		0.18
Deposits with				
Others		0.77		0.88
Unsecured, considered doubtful				
Others	0.01		0.01	
Less: Provision for Doubtful debts	0.01	-	0.01	-
TOTAL		281.31		367.03

17.1 Interest accrued amounting to ₹ 8.46 Crore (₹ 7.12 Crore) is overdue and the management is in process of recovery from KRWO.

18. Current Tax Assets (Net)

(₹ in Crore)

Particulars	As at 31 st March, 2021		As at 31 st March, 2020	
Due from Tax Authorities				
Income Tax		3.86		15.30
TOTAL		3.86		15.30



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19. Other Current Assets

(₹ in Crore)

Particulars	As at 31 st March, 2021		As at 31 st March, 2020	
Unsecured and Considered good				
Advances other than capital advances :				
Other Advances: Project Advances		137.58		141.27
Advances to Contractors / Suppliers		5.70		4.38
Prepaid expenses		0.44		0.73
Duties and Taxes Receivable:				
a) Goods & Services Taxes (GST-ITC)	41.34		39.95	
b) Goods & Services Taxes - (GST Received in Advance)	65.21		-	
c) Income Tax	21.57		18.31	
d) Service Tax Receivable	-	128.12	0.24	58.60
Deposits with Court for				
a) land acquisition (Refer Note no 40 (ix))	6.68		6.75	
b) Tax Cases (Refer Note no 40 (vi))	10.01	16.69	10.00	16.75
Unsecured, considered doubtful				
Project Advances	11.14		5.00	
Less: Provision for Doubtful debts	11.14	-	5.00	-
Advances to Contractors / Suppliers	0.39		0.39	
Less: Provision for Doubtful debts	0.39	-	0.39	-
Recoverable from contractors / others	0.85		0.85	
Less: Provision for Doubtful debts	0.85	-	0.85	-
TOTAL		288.53		221.63



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Notes forming part of the Standalone Financial Statements

20. Equity

(a) Equity Share capital

(b) Instruments entirely equity in nature

(₹ in Crore)

Particulars	As at 31 st March, 2021		As at 31 st March, 2020	
Authorised Share Capital				
4,00,00,000 (4,00,00,000) Equity Shares of par value of ₹1000/- each		4,000.00		4,000.00
3,22,24,600 (3,22,24,600) Compulsorily Convertible Non Cumulative 20 Years Preference Shares of par value of ₹1000/- each		3,222.46		3,222.46
85,70,500 (85,70,500) Compulsorily Convertible Non Cumulative 15 Years Preference Shares of par value of ₹1000/- each		857.05		857.05
		8,079.51		8,079.51
Issued, subscribed and fully paid up Share Capital				
148,11,862 (128,30,562) Equity Shares of par value of ₹1000/- each fully paid up		1,481.19		1,283.06
(A) Total of Issued, subscribed and fully paid up Share Capital		1,481.19		1,283.06
Issued, subscribed but not fully paid Equity Share Capital				
99 (99) Equity Shares of par value of ₹1000/- each not fully paid up		0.01		0.01

20.1 The reconciliation of the number of shares outstanding is set out below :

Equity Shares

(₹ in Crore)

Particulars	As at 31 st March, 2021		As at 31 st March, 2020	
	Number of shares	Amount	Number of shares	Amount
At beginning of the year	1,28,30,661	1,283.07	1,25,95,461	1,259.55
Changes during the year: Right shares issued	19,81,300	198.13	2,35,200	23.52
At end of the year	1,48,11,961	1,481.20	1,28,30,661	1,283.07
Less: Calls in Arrears		0.01		0.01
TOTAL		1,481.19		1,283.06



KONKAN RAILWAY CORPORATION LTD.

Notes forming part of the Standalone Financial Statements

20a Instruments Entirely Equity in Nature

(₹ in Crore)

Particulars	As at 31 st March, 2021		As at 31 st March, 2020	
Preference Shares (Refer Note 20a.6)				
i) 3,22,24,600 (3,22,24,600) Compulsorily Convertible Non Cumulative 20 Years Preference Shares of par value ₹1000/- each		3,222.46		3,222.46
ii) 85,70,500 (85,70,500) Compulsorily Convertible Non Cumulative 15 Years Preference Shares of par value ₹1000/- each		857.05		857.05
TOTAL		4,079.51		4,079.51

20a.1 Rights, preferences and restrictions attached to Equity Shares

Equity Shares

The Corporation has only one class of equity shares having a par value of ₹ 1000/- each.

The Corporation was incorporated as a joint venture between the Central Government of India acting through Ministry of Railways and the participating State Governments of Maharashtra, Goa, Karnataka and Kerala to construct and operate the Konkan Railway Broad Gauge Line (KR Route). The Corporation was originally intended to be merged with Indian Railways upon completion of 15 years or as and when its loan liabilities are fully discharged, whichever is earlier. According to the initial MOU, the government of India would pay the contributions made by state governments towards equity at par, after the corporation liquidates the loan obtained for completing KR route. However, on 7th January 2009, Ministry of Railways communicated the approval of Cabinet Committee on Economic Affairs that the Corporation shall continue as a Central PSU even after discharge of its debt liabilities.

The holders of the equity shares are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their share holding at the meetings of shareholders. In the event of Liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining asset of the company after distribution of all preferential payments. The distribution will be in proportion to the number of equity shares held by the shareholders.

20a.2 Calls in Arrears

It represents outstanding call money towards equity shares from Ministry of Railways. The Issued Equity share capital of corporation is ₹1481.19 crore out of which ministry of Railways hold 52.39% of the stake i.e. ₹776.07 Crore, out of these the corporation received an amount of ₹776.06 crore towards Equity share capital and the balance amount of ₹0.01 crore is outstanding.



KONKAN RAILWAY CORPORATION LTD.

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20a.3 The details of Equity Shareholders holding more than 5% shares

Name of Shareholder	As at 31 st March, 2021		As at 31 st March, 2020	
	No. of Shares	% held	No. of Shares	% held
Ministry of Railways	77,60,677	52.39	66,93,573	52.20
Government of Maharashtra	31,13,625	21.02	28,87,424	22.50
Government of Karnataka	19,68,699	13.29	16,74,698	13.10
Government of Kerala	10,81,480	7.30	787,480	6.10
Government of Goa	887,480	5.99	787,479	6.10

20a.4 In the F.Y. 2018-19 the company has come out with the 2nd Rights Issue for ₹196 Crore to the shareholders in their existing shareholding proportion which was kept open from 1.12.2018 to 29.12.2018 (both days inclusive).

During FY 2019-20 the company has allotted shares against 2nd right issue to the tune of ₹ 23.52 Crores whereas in June'2020 the remaining shares of 2nd Right issue were allotted to the shareholder amounting to ₹ 29.40 Crores.

The Board of Director in their meeting have allowed for receiving the subscription from the shareholders even after the closure of Rights Issue.

Likewise in the F.Y. 2019-20 the Company has announced 3rd Right issue of ₹490 Crores to the shareholders in their existing shareholding proportion which was kept open for the period 16/12/2019 to 14/01/2020 (both days inclusive). During FY 20-21 the Company has allotted shares against 3rd right issue to the tune of ₹168.73 Crores whereas share application money received whose allotment is not yet initiated is ₹22.59 Crores as on 31st March'2021.

Further in the month of May' 2021, ₹ 81.31 Crores was received as share application money but allotment is not yet initiated. And balance of ₹ 217.37 Crores is not yet received from the shareholders till date.

Consequently, the Board of Director in their meeting have allowed for receiving the subscription from the shareholders even after the closure of Rights Issue.

20a.5 The reconciliation of the number of shares outstanding is set out below :

(i) Compulsorily Convertible Non-cumulative 20 Years Preference Shares

(₹ in Crore)

Particulars	As at 31 st March, 2021		As at 31 st March, 2020	
	Number of shares	Amount	Number of shares	Amount
At beginning of the year	3,22,24,600	3,222.46	3,22,24,600	3,222.46
Changes during the year	-	-	-	-
At end of the year	3,22,24,600	3,222.46	3,22,24,600	3,222.46

(ii) Compulsorily Convertible Non-cumulative 15 Years Preference Shares

(₹ in Crore)

Particulars	As at 31 st March, 2021		As at 31 st March, 2020	
	Number of shares	Amount	Number of shares	Amount
At beginning of the year	85,70,500	857.05	85,70,500	857.05
Changes during the year	-	-	-	-
At end of the year	85,70,500	857.05	85,70,500	857.05



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20a.6 The salient features of Capital Restructuring proposal as approved by Cabinet Committee on Economic Affairs and given effect to, are as follows:

The Loans provided by the Ministry of Railways along with accrued interest thereon as at 31st March, 2008 amounting to ₹ 3222.46 Crore were converted into Non-cumulative Preferential Shares redeemable at the end of 20 years.

Likewise, the Ministry of Railways has provided financial assistance amounting to ₹857.05 Crore by way of subscription to Non-cumulative Preferential Shares redeemable at the end of 15 years towards full debt servicing and 50% of the value of Bonds redeemable during financial years 2008-09 to 2010-11.

Thereafter these Non-Cumulative Redeemable 20 years/ 15 years Preference Shares totaling to ₹4,079.51 crore held in the name of Ministry of Railways are converted into Compulsorily Convertible Non-cumulative Preference Shares (CCPS) w.e.f. 31/03/2015 with the approval of competent authority. The approval of Central Government has been received on 26th December, 2017.

20a.7 There is a difference of ₹ 214.02 Crore in authorized share capital as per records of Ministry of Corporate Affairs – MCA (₹ 8293.53 Crore) and as per company's records (₹ 8079.51 Crore). At the time of increase in authorized share capital for issue of Preference Shares, based on the approval of the Cabinet Committee on Economic Affairs (CCEA) for 1st restructuring, the request for increase in Authorized Share Capital to ₹ 4293.5339 Crore was submitted to Government and resolution was passed in EGM dt.16.02.2009. Based on this Form 5 was filed with ROC for the increase in Authorised share capital. However, later the H'ble President of India approved the increase of ₹ 4079.51 Crore only. Consequently the application was given to MCA for correction / reduction in authorised share capital in line with approval of President of India. However, the same is not yet done and the Management is pursuing for the same. Alternatively management will approach to Government of India to grant approval for enhanced share capital in line with MCA.

20a.8 The details of Preference Shareholders holding more than 5% shares

(i)	Compulsorily Convertible Non-cumulative 20 Years Preference Shares	As at 31 st March, 2021		As at 31 st March, 2020	
		Number of shares	% held	Number of shares	% held
	Ministry of Railways	3,22,24,600	100	3,22,24,600	100

(ii)	Compulsorily Convertible Non-cumulative 15 Years Preference Shares	As at 31 st March, 2021		As at 31 st March, 2020	
		Number of shares	% held	Number of shares	% held
	Ministry of Railways	85,70,500	100	85,70,500	100



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Details of Preference Shares convertible into Equity shares with date of issue along with the earliest date of conversion given hereunder:-

Sr.No.	Date of issue of preference share	Amount ₹ in crore	Date of conversion to Equity Share Capital
1	30/03/2009	3,222.46	30/03/2029
2	24/12/2010	34.99	24/12/2025
3	19/11/2010	61.48	19/11/2025
4	13/07/2010	42.40	13/07/2025
5	25/05/2010	117.94	25/05/2025
6	21/04/2010	51.36	21/04/2025
7	26/02/2010	25.00	26/02/2025
8	30/11/2009	67.50	30/11/2024
9	30/10/2009	82.00	30/10/2024
10	01/10/2009	37.50	01/10/2024
11	27/05/2009	85.38	27/05/2024
12	30/03/2009	251.50	30/03/2024
	TOTAL	4,079.51	

21 Other Equity

A) Retained Earnings

(₹ in Crore)

Particulars	As at 31 st March, 2021		As at 31 st March, 2020	
Deficit in the Statement of Profit and Loss				
Balance as at the beginning of the year		(3,092.63)		(3,106.85)
Prior Period Errors		-		10.39
Restated Balance as at the beginning of the year		(3,092.63)		(3,096.47)
Add/(Less) : Profit/(Loss) for the year		(366.41)		3.84
Balance as at the end of the year		(3,459.04)		(3,092.63)

21.1 The prior period expenses and income accounted for during the year have been treated in accordance with Ind AS-8. The relevant adjustments have been made and the corresponding previous year figures have been restated, including in the retained earnings for figures prior to previous year.

As such, Income amounting to ₹8.26 Crore accounted for during the current year, were pertaining to previous year(s). Therefore as per Ind AS – 8, these prior period expenses and income have been shifted to previous year and the relevant expenses and income for previous year are restated, resulting in the reduction of Profit After Tax for previous years by ₹ 2.12 Crore. Consequently, opening Reserves and Surplus for that year have also been increased by ₹ 10.39 crore. Also Current and Non-Current Liabilities for the previous year have been restated and increased by ₹ 10.91 Crore and Current Assets for the previous year have been restated and increased by ₹2.65 Crore.

B) Other Comprehensive Income

(₹ in Crore)

Particulars	As at 31 st March, 2021		As at 31 st March, 2020	
Remeasurements of Defined Benefit Plans Obligations				
Balance as at the beginning of the year		(369.36)		(178.56)
Add/(Less) : Additions during the year		(184.70)		(190.80)
Balance as at the end of the year		(554.06)		(369.36)



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C) Share Application Money Pending Allotment

(₹ in Crore)

Particulars	As at 31 st March, 2021		As at 31 st March, 2020	
Share Application Money Pending Allotment				
Balance as at the beginning of the year		19.00		11.76
Share application money received during the financial year		201.72		30.76
Issue of Share Capital against the Share Application money		198.13		23.52
Balance as at the end of the year		22.59		19.00
Total Other Equity (A+B+C)		(3,990.51)		(3,442.99)

Non-Current Financial Liabilities

22. Borrowings

(A) Bonds:

(₹ in Crore)

Particulars	As at 31 st March, 2021		As at 31 st March, 2020	
Secured and issued through Private Placement				
7.94%, 1200 taxable bonds of ₹ 10 lakh each 19-I series redeemable on 01.10.2029 (Refer Note 22.1 (d))		120.00		120.00
7.65%, 3000 taxable bonds of ₹ 10 lakh each 18-I series redeemable on 22.09.2026		300.00		300.00
8.30%, 500 taxable bonds of ₹ 10 lakh each 17-III series redeemable on 29.04.2026		50.00		50.00
8.50%, 2500 taxable bonds of ₹ 10 lakh each 17-II series redeemable on 30.03.2026		250.00		250.00
8.50%, 2500 taxable bonds of ₹ 10 lakh each 17-I series redeemable on 25.01.2026		250.00		250.00
9.08%, 5000 taxable bonds of ₹ 10 lakh each 16-IV series redeemable on 25.09.2024		500.00		500.00
9.18%, 1100 taxable bonds of ₹ 10 lakh each 16-III series redeemable on 11.08.2024		110.00		110.00
9.15%, 1700 taxable bonds of ₹ 10 lakh each 16-II series edeemable on 21.07.2024		170.00		170.00
TOTAL (A)		1,750.00		1,750.00



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22.1

- (a) The IDBI Trusteeship Services Limited has been appointed as Trustees to the Bond Holders for all series of Bonds.
- (b) All Bonds issued by the Corporation under various Series are secured by way of pari-passu charges / mortgage created / to be created on movable / immovable assets of the Corporation.
- (c) Corporation is authorised to reissue all bonds u/s 121 of the Companies Act, 1956 (Corresponding section 73 notified under the Companies Act, 2013) after complying all the formalities required for reissue or fresh issue of bonds or both.
- (d) These bonds carry a put and call option on 01/10/2024, giving a right, to redeem the bonds before scheduled redemption date at par at the end of 5 years from the date of allotment .
- (e) In terms of Section 71 of the Companies Act, 2013 the Corporation is required to create a Debenture Redemption Reserve of an adequate amount in respect of bonds issued. However, due to accumulated losses no Debenture Redemption Reserve has been created by the Corporation.
- (f) Letter of Comfort has been given by the Ministry of Railways in respect of all the Bonds (except 17-I Series) issued for which No fees has been charged by MOR .
- (g) The bond are listed on National Stock Exchange.

22.2 Non-Current Financial Liabilities:

Borrowings:

(B) Term Loans:

(₹ in Crore)

Particulars	As at 31 st March, 2021		As at 31 st March, 2020	
Secured :				
From Banks:				
Loans from State Bank of India (SBI)		546.23		342.57
From Other Financial Institutions :				
Export-Import Bank of India		384.50		237.68
TOTAL (B)		930.73		580.25
TOTAL A+B		2,680.73		2,330.25

- (a) Konkan Railway Corporation Limited (KRCL) had entered into a Rupee Term Loan Agreement for ₹1200 crore for 20 years tenure on 9th April, 2017 with consortium of State Bank of India (lead Bank) and Export-Import Bank of India for its Route Electrification and Roha to Veer Doubling Project. The interest rate applicable is one year MCLR of SBI with annual re-set clause.
- (b) The facility is secured by way of a pari passu charge by way of hypothecation on all Fixed Assets pertaining to the project, both present and future.
- (c) The terms of loan is 20 years including moratorium period of 5 years from the first drawdown date inclusive of construction period. Interest during construction period is also financed by bank. After Construction period, interest will be paid as and when applied.



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(d) Quarterly Repayment is scheduled after moratorium period as per below mentioned schedule:

Qtr	Repayment % per Qtr	Amount in Crores (per Qtr)	Repayment % (per annum)	Amount in Crore
1-16	1.25	15.00	5.00	240.00
17-20	0.13	1.50	0.50	6.00

Bullet repayment option at the end of 10th year	NA	NA	79.50	954.00 (Lumpsum)
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In case rollover is opted Rollover amortisation schedule:

Qtr	Repayment % per Qtr	Amount in Crore	Repayment per annum %	Amount in Crore
21-56	1.88	22.50	7.50	810.00
57-60	3.00	36.00	12.00	144.00

Non-current Financial Liabilities:

23. Others

(₹ in Crore)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Lease Liability (Refer Note 46)	1.86	3.56
TOTAL	1.86	3.56

24. Non-Current Liabilities : Provisions

(₹ in Crore)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Provision for employee benefits		
Compensated Leave Absences (Refer Note 24.2)	229.47	173.54
Employee Pension Scheme (Refer Note 24.1)	421.12	227.22
Gratuity (Refer Note 24.1)	76.17	36.90
Post Retirement Medical Benefits	15.78	14.72
TOTAL	742.54	452.38

24.1 Net of the amount of Investments held by KRCL Employees Super Annuation Trust and KRCL Employee's Gratuity Trust.



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24.2 Leave Encashment: It represents un-availed leave to the credit of the employee and carried forward in accordance with leave rules of the Corporation. As per KRCL Circular no. CO-13011(11)/1/2019-PERS dtd 29.06.2020, as an austerity measure due to COVID-19, leave balance of each employee as of 31st March 2020 was reduced by 30 days except for the employees who were on deputation or who were having KRCL service of 10 years or less or those who were having less than 60 days leave as on 31st March 2020. 30 days leave adjustment for employees having less than 60 days as on 31st March 2020 was adjusted during FY 2020-21.

25. Other non-current liabilities

(₹ in Crore)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Deferred government grant	30.09	28.07
Deposits from contractors & Others	16.55	4.13
TOTAL	46.64	32.20

- 25.1 Government Grant includes grant received from Ministry of Tourism for Station development for passenger amenities including interest earned on the same and Grant received from MP LAD Fund.
- 25.2 In the year 2019-20, KRCL had received ₹ 17.64 Crore from Ministry of Railways under Nirbahaya Fund for installing CCTV cameras at various stations in KR route out of which ₹ 2.27 crore (₹ 6.49 Crore) is appropriated during the year. The remaining balance of ₹ 8.89 crore (₹ 11.15 Crore) is included above.
- 25.3 During the year KRCL has received ₹ 3.63 crore from Goa PWD for construction of RUB in lieu of LC-45 on cost sharing basis.

26. Borrowings

(₹ in Crore)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Unsecured Loan		
Repayable on Demand		
ICICI BANK	75.00	-
AXIS BANK	73.96	-
TOTAL	148.96	-

- 26.1 The loan is having tenure of 1 year with an option of early payment.
- 26.2 The rate of interest in respect of Axis Bank was 5.25% and in case of ICICI Bank the interest rate was in range of 5.25% to 5.75%.

Current Financial Liabilities

27. Trade Payables

(₹ in Crore)

Particulars	As at 31 st March 2021	As at 31 st March 2020
Contractors	102.93	80.05
Contractors - Project	100.62	174.92
Railways	600.87	685.67
Project Payables	33.60	86.68
TOTAL	838.02	1027.32
Details relating to micro, small and medium enterprises (Refer Note No. 27.1)		
(a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;	-	-
(b) 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;	-	-



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(c) 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.	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(e) 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.	-	-
Explanation.- The terms 'appointed day', 'buyer', 'enterprise', 'micro enterprise', 'small enterprise' and 'supplier', shall have the same meaning as assigned to them under clauses (b), (d), (e), (h), (m) and (n) respectively of section 2 of the Micro, Small and Medium Enterprises Development Act, 2006.		

- 27.1 Purchase orders to MSME parties are separately identified and processed for payment to avoid delay in payment. There is no demand/complain from MSME parties for non receipt of payment or interest on delayed payment.
- 27.2 There is no incidence of extended credit terms with reference to Trade Payables.
- 27.3 Trade payable includes ₹ 600.87 Crore in respect of amount due to railways, out of which includes old outstanding of ₹ 365.12 Crores which is payable for more than 1 year and includes old outstanding of ₹ 167.25 Crores which is payable for more than 3 years.

Current Financial Liabilities

28. Other Financial Liabilities

(₹ in Crore)

Particulars	As at 31st March 2021	As at 31st March 2020
Interest accrued but not due		
On Bonds	61.72	61.70
On Loans From Financial Institution & Banks	2.54	1.69
Employee payable	32.96	58.33
NPS Payable	2.96	4.86
Expenses Payable	53.99	37.49
Other Payables		
For Capital Works	52.87	1.95
To Associates (Refer 28.1)	23.26	23.26
For Others (Refer 28.2, 28.3)	79.29	114.09
Deposits from		
Contractors & Others	173.90	240.68
Associates	5.00	5.00
Lease Liability (refer Note 46)	3.04	2.92
TOTAL	491.53	551.97



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- 28.1 The amount of other Payables includes amount of Bank Gurantee encashed relating to Jaigarh Digni Rail Limited (JV) consequent to non-achievement of milestone of financial closure as detailed in Note 7.2.
- 28.2 Deposits from contractors & others for Project includes an amont of ₹ 25 Crore received from RDSO for research and development of SKY Bus Technology which is refundable as per the letter received from Railway Board vide no 2K/Proj/SBM/1/1Pt. dated 26/10/2015.
- 28.3 Deposits from contractors & others for Project includes an amont of ₹ 21.47 Crore forfeited from the parties related to USBRL project. The same needs to be refunded to Northern Railway once the arbitration proceddings related to this are completed in all respects.

29. Other Current Liabilities

(₹ in Crore)

Particulars	As at 31st March 2021	As at 31st March 2020
Revenue received in advance	-	0.50
Advance related to Projects (Refer note 29.1)	932.22	489.97
From Associates	0.49	0.80
Duties and Taxes Payable		
a) Goods & Services Taxes(GST)	81.78	27.71
b) Goods & Services Taxes - Tax Deducted Source (GST - TDS)	5.35	4.63
c) Income Tax Deducted at Source	3.67	7.37
d) Labour Cess	2.87	2.11
Deferred government grant	2.19	2.19
TOTAL	1,028.57	535.28

- 29.1 Pending verification of the impact of GST in respect of contract awarded for USBRL Project in the pre GST regime involving excise and Service Tax, certain percentage of deductions from the bill of sub contractors are kept in Advance related to Projects to the tune of ₹ 59.82 Crore.



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30. Current liabilities : Provisions

(₹ in Crore)

Particulars	As at 31st March 2021	As at 31st March 2020
Provision for employee benefits		
Employee Pension Scheme*	47.71	41.35
Gratuity*	15.85	13.83
Compensated Leave Absences	7.53	5.82
Post Retirement Medical Benefits	0.19	0.02
TOTAL	71.27	61.02

*Net of the amount of Investments held by KRCL Employees Super Annuation Trust and KRCL Employee's Gratuity Trust.

Leave Encashment: It represents un-availed leave to the credit of the employee and carried forward in accordance with leave rules of the Corporation. As per KRCL Circular no. CO-13011(11)/1/2019-PERS dtd 29.06.2020, as an austerity measure due to COVID-19, leave balance of each employee as of 31st March 2020 was reduced by 30 days except for the employees who were on deputation or who were having KRCL service of 10 years or less or those who were having less than 60 days leave as on 31st March 2020. 30 days leave adjustment for employees having less than 60 days as on 31st Marh 2020 was adjusted during FY 2020-21.

Revenue From Operations

Sale of Services:

31. Traffic Revenue

(₹ in Crore)

Particulars	For the Year Ended	
	31st March, 2021	31st March, 2020
Passenger	192.55	670.77
Other Coaching Revenue	8.15	10.01
Goods	385.55	438.07
Sundry Revenue	2.39	7.87
TOTAL	588.64	1,126.72

31.1 Refer Note No.57.



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32. Project Revenue

(₹ in Crore)

Particulars	For the Year Ended	
	31st March, 2021	31st March, 2020
Udhampur Srinagar Baramulla Rail Link (USBRL) Project	827.21	1,280.51
NTPC Kudgi	23.25	11.71
NTPC Gadawara	23.63	114.95
Other Projects	99.80	94.39
TOTAL	973.89	1,501.56

32.1 Refer Note No.57.

32.2

- (a) The Contract agreement between the Corporation and Northern Railway for the execution of USBRL Project was initially upto 15.08.2007 and validity of the contract was extended upto 31.03.2021. The corporation has applied for the further extension.
- (b) In terms of the contract between the Corporation and Northern Railway for execution of USBRL Project, monthly account statements are being submitted by the Corporation in the mutually agreed proforma incorporating all the expenses and 10% profit. So far there is no disallowances of any item of expenditure. Disallowance if any will be incorporated in the accounts on its occurrence.

NTPC Kudgi Project and NTPC Gadawara Project was awarded to KRCL on bidding basis. KRCL is eligible for management fees of certain percentage of the estimated cost of the works and the expenses other than project related, like Salary, Administrative expenses are to be borne by the corporation.

33. Other Operating Revenue:

(₹ in Crore)

Particulars	For the Year Ended	
	31st March, 2021	31st March, 2020
Other Operating Revenue	11.69	6.96
Other Miscellaneous Income	2.12	7.44
TOTAL	13.81	14.40



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34. Other Income

(₹ in Crore)

Particulars	For the Year Ended	
	31st March, 2021	31st March, 2020
Interest on Investments and Fixed Deposits*	75.89	68.73
Interest on Loans*	1.44	1.42
Revenue from Government Grant (Refer Note 34.2)	2.33	6.54
Other income	0.19	4.33
Profit on Sale of Asset	0.01	0.00
Excess provision of earlier years written back (net) (Refer Note 34.1)	1.08	11.10
TOTAL	80.94	92.12

* Interest is calculated using the effective interest method for financial assets which are measured at amortized cost.

34.1 The Other Income of previous year on account of "excess provision of earlier years written back" includes reversal on account of Indian Railway Financial Adjustment (IRFA) charges, due to full and final settlement of Account of respective years.

34.2 The Revenue from Government grant includes amount received from Nirbhaya Fund worth ₹ 2.27 Crore (₹6.49 Crore) utilised for installation of CCTV Surveillance System.

Cost of Operation:

35. Train Operation Expenses

(₹ in Crore)

Particulars	For the Year Ended			
	31st March, 2021		31st March, 2020	
Fuel expenses		152.81		269.73
Hire Charges of Rolling Stock		89.17		173.59
Electricity and Water Charges		4.75		7.53
Catering Expenses		-		7.21
Repair and Maintenance				
Permanent Way	54.86		81.84	
Station and Other Buildings	3.80		9.56	
Plant and Equipments	9.87		16.18	
Bridges & Tunnels	9.57		5.52	
Rolling Stock	4.55	82.65	10.45	123.55
TOTAL		329.38		581.61



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36. Project Cost

(₹ in Crore)

Particulars	For the Year Ended			
	31st March, 2021		31st March, 2020	
Udhampur Srinagar Baramulla Rail Link Project				
Payment to contractors	704.08		1112.30	
Establishment charges	17.68		37.37	
Other than Establishment charges	34.46	756.22	18.86	1,168.53
NTPC Kudgi				
Payment to contractors	22.93		11.09	
Establishment charges	0.23		0.35	
Other than Establishment charges	0.08	23.24	0.19	11.63
NTPC Gadawara				
Payment to contractors	20.46		106.10	
Establishment charges	2.20		2.34	
Other than Establishment charges	0.31	22.97	0.20	108.64
Other Projects				
Payment to contractors	33.95		121.78	
Establishment charges	1.92		2.65	
Other than Establishment charges	1.22	37.09	1.11	125.54
TOTAL		839.52		1,414.34

Project Cost includes loss due to fluctuation in foreign currency to the extent of ₹0.52 Crore (₹ NIL).

37. Change in Inventory of Finished Goods

(₹ in Crore)

Particulars	As at 31st March 2021	As at 31st March 2020
Opening Inventory of Finished Goods	42.25	-
Less Closing Inventory of Finished Goods	-	42.25
Total	42.25	(42.25)

Inventory of Finished good was DEMU rakes which have been exported to Nepal in the current year.



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38. Employee benefits expenses

(₹ in Crore)

Particulars	For the Year Ended			
	31st March, 2021		31st March, 2020	
Salaries and wages*				
Salary and wages	384.67		412.38	
Compensated Leave Absences	58.85	443.52	20.85	433.23
Contribution to Provident Fund and Other Fund				
Employee Pension Scheme	54.74		36.17	
Gratuity	15.11		13.54	
Contribution to Provident Fund and NPS (Refer Note No.36.6)	16.70	86.55	15.11	64.82
Staff Welfare Expenses				
Staff Welfare Expenses	25.49		28.62	
Post Retirement Medical Benefits	1.11		5.62	
Cash Awards	0.12		0.60	
Training Expenses	0.10		1.55	
Foreign Service Contribution	1.16	27.98	0.81	37.10
TOTAL		558.05		535.15

38.1 The High Court of Bombay in April 2008 exempted the Corporation from the purview of Employees Provident Fund and Miscellaneous Provisions Act, 1952 and permitted the Corporation to maintain its own provident fund and pension scheme. Accordingly, Pension was restored as per Railway Service (Pension) Rules, 1993 and it is managed by erstwhile 'Konkan Railway Corporation Employees Superannuation Trust' through Life Insurance Corporation of India.

However, the employees those who have joined on or after 1.1.2004 are continued to be governed by the 'Contributory Pension Scheme' as announced by the Government of India.

38.2 An amount ₹ 1.46 crore (Previous year ₹ 1.19 crore) has been deducted from Salary, Wages and Allowance etc. and charged to Capital/Deposit Work on account of Direction & General/Establishment expenses.

38.3 Out of Actuarial Expenses charged, Pension Expense ₹ 1.30 Crores (₹ 0.86 Crores), Gratuity Expenses ₹ 0.26 Crores (₹ 0.23 Crores), Compensated Leave Absences Expenses ₹ 1.03 Crores (₹ 0.67 Crores) and PRMS expenses ₹ 0.20 Crores (₹ 0.03 Crores) have been charged to USBRL Project.

38.4 Employees Contribution for National Pension System (NPS) is deducted at 10% Whereas as employer contribution is made at the rate of 14%.

38.5 Disclosures for Employee benefit expenses as per Ind-AS 19 are given below :



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(A) Defined Contribution Plan :

- (i) The employees joined on or after 1.1.2004 are governed by the Contributory Pension Scheme introduced by Government of India. The Corporation is contributing an amount equal to the contribution made by the employees to the fund and there is no further liability on this account.
- (ii) Contribution to defined contribution plan, recognised as expenses for the year is as under (₹ in Crore)

Particulars	For the Year Ended	
	31st March, 2021	31st March, 2020
Employer's Contribution to Provident Fund	0.02	0.08
Employer's Contribution to Pension Fund (Post 2004)	16.14	14.29

(B) Defined Benefit Plan :

- (i) Gratuity: The employees' gratuity fund scheme managed by a Trust, is a defined benefit plan. The present value of obligation is determined based on the actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. Represents benefits to employee on the basis of number of years of service rendered. The employee is entitled to receive the same on retirement or resignation. The Corporation has formed a trust for gratuity, which is funded by the Corporation. However the funding to Gratuity fund as required by actuary valuation is partly funded.
- (ii) Leave Encashment: It represents un-availed leave to the credit of the employee and carried forward in accordance with leave rules of the Corporation. As per KRCL Circular no. CO-13011(11)/1/2019-PERS dtd 29.06.2020, as an austerity measure due to COVID-19, leave balance of each employee as of 31st March 2020 is reduced by 30 days except for the employees who are on deputation or who are having KRCL service of 10 years or less or those who are having less than 60 days leave as on 31st March 2020. 30 days leave adjustment for employees having less than 60 days as on 31st March 2020 was adjusted during FY 2020-21.
- (iii) Pension : It represents benefits to employees joined prior to 1.1.2004 on the basis of rules framed in the Employees Pension Scheme Rules as under:
- a Retirement pension on normal retirement at age of superannuation.



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50% of the average emoluments received during the past 10 months or the pay last drawn whichever is more beneficial to the retiring employee subject to completion of minimum pensionable service of 10 years.

b. No pension benefits accrue on exits before Normal Retirement age (except in case of approved Voluntary Retirement).

c. In-service death benefit to spouse:

There is no qualifying period of minimum service prescribed – Family Pension @30% of last drawn salary subject to Minimum of Monthly amount of ₹ 9,000/- and a maximum of ₹ 1,25,000/- is payable to spouse/eligible person as per Indian Railway Pension Rule, 1993. However for the first 10 years from date of death, Enhanced Family Pension @50% of last drawn salary, will be payable.

d. Benefit to Family on death of member while receiving pension:

Family pension as defined above shall be payable to the family. However until 7 years from the date of death or up to his age of 67 years whichever is less, Enhanced Family Pension as defined above shall be payable.

e. For all Pension payments DA is allowed for at an appropriate rate consistent with the rates declared by the Corporation.

Voluntary Retirement Scheme:

The Corporation has implemented the Voluntary Retirement Scheme (VRS) as applicable to Central Government employees and Railway employees w.e.f.01.06.2016.

(iv) The Company has introduced in 2018-19, Post Retirement Medical Benefit Plan for Employees including their spouse at superannuation/death/VRS/Medically invalidation against one time contribution equivalent to the last month's basic pay at the time of retirement as per KRREHS Policy.



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(C) INDIAN ACCOUNTING STANDARDS (IND AS): 19 - Employee Benefits

The following table sets out the status of the defined benefit Pension Plan, Gratuity Plan and Leave Salary Plan as required under Ind AS 19:

(₹ in Crore)

Particulars	Funded Pension		Funded Gratuity		Unfunded PRMS		Unfunded Leave Salary	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Reconciliation of opening and closing balances of Defined Benefit Obligation								
Defined benefit obligation at the beginning of the year	870.63	648.60	244.78	203.23	4.04	2.03	179	161.17
Adj. to PVO at the beginning of the year	-	-	-	-	-	-	-	-
Current Service Cost	39.14	30.97	12.46	11.73	12.05	2.02	7.33	6.45
Interest Cost	59.00	48.82	16.36	15.09	-	-	12.00	11.99
Components of actuarial gain/losses on obligations	-	-	-	-	-	-	-	-
Due to change in financial assumptions	139.20	107.40	33.69	15.72	-	-	47.61	13.27
Due to change in demographic assumptions	-	1.18	-	(0.88)	-	-	-	(0.13)
Due to experience adjustments	23.10	60.34	(8.79)	3.84	-	-	(7.06)	(10.05)
Actuarial losses (gains)	162.30	168.91	24.90	18.68	-	-	40.55	3.08
Past service cost	-	-	-	-	-	-	-	-
Benefits paid	(17.13)	(26.67)	(3.63)	(3.94)	-	-	(2.24)	(3.32)
Defined benefit obligation at the year end	1113.95	870.63	294.87	244.78	16.10	4.04	237.00	179.36
Reconciliation of opening and closing balances of Fair Value of Plan Assets								
Fair value of plan assets at the beginning of the year	600.72	535.77	194	174.18	-	-	-	-
Interest Income	42.10	41.41	13.39	13.34	-	-	-	-
Contributions by employer	16.15	52.18	-	12.00	-	-	-	-
Benefit Paid	(17.13)	(26.67)	(3.63)	(3.94)	-	-	-	-
Return on plan assets excluding amounts included in interest income	3.28	(1.97)	(0.79)	(1.23)	-	-	-	-
Fair value of plan assets at the year end	645.12	600.72	203.33	194.35	-	-	-	-
The actual return on plan asset is Rs.	45.38	39.44	12.60	12.11	-	-	-	-
Reconciliation of present value of the obligation and fair value of the plan assets								
Present Value of Funded obligation at the year end	1113.95	870.63	294.87	244.78	-	-	-	-
Present Value of Unfunded obligation at the year end	-	-	-	-	16.10	4.04	237.00	179.36
Fair Value of Plan assets at the year end	645.12	600.72	203.33	194.35	-	-	-	-
Amount Recognised in the Balance Sheet	468.83	269.91	91.55	50.43	16.10	4.04	237.00	179.36
Composition of plan assets								



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(₹ in Crore)

Particulars	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Policy of insurance	100.00%	100.00%	100.00%	100.00%				
Net Cost recognised in Statement of Profit and Loss (Under the head "Employee Benefit Expenses" - Refer note no.36)								
Current Service Cost	39.14	30.97	12.46	11.73	12.05	2.02	7.33	6.45
Interest Cost	59.00	48.82	16.36	15.09	-	-	12.00	11.99
Past service cost	-	-	-	-	-	-	-	-
Interest Income	(42.10)	(41.41)	(13.39)	(13.34)	-	-	-	-
Due to change in financial assumptions	-	-	-	-			47.61	13.27
Due to change in demographic assumptions	-	-	-	-			-	(0.13)
Due to experience adjustments	-	-	-	-			(7.06)	(10.05)
Total cost considered as Employee Benefit expenses	56.04	38.38	15.43	13.48	12.05	2.02	59.88	21.52
Other Comprehensive Income Other Comprehensive Income at the beginning of the year	316.44	145.55	52.92	33.01				
Components of actuarial gain/losses on obligations	-	-	-	-				
Due to change in financial assumptions	139.20	107.40	33.69	15.72				
Due to change in demographic assumptions	-	1.18	-	(0.88)				
Due to experience adjustments	23.10	60.34	(8.79)	3.84				
Actuarial (Gains)/Losses on Obligation	162.30	168.91	24.90	18.68				
Return on plan assets excluding amounts included in interest income	(3.28)	1.97	0.79	1.23				
Other Comprehensive Income at the end of the year	475.46	316.44	78.60	52.92				
Reconciliation of opening and closing net liability recognized in Balance Sheet Net Liability at the beginning of the year	270	112.83	50	29.04	4.04	2.03	179	161.17
Expenses as recognized in profit and loss account	56.04	38.38	15.43	13.48	12.05	2.02	59.88	21.52
Other Comprehensive Income for the current period	159.02	170.88	25.69	19.91				
Expenses deducted from the fund	-	-	-	-	-	-	-	-
Benefits paid by the Company	-	-	-	-	-	-	(2.24)	(3.32)
Employers Contribution	(16.15)	(52.18)	-	(12.00)	-	-	-	-
Net liability/(Asset) recognized in Balance Sheet at the year end	468.83	269.91	91.55	50.43	16.10	4.04	237.00	179.36
Principal Actuarial Assumptions: - Discount Rate	6.95%	6.80%	6.45%	6.80%	6.95%	6.80%	6.45%	6.80%
Salary Escalation	7.00%	7.00% p.a for next 2 years & 5.00% p.a thereafter	7.00%	7.00% p.a for next 2 years & 5.00% p.a thereafter	7.00%	7.00% p.a for next 2 years & 5.00% p.a thereafter	7.00%	7.00% p.a for next 2 years & 5.00% p.a thereafter



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(₹ in Crore)

Particulars	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Pension growth rate	2.50%	2.50%	NA	NA	NA	NA	NA	NA
Withdrawal rates at all stages	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%
Sensitivity to key assumptions								
Discount rate + 0.5%	1,024.31	801.01	282.42	234.14			225.18	18.64
Discount rate - 0.5%	1,246.26	958.96	308.15	256.14			249.76	206.46
Salary growth rate + 0.5%	1,176.10	928.27	301.17	251.40			249.63	206.57
Salary growth rate - 0.5%	1,054.20	813.79	288.39	237.61			225.18	186.27
Expected Post employment term of the obligation	19.37	24.87	9.71	10.18	15.27	16.61	9.71	10.18
Expected future cashflows from the plan								
We have not considered the future accrual while computing the cashflows.								
1st Year	1.06	5.19	11.91	8.41			7.53	5.82
2nd Year	1.48	7.56	12.04	10.14			7.36	5.79
3rd Year	1.61	10.39	16.30	11.62			10.38	7.13
4th Year	1.76	12.21	19.43	15.44			12.72	9.92
5th Year	1.85	15.85	25.94	17.95			16.72	11.72
6th to 10th Year	13.32	147.11	190.33	160.43			138.24	108.73

39. Finance costs

(₹ in Crore)

Particulars	For the Year Ended	
	31st March 2021	31st March 2020
Interest on		
Bonds (Refer note 39.1)	134.28	130.72
Loan from Financial Institution & Banks (Refer Note 39.3)	2.86	-
Management Fees on Bonds Issued including service charges	0.24	0.36
Other Interest (Refer Note 39.2)	0.15	0.19
Finance Charges on Lease Assets	0.50	0.63
TOTAL	138.03	131.90

* Interest is calculated using the effective interest method for financial assets which are measured at amortized cost



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39.1 8.50%, 2500 taxable bonds of 17-I series amounting to ₹250 Crores have been issued for capital projects which includes additional Stations and Looplines. Hence interest amounting to ₹12.83 crore (interest payable ₹ 21.25 crore net-off interest earned ₹3.09 crore) on these bonds have been charged to Project of Roha-Veer Doubling and Project of additional looplines and new crossing stations in accordance with Ind AS 23 Borrowing Costs. Interest amounting to ₹5.32 Crore on these bonds charged to Profit and Loss.

39.2 Other Interest includes ₹ 0.14 Crore (₹ 0.065 Crore) on account of interest paid on arbitration awards during the current financial year.

39.3 Interest on Rupee Term Loan from State Bank of India and Export-Import Bank of India for its Route Electrification and Roha to Veer Doubling Project. Interest amounting to ₹54.50 Crore (₹ 32.52 Crore) have been charged to the project in accordance with Ind AS 23 Borrowing Costs.

40. Others Expenses

(₹ in Crore)

Particulars	For the Year Ended	
	31st March 2021	31st March 2020
Rent for Residential buildings	0.48	0.42
Rent for Office buildings	0.91	0.93
Telephone and Communications	0.46	0.52
Vehicle Expenses	0.89	0.86
Vehicle Hiring Expense	1.72	3.00
Corporate Social Responsibility Expenses (refer Note No. 54)	1.70	1.51
Legal Expenses	0.40	0.48
Advertisement & publicity	0.30	1.27
Payment to Auditors	0.18	0.16
Travelling expenses	14.85	18.22
Commission	0.22	0.62
Insurance	0.24	0.28
Indirect Tax	0.09	0.46
Repairs and Maintenance-Staff Qtrs, Office Building	1.62	4.23
Electricity and Water Charges : Qtrs. and Admin Building	2.03	2.28
Other Sundry Expenses	8.44	12.81
Provision for Doubtful Debts	18.28	0.17
Loss on Sale of Asset	0.00	0.01
TOTAL	52.84	48.23



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41. Provision for Contingencies

- i. As per the terms and conditions of project, the corporation is required to make good, the defects in the project work undertaken for defined period of time depending on the terms specified in the MOU/Agreement.
- ii. However, the Corporation stipulates similar condition to the sub-contractor and retains the Security Deposit/ obtains the financial guarantees. As such, management is of the view that there would not be any major financial impact on account of the same and no provision is required to be made in accordance with IND-AS 37 on "Provision, Contingent Liabilities and Contingent Assets."

42. Contingent liabilities and Contingent Asset:

Claims/Disputed liabilities not acknowledged as debt:

- i. Against the court cases/arbitration proceeding relating to USBRL project, if any liability arises, then as per the MOU between Northern Railway (NR) and KRCL the same will be absorbed by NR. In case of any dispute between KRCL & NR on said claim, the same will be decided under Arbitration between NR & KRCL. Even if it is to be shared by KRCL as per the outcome of Arbitration, the liability of KRCL should be limited to 80% of the total profit of the project of that year.

As such no contingent liability has been considered against the Arbitration claims settled by KRCL upto 31st March 2021 amounting to ₹51.52 Crores (₹30.12 Crores) charged to project and accepted by Northern Railway. Similarly, claims of ₹882.52 Crores (₹907.17 Crores) under Arbitration and Court case related to USBRL Project, in case of an adverse outcome of cases, these claims also will be chargeable to the Projects. No contingent liability arises until the claims settled by KRCL are disputed by Northern Railway (NR).

- ii. Apart from above, the claims by contractors against the Corporation pending under Arbitration are ₹19.80 Crores (₹30.78 Crores). Besides this, against the arbitration award to the tune of ₹12.44 Crores (₹11.40 Crores) the corporation has preferred an appeal in the Court.
- iii. An agreement of collaboration for manufacturing, installation, commissioning and maintaining of Networked ACDs for use on Railways was awarded to M/s Kernex Microsystems (India) Ltd. In connection with the execution of the said agreement M/s Kernex Microsystems (I) Ltd. has raised claim of ₹350 Crores (₹350 Crores) against KRCL through arbitration. At present, the petition is pending in the Mumbai High Court for appointment of arbitral tribunal.
- iv. Assessment of Income Tax for the Financial Year 2007-08 to 2016-17 are pending at various level of Appellate Authority. However, considering the past Assessment and existing substantial carry forward un-absorbed Depreciation loss of ₹ 1146.63 crore (₹ 1372.65 Crore), there will not be any impact on financials of the company.



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- v. Against the demand of the Service Tax Department of ₹ 704.40 Crore (including penalty of ₹ 314.09 Crore, excluding interest) for the period from 2009-10 to 2014-15, the corporation has filed a writ petition with CESTAT, Mumbai on 28th August 2019 as per the directive of High Court, Mumbai challenging the same as unconstitutional and against the service tax law being double taxation on business transaction between KRCL and Indian Railways. Against the same the Corporation has deposited ₹ 10 Crore with the court.
- vi. Further, Asst. Commissioner, CGST & Central Excise has confirmed demand for excess availment of CENVAT credit as per rule 6 of CCR 2004 of ₹ 0.08 Crores and Service Tax liability on Advance for works contract of ₹ 0.03 Crores, for FY 2017-18, apart from 100% penalty and Interest. The same has been contested with Commissioner (Appeals), who upheld the order of Asst. Commissioner. Now the Corporation has filed an appeal on 14.06.2021 with CESTAT, Mumbai by depositing tax amount as Demand under protest.
- vii. Further, vide order received on 01.04.2021, Commissioner, CGST & Central Excise has confirmed demand of ₹ 15.27 Crores apart from 100% penalty and Interest thereon for Service Tax liability on NTPC Kudgi & Gadawara project for period Apr'2015 to Jun'2017. The Corporation has preferred an appeal to CESTAT, Mumbai.
- viii. The TRACES Portal of Income tax department shows demand of ₹ 0.26 Crore (₹ 0.60 Crore) including interest. The same is on account of mismatch in credit of TDS paid due to certain punching error. The management affirms the rectification of above-mentioned amount.
- ix. There is demand of ₹ 19 crore (₹ 19 crore) towards Value Added tax by the department of Commercial tax for work of Road Over Bridge (ROB) executed in Jharkhand state which has been challenged by the Corporation.
- x. 81 (103) cases relating to land have been filed by the landowners in several Courts for revision of amount of the award passed by the concerned SLAOs of the respective State Governments involving amount of ₹ 11.33 Crore (₹ 12.79 Crores) (approx.). The Corporation has deposited ₹ 6.68 Crore (₹ 6.75 Crore) with the Court including Interest.
- xi. 458 (458) cases have been filed for enhance Land Compensation payable to claimants under section 28A of Land Acquisition Act, 1894 having financial implication of ₹ 86.91 Crores (₹ 86.91 Crores).
- xii. Total 68(69) personal claims pertaining to railway accidents are pending with Tribunal amounting to ₹ 5.44 Crore (₹ 5.52 Crore).

Contingent Asset: NIL



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43. Capital and Revenue Commitments

Estimated amount of contracts remaining to be executed on account of capital not provided for, are ₹423.35 Crores (₹ 618.27 Crores).

Revenue commitment

Estimated amount of contracts remaining to be executed on account of revenue not provided for, are ₹ 3884.08 Crore (₹ 3258.13 Crore).

44. Operating Segment Reporting

- i. As per Ind-AS 108 an operating segment is a component of an entity:
 - a) that engages in business activities from which it may earn revenues and incurred expenses.
 - b) whose operating results are regularly reviewed by the Competent Authority to make decisions about resources to be allocated to the segment and assess its performance, and
 - c) for which discrete financial information is available.
- ii. Based on above, the Corporation has two operating segments, i.e. (i) Traffic & (ii) Project; required disclosures are made for the same in the financial statements.
- iii. Segment revenue and expenses directly identifiable / allocable to the segment are classified accordingly. The expenses relating to the specific projects are chargeable to the related project cost as per the terms of contract. Due to which the major portion of the common expenses are considered as attributable to the Open line, and allocated to Traffic Earnings. Segment assets and liabilities include those directly identifiable with the respective segments.

Information in accordance with Ind-AS 108 on Operating Segments for the Year ending 31.03.2021

(₹ in Crore)

Primary Segments	Traffic		Projects		Total	
Particulars	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
REVENUE						
External Revenue	602.33	1,139.81	974.02	1,502.86	1,576.35	2,642.68
Inter Segment Revenue				-		-
Total Revenue	602.33	1,139.81	974.02	1,502.86	1,576.35	2,642.68
RESULT						
Segment result	(337.94)	(25.18)	134.50	88.52	(203.44)	63.35
Unallocated Expenses	-	-	-	-	-	-
Operating Profit	(337.94)	(25.18)	134.50	88.52	(203.44)	63.35
Finance Income	79.62	76.46	0.02	0.23	79.66	76.69
Other Income	1.28	15.43	0.00	-	1.28	15.43



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Primary Segments	Traffic		Projects		Total	
Particulars	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Finance charges	138.03	131.89	-	-	138.03	131.90
Change in inventory of Finished Goods	-	-	42.25	(42.25)	42.25	(42.25)
Depreciation/Amortization	63.34	61.67	0.30	0.31	63.63	61.98
Income Taxes(Wealth Tax/FBT)	-	-	-	-	-	-
Profit from ordinary activities	(458.41)	(126.86)	91.98	130.69	(366.41)	3.84
Exceptional Items	-	-	-	-	-	-
Net Profit	(458.41)	(126.86)	91.98	130.69	(366.41)	3.84
OTHER INFORMATION						
Segment Assets	4,912.79	4,832.45	2,707.51	2,083.92	7,620.30	6,913.57
Unallocated Corporate Assets	-	-	-	-	-	-
Total Assets	4,912.79	4,832.45	2,707.51	2,083.92	7,620.30	6,913.57
Segment Liabilities	3,669.87	3,316.61	2,380.25	1,688.43	6,050.12	4,993.99
Unallocated Corporate Liabilities	-	-	-	-	-	-
Total Liabilities	3,669.87	3,316.61	2,380.25	1,688.43	6,050.12	4,993.99
Depreciation and Amortisation	63.34	61.67	0.30	0.31	63.63	61.98

45. Related Party Disclosures: -

The Corporation being a Government related entity is exempt from the general disclosure requirements in relation to related party transactions and outstanding balances with the controlling Government and another entity under same Government. The related disclosure in accordance with para 26 of IND AS 24 are given hereunder.

- 45.1 Government of India (acting through Ministry of Railways -MOR) is holding 52.39% of equity shares and State Govt. of Maharashtra, Goa, Karnataka and Kerala holding 21.02%, 5.99%, 13.29% and 7.30% respectively in the Corporation. Accordingly, Corporation is controlled by the Government of India (Ministry of Railways). The Corporation along with other Zonal Railways and entities like RDSO, CRIS, IRCTC, NIC, ICF, Railtel are under the control of the Ministry of Railways
A substantial portion of Traffic Earnings of the Corporation accrues from various Zonal



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Railways. The corporation also makes payment of significant amounts of Traffic Earnings to said Zonal Railways as per the agreement with the Ministry of Railways. Such “apportioned earnings” form a major part of traffic revenue of the Corporation.

The revenue expenditure incurred under the head 'Train Operations Expenses' include large amount of expenditure towards Hire charges of Coaches, Locos and Wagons and fuel charges from the various Zonal Railways.

A large portion of Project Revenue is contributed by the various Zonal Railways and from other PSU companies owned by Central Government/state Governments.

The details of transactions along with name of the projects and such awarding entities are mentioned below:

(₹ In Crore)			
Related Party Name	Nature of Transaction	2020-21	2019-20
Zonal Railways	Hire Charges of Rolling Stock	89.17	173.59
Zonal Railways	Fuel Expenses	152.81	269.73
Indian Oil Corporation Ltd.	Purchase of Diesel and Lubricant Oil	175.97	280.56
Certification Engineers International Ltd (CEIL)	Quality Assurance and Inspection Services	-	3.66
MITES Ltd.	Technical Consultancy	0.00	3.18
MITES Ltd.	Inspection Fees	1.08	0.18
STEEL AUTHORITY OF INDIA	Purchase of Rails	145.83	7.14
NICS	20 GB Mail Support	-	0.08
RAILTEL CORP OF INDIA	INTERNET LEASE LINE SERVICES	0.05	0.05
RAILTEL CORP OF INDIA	BANDWIDTH LEASE CHARGES	0.62	0.96
RAILTEL CORP OF INDIA	LEASING OF NGN CONNECTIVITY	0.01	0.09
RAILTEL CORP OF INDIA	LEASE CHARGES FOR VIDEO CONFERENCE FACILITY	0.06	0.05
RAILTEL CORP OF INDIA	Prs e-1 link cstm-mao	0.14	-
CRIS	EXP. FOR UTS OVER KR	-	1.46
CRIS	MAINTENANCE & AMC SUPPORT FOR WEBSITE	0.02	0.07
CRIS	RENEWAL OF POST IMPLEMENTATION SUPPORT OF COA APPLICATION	0.34	1.02
Northern Railway	USBRL Project	827.21	1280.73
NTPC-Kudgi	Construction of Railway Siding	23.25	11.71
NTPC-Gadarwara	Construction of Railway Siding	23.63	114.95



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Central Railway	Construction of Rolling Stock Component Factory	26.81	53.23
East Central Railway	Raxaul Kathmandu Railway Line Project	0.69	0.04
Vizhinjam International Seaport Limited	Seaport Rail Connectivity	0.60	0.74
Kerala Rail Development Corporation Limited	Mysore-Thalassery PET Survey	0.00	1.30
RVNL	Madgaon-Majorda Doubling Work	4.64	20.01
MSEZL	Construction of Flyover and ROB	4.13	3.32
MRPL	Construction of Railway Siding	9.22	13.39
GOA PWD	Construction of RUB	3.63	-

KRCL has issued bonds for long term borrowings to the tune of ₹ 1500 Crore (₹ 1500 Crore) wherein letter of comfort has been issued by Ministry of Railways in favor of lending agencies.

45.2 Investment in associate company Jaigarh Digni Rail Limited- 26% holding

The Company has subscribed 2,60,00,000 (2,60,00,000) of Equity Shares at par value of ₹ 10/- each at total cost of ₹ 26 Crore (₹ 26 Crore).

Note : Bank Guarantee for ₹ 23.26 Crore was encashed during previous year relating to Jaigarh Digni Rail Limited (JV) consequent to non-achievement of milestone of financial closure as detailed in note 7.2.

45.3 Loan to Konkan Railway Welfare Organization (KRWO)

Loan has been given to Konkan Railway Welfare Organization (KRWO) formed for the welfare for the employees of Corporation. As on 31st March 2021, total amount receivable from KRWO is ₹ 29.40 Crore (₹ 27.98 Crore) including interest amounting to ₹ 1.42 Crore for current year. The loan has been classified as unsecured pending execution of mortgage deed in favour of the corporation. The KRWO has executed simple mortgage instead of registered mortgage deed in favour of the Corporation as per the terms and conditions of the sanction. The loan has been classified as unsecured.

45.4 Ramakrishna Hegde Skill Development Centre (RHSDC)

RHSDC is a society registered under Karnataka Societies Registration Act 1969 at Udupi, Karnataka with an object to setting up of training centre for imparting training in Mechatronics to engineering students and industry professionals.



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Further Corporation had spent ₹ 1.25 Crore from CSR fund for the said society towards Corpus fund and other expenditure of RHSDC.

45.5 The Key Managerial Personnel of the Corporation and their remuneration (including Superannuation benefits) are as below:

- a) **Shri Sanjay Gupta, Chairman and Managing Director** Salary & Allowances: ₹ 0.57 Crore (₹ 0.69 Crore) including Employer Contribution to PF: ₹ 0.08 Crore (₹ 0.09 Crore); Perks: Nil
- b) **Shri Rajesh Bhadang, Director (Finance)** (28/01/2021 - till date) Salary & Allowances: ₹ 0.07 Crore (NIL) including Employer Contribution to PF: ₹ 0.01 Crore (NIL); Perks: Nil
- c) **Shri Hari Das Gujrati, Director (Operations & Commercial)** (01/04/2020-25/07/2020) Salary & Allowances: ₹ 0.18 Crore (₹ 0.59 Crore) including Employer Contribution to PF: ₹ 0.02 Crore (₹ 0.08 Crore); Perks: Nil
- d) **Shri Subhas Chand Gupta, Director (Way & Works)** Salary & Allowances: ₹ 0.49 Crore (₹ 0.48 Crore) including Employer Contribution to PF: ₹ 0.07 Crore (₹ 0.07 Crore); Perks: Nil
- e) **Shri Rajendra Parab, (Company Secretary)** Salary & Allowances: ₹ 0.25 Crore (₹ 0.24 Crore) including Employer Contribution to PF: ₹ 0.01 Crore (₹ 0.01 Crore); Perks: Nil

46. Lease payments:

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of ₹8.75 crore, and a lease liability of ₹8.75 crore. The following is the summary of practical expedients elected on initial application:

The company has applied exemption for non-recognition of ROU assets and liabilities for leases with less than 12 months of lease term. The initial direct costs have been excluded from the measurement of the ROU asset.

The changes in the carrying value of ROU assets for the year ended March 31, 2021 are as follows:-



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(₹ in crore)

Particulars	Category of ROU Assets		Total
	S & T Equipment	Vehicles	
Balance as at 1 st April 2020	6.00	0.07	6.07
Addition	0.14	1.14	1.28
Deletion	-----	-----	-----
Depreciation	2.70	0.41	3.11
Impairment	-----	-----	-----
Balance as on 31 st March 2021.	3.44	0.80	4.24

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the Statement of Profit and Loss.

The break-up of current and non-current lease liabilities as at March 31, 2021 is as follows

(₹ in Crore)

Particulars	Amount
Current lease liabilities	3.04
Non-Current Lease Liabilities	1.86

The details of the contractual maturities of lease liabilities as at March 31, 2021 on an undiscounted basis are as follows:

(₹ in Crore)

Particulars	As at 31 st March 2021
Less than one year	3.04
One to five years	1.86
More than five years	-----
Total	4.90

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Leases not yet commenced to which Company is committed relating to CCTV surveillance



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system at 39 station and leasing of KR-Net amounting to ₹ 58.10 crore for a lease term for a period of 5 years.

As Lessor

The corporation is engaged in leasing of Dark optic fiber between Belapur and Loliem. Further the corporation also collects way leave charges from various telecom companies for installation of mobile towers on land pertaining to KRCL. Also the corporation collects license fees from various vendors for stalls at various station on KR route.

Way leave Charges on assets given on lease to others was ₹ 0.55 crore (₹1.61 Crore) for the year ended March 31, 2021

License Fees on assets given on lease to others was ₹1.44 crores (₹6.36 Crore) for the year ended March 31, 2021.

The details of the contractual maturities of lease payments to be received as at March 31, 2021 on an undiscounted basis are as follows:

(₹ in Crore)

Particulars	As at 31 st March 2021
Less than one year	0.72
One to five years	1.69
More than five years	0.37
Total	2.78

47. Earnings per Share (EPS) is calculated as under:

Particulars	2020-21	2019-20
Net Profit / (Loss) for the year (₹ in Crore)	(366.41)	3.84
Weighted average no. of Equity shares of ₹1,000 each	1,36,79,954	1,27,76,681
Weighted average no. of Ordinary Shares for Diluted EPS	5,44,75,054	5,35,71,780
Earnings Per Share (in ₹)	(267.85)	3.00
Earnings Per Share Diluted (in ₹)	NIL	0.72

Note : Considering the net loss after tax, the earning per share for the financial year 2020-21 is anti-dilutive if the convertible preference shares are considered. Due to which earning per share diluted is shown as NIL for the F.Y. 2020-21.

48. Receivable and payable balances of Railways, Government Authorities, Suppliers,



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Contractors, etc. are subject to confirmation / adjustment / reconciliation. The Corporation is in the process of review of such balances for carrying out necessary adjustments in the subsequent years.

49. Taxes on Income

- i. KRCL has an unabsorbed depreciation of ₹1019.59 Crores (₹1146.63 Crore), as computed under Income Tax Act 1961. In view of above, no income tax provision is made during the current year.
- ii. Considering the past trend of income and payment towards servicing of interest, management is of the view that the future taxable profit shall not be sufficient to recoup/recover the deferred tax asset in near future. In view of this, as per Ind AS-12 deferred tax asset has not been created.
- iii. In Jammu & Kashmir state, the amount of ineligible Input Tax Credit due to mismatch of ITC claimed with Credit reflected in Form 2A of GST portal for the Financial Year 2020-21 and will be finalized before completion of GST Audit for the Financial Year 2020-21.
- iv. An amount of mismatched ITC of ₹0.039 Crore has been paid in the course of GST Audit apart from interest of ₹11.84 Crore thereon for the FY 2018-19 and 2019-20.
- v. The Refund of the Income tax of ₹21.21 Crores is pending for various reasons such as disputed demand raised against certain dis-allowances, pending completion of Assessment of immediately preceding years, pending processing of refund order, etc. The Management is pursuing the claim for recovery of the same and is of the opinion that no provision is required for the same.

50. Capital Management

- i. For the purpose of the company's capital management, capital includes issued equity capital, attributable to the equity holders of the holding company. The primary objective of the company capital management is to maximize the shareholder value.
- ii. The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants.
- iii. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, Loan obligation, trade and other payables and less cash and cash equivalents.



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(₹ in Crore)

Particulars	As at 31st March 2021	As at 31st March 2020
Non-current Borrowings	2680.73	2330.25
Current Borrowing	148.96	-----
Current Maturities of Non-current Borrowing	-----	-----
Total Debt	2829.69	2330.25
Less : Cash & Cash Equivalent	290.56	658.53
Net debt	2539.12	1671.72
(a) Equity Share capital	1481.19	1283.06
(b) Instruments entirely equity in nature	4079.51	4079.51
(c) Other Equity	(3990.52)	(3442.99)
Total capital	1570.18	1919.58
Capital and net debt	4109.31	3591.30
Gearing Ratio	61.79%	46.55%

51. Financial Risk Management Objectives and Policies:

The Corporation's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Corporation's operations and to provide guarantees to support its operations. The Corporation's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

Credit risk:

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Corporation is exposed to credit risk from its operating activities [primarily trade receivables] and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

(₹ in crore)

Particulars	As at 31 st March 2021	As at 31 st March 2020
Trade Receivables	159.78	148.28
Total	159.78	148.28

The Company evaluates the concentration of risk with respect to trade receivables as low as they most of them are government entities.



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Exposure to the Credit risk on the financial guarantee:

- i. Performance Guarantee are given for various project amounting to ₹10.75 Crores (₹0.45 Crores). Against this margin money has been kept in the form of term deposits.
- ii. Advance Bank Guarantee amounting to NIL (₹10.49 Crores) towards advance received, related to supply of 2 DEMU rakes to Nepal Government, has been issued by Nabil Bank - Nepal on the basis of counter guarantee issued by the ICICI Bank Ltd during the previous financial year.
- iii. Letter of credit issued to foreign supplier in EURO 5,92,446 amounting to ₹5.10 crore.

Financial instruments and cash deposits:

Credit risk from balances with banks and financial institutions is managed by the Corporation's Finance department in accordance with the Corporation's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Corporation's Board of Directors on an annual basis and may be updated throughout the year subject to approval of the Corporation's Finance Committee. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Corporation's maximum exposure to credit risk is 'Other deposits' illustrated in Note 14 of the balance sheet at March 31, 2021 and March 31, 2020.

Liquidity risk:

The Corporation monitors its risk of a shortage of funds using a liquidity planning tool. The Corporation's objective is to maintain a balance between continuity of funding and flexibility through the use of bonds. The Corporation assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Corporation has access to a enough variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.



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The table below summarizes the maturity profile of the KRCL's financial liabilities based on contractual undiscounted payments (₹ in Crore)						
	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended March 31, 2021						
Borrowings				1,280.00	470.00	1,750.00
Secured Loan from Bank & Financial Institutes				180.00	750.73	930.73
Unsecured loan from Banks		73.96	75.00			148.96
Other financial liabilities		38.46	453.07	1.86		493.39
Trade and other payables		838.02				838.02
Total	-	950.43	528.07	1,461.86	1,220.73	4,161.10
Year ended March 31, 2020						
Borrowings				780.00	970.00	1,750.00
Secured Loan from Bank				90.00	490.25	580.25
Other financial liabilities		64.88	487.09	3.56		555.53
Trade and other payables		1,027.32				1,027.32
Total	-	1,092.20	487.09	873.56	1,460.25	3,913.10
The table below summarizes the maturity profile of the KRCL's financial assets based on contractual undiscounted payments (₹ in Crore)						
	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended March 31, 2021						
Investment	30.00	1,507.12		26.00		1,563.12
Trade Receivables		125.02	34.76			159.78
Cash and Cash Equivalent	290.56		1.80			290.56
Bank balance other than cash & Cash Equivalents						1.80
Loan		0.01	20.37	0.22	0.11	20.71
Other Financial Assets		0.78	280.52	0.25		281.56
Total	320.56	1,632.93	337.46	26.47	0.11	2,317.53
Year ended March 31, 2020						
Investment	30.00	880.44		26.00		936.44
Trade Receivables		108.32	39.96			148.28
Cash and Cash Equivalent	658.53					658.53
Bank balance other than cash & Cash Equivalents			3.75			3.75
Loan			19.03	1.30		20.33
Other Financial Assets		3.72	363.31	0.52		367.55
Total	688.53	992.48	426.05	27.82	-	2,134.88



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Market Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's exposure to the risk of changes in interest rates relates primarily to the Company's debt obligations with floating interest rates.

52. Fair Values:

The management assesses that cash and cash equivalents, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities are included at the amount at which the instruments could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Long-term fixed-rate receivables/borrowings are evaluated by the Corporation based on parameters such as interest rates, and individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are considered for the expected credit losses of these receivables.

A) Financial instruments by category

The carrying value and fair value of financial instruments by categories as at 31 March 2021 were as follows:

(₹ in Crore)

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
Assets:					
Investments	1563.12	-----	-----	1563.12	1563.12
Trade receivables	159.78	-----	-----	159.78	159.78
Loans	20.71	-----	-----	20.71	20.71
Others financial assets	281.56	-----	-----	281.56	281.56
Cash and cash equivalents	290.56	-----	-----	290.56	290.56
Other bank balances	1.80	-----	-----	1.80	1.80
Liabilities:					
Borrowings	2829.69	-----	-----	2829.69	2829.69
Trade payables	838.02	-----	-----	838.02	838.02
Other financial liabilities	493.39	-----	-----	493.39	493.39



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The carrying value and fair value of financial instruments by categories as at 31 March 2020 were as follows:

(₹ in Crore)

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
Assets:					
Investments	936.44	-----	-----	936.44	936.44
Trade receivables	148.28	-----	-----	148.28	148.28
Loans	20.33	-----	-----	20.33	20.33
Others financial assets	367.55	-----	-----	367.55	367.55
Cash and cash equivalents	658.53	-----	-----	658.53	658.53
Other bank balances	3.75	-----	-----	3.75	3.75
Liabilities:					
Borrowings	2330.25	-----	-----	2330.25	2330.25
Trade payables	1027.32	-----	-----	1027.32	1027.32
Other financial liabilities	555.53	-----	-----	555.53	555.53

53. Auditors remuneration (excluding GST)

(₹ in Crore)

Particulars	2020-21	2019-20
Statutory audit fees/Limited review	0.11	0.12
Tax audit fees	0.02	0.02
Certification	0.04	0.01
Total	0.17	0.15

54. Corporate Social Responsibility Expenses (CSR)

As per Section 135 of the Companies Act, 2013 read with guidelines issued by Department of Public Enterprises, GOI, the Company is required to spend, in every financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial years in accordance with its CSR Policy. The details of CSR expenses for the year are as under:



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(₹ in Crore)

Particulars	As at 31 March 2021	As at 31 March 2020
Amount required to be spent during the year	3.22 (Including carry forward from previous year of ₹ 1.69)	3.32 (including carry forward from previous year of ₹ 1.38)
Amount spent during the year		
(a) Construction/acquisition of any asset	0.42	0.38
(b) On purposes other than (a) above	1.28	1.25
Total	1.70	1.63

55.A The prior period expenses and income accounted for during the year have been treated in accordance with Ind AS-8. The relevant adjustments have been made and the corresponding previous year figures and / or figures of retained earnings have been restated.

55.B Reconciliation of Retained Earnings

(₹ in Crore)

Particulars	Amount
Balance at the 1st April'2019	(3,106.86)
Prior Period errors	
Add:	
Income received for prior period	22.92
Less	
Receivables write off	1.63
Prior Period Expenses	10.89
Restated balance at the 1st April'2019	(3,096.46)

55.C Reconciliation of Total Comprehensive income for the year 2019-20

(₹ in Crore)

Particulars	Amount
Total Comprehensive Income for the year 2019-20	(184.83)
Prior Period errors	
Add:	
Income received for prior period	0.03
Prior period Depreciation	-----
Less:	
Prior period depreciation	0.04
Prior Period Expense	2.12
Restated Total Comprehensive Income for the year 2019-20	(186.96)



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56. Additional Disclosure as per Ind- AS 115.

REVENUE FROM OPERATIONS

Accounting Policy

The Company derives revenues primarily from passenger and Freight operations business comprising Mail/Express/Passenger and freight Trains including Roll-On-Roll-Off Services.

Under Cost Plus Contract, Revenue is determined by adding the aggregate cost-plus proportionate margin as agreed with Principal Customer.

Under Fixed Price Contract Revenue is recognized by adding the aggregate cost and proportionate margin using the percentage completion method. Percentage of completion is determined as a proportion of cost incurred to date to the total estimated contract cost.

Revenue is recognized upon transfer of control of services to customers in an amount that reflects the consideration we expect to receive in exchange for those services.

Disclosures:

Contract Balances (mentioned in Table below)

Contract balances represent the balance of contract to an amount for which the Company's right could not have been established. No such balances have been accounted for in the books of the Corporation for the current Financial year.

Trade receivables (mentioned Table in Table below)

A receivable represents the Company's right to an amount of consideration that is unconditional, and the corporation has accounted the same in line with the provisions of Ind AS 115.

Contract Assets & Liabilities (mentioned in Table below)

A Contract Assets is the performance by transferring goods and services to a customer, before the customer pays consideration or before payment is due, the entity shall present the contract as a contract asset, excluding any amount presented as a receivables.

A Contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company



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transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

There is no significant changes in contract asset and contract liability.

Performance Obligation:

The company considers timeline indicators mentioned in the contract for performance obligation. Transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc are indicators of discharge of service obligations. The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period. Depending on the terms of contract, controls on the asset or existence of enforceable right to payment is established against performance in full or part discharge of obligation.

KRCL is engaged in execution of projects either as deposit work or as a project management consultant or on cost plus contract basis.

Typically, KRCL receives advance consideration on some of the contracts and some are executed based on the defined payment term in the contract. The consideration on contracts can be Cost Plus or Fixed, however, unconstrained by any uncertainty.

KRCL is also involved in execution of contract where- in it acts as an intermediary. Transaction price allocated to the remaining performance obligations.

The revenue recognized corresponds to the value transferred to customer.

The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations as on 31st Mar 2021 was ₹ 2251.00 Crores (₹ 3225.00 Crore) out of which around 30% is expected to be recognized as revenue in the next year and the balance in subsequent years.

In accordance with Para 121 of Ind AS 115, the company has not specifically disclosed contracts with expected duration of one year or less.

Significant judgements in the application of this Standard:

Revenue is recognized upon transfer of control of promised deliverables to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those deliverables. Revenue is recognized based on output measured by Aggregate Cost-plus margin.



KONKAN RAILWAY CORPORATION LTD.
Notes forming part of the Standalone Financial Statements

In respect of other fixed-price contracts, revenue is recognized using percentage-of completion method ('POC method') of accounting with contract costs incurred determining the degree of completion of the performance obligation.

Determining the transaction price and the amounts allocated to performance obligations Contract assets are recognized when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue ("contract liability") is recognized when there is billing in excess of revenues.

(₹ in Crore)

Contract Value	Op. Balance	Addition	Deletion	Closing Balance
USBRL	2140.56	-	827.21	1313.35
NTPC-Kudgi	71.59	-	22.93	48.66
NTPC-Gadarwara	74.88	-	20.47	54.41
Others	938.35	-	103.28	835.07
Total	3225.38	-	973.89	2251.49
Receivables	Op. Balance	Addition	Deletion	Closing Balance
USBRL PROJECT	0.545	0.94	0.93	0.55
NTPC-Kudgi	5.55	23.25	25.26	3.54
NTPC-Gadarwara	7.70	23.64	19.38	11.96
Others	5.75	0.71	---	6.46
Total	19.54	48.54	45.57	22.51
Contract assets	Op. Balance	Addition	Deletion	Closing Balance
	NIL			
Contract Liabilities	Op. Balance	Addition	Deletion	Closing Balance
USBRL Project	332.93	1382.32	827.96	887.29
Others	97.75	27.91	50.31	75.35
Total	430.68	1410.23	878.27	962.64



KONKAN RAILWAY CORPORATION LTD.

Notes forming part of the Standalone Financial Statements

57. Effect of COVID-19 on the performance of company in FY 2020-21

Indian Railways suspended all passenger trains in March 2020 following the national lockdown to combat Covid-19 pandemic. As a precautionary measure, regular passenger train operation over Indian Railways remained suspended during the entire year i.e 2020-21.

It is stated that there was a continuous increase in coaching revenue of the corporation since open line started working in FY 1998-99. However Coaching revenue reduced substantially due to suspension of regular train services on account of Covid-19 lock down throughout the current year. During the current year as against 2586.78 (Millions) Passenger kilometer (PKm), same was 11973.35 (Millions) in previous year, i.e reduction of around 78.39% against previous year.

As a result the Coaching revenue (including other coaching revenue) during the current year has been reduced to ₹ 200.69 Crores as compared to ₹ 680.78 Crores in the previous year (i.e reduction of Coaching revenue by 70.52%).

Suspension of regular passenger trains operation during the entire year i.e during 2020-21 put a severe strain on the corporation's finance and hence coaching revenue of finance year 2020-21 cannot be compared with coaching revenue of the previous year.

Further due to covid situation and restricted operation due to lockdown etc. the project revenue has also been affected substantially. As against the project revenue of ₹1501.56 crores in the previous year the same is declined to ₹ 973.89 crores during the current year, i.e. reduction of around 35.14 % against previous year.

Further during April'21 to May'21, due to prevailing travel restrictions & partial lock down in various states, there is a continuing impact on financial performance of the Corporation, whereby the traffic revenue was ₹ 95 Crores (approx) as against ₹ 107 Crores.(approx), in 2019 -20 (which is a comparable period of operation). However, there is marginal improvement of Covid situation from June 21 and if the trend improves, Traffic Revenue may improve in FY 2021-22. Further Corporation does not foresee any revenue loss in project segment during FY 2021-22.

In view of financial constraint faced by company due to covid pandemic, on the request of the company, Ministry of Railways has granted refundable financial assistance of ₹ 235 crores on 21 May 2021.

With the improving situation of train operations, the management is hopeful of revival of normal revenue and to overcome the financial constraint faced due to Covid-19.



KONKAN RAILWAY CORPORATION LTD.

Notes forming part of the Standalone Financial Statements

Figures in bracket indicates figures of previous year.

58. Previous year figures have been regrouped/ rearranged wherever necessary.

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose standalone financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.
- Disclosure of some ratios (Current Ratio, Debt-Equity ratio, Return of Capital Employed, Return of Equity)



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Notes forming part of the Standalone Financial Statements

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.
- The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

For V. K. Surana & Co.

Chartered Accountants,
Firms Registration No. 110634W

Sd/-

CA Sudhir Surana

Partner

Membership No. 043414

UDIN : 21043414AAAACS2286

Place: Nagpur

Date: June 28, 2021

Sd/-

Rajesh Bhadang

Director (Finance)

DIN: 09050270

Place: Navi Mumbai

Date: June 28, 2021

For and on behalf of the Board

Sd/-

SANJAY GUPTA

Chairman and Managing Director

DIN:06710604

Sd/-

RAJENDRA PARAB

Company Secretary



KONKAN RAILWAY CORPORATION LTD.

V.K.SURANA & CO.

CHARTERED ACCOUNTANTS

Unit No. 202, Tower – A, Peninsula Business Park, Senapati Bapat Marg,
Lower Parel, Mumbai-400013

Ph. No.: 91-22-41731000, Fax: 91-22-41731010

INDEPENDENT AUDITOR'S REPORT

To the Members of Konkan Railway Corporation Limited Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Konkan Railway Corporation Limited ("the Holding Company") and its associate company, which comprise the consolidated balance sheet as at 31st March 2021, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information. (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Holding Company as at March 31, 2021, and consolidated loss (including other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Holding Company and its associate 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 consolidated financial statements under the provisions of the Act and the Rules thereunder,



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and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statement.

Material uncertainty related to going concern of Associate Company

In respect of Associate Company - Jaigarh Digni Rail Limited (JDRL), we draw attention to Note 7 of the consolidated financial statements which indicate that during the current year the associate company had undertaken impairment assessment of the railway project and has provided for impairment losses amounting to Rs.45.31 Crores as project is suspended. During the previous year, Holding Company unilaterally invoked the Performance Bank Guarantee (PBG) on 16.08.2019 without any prior intimation/notice of the intent to invoke the PBG. The matter is in discussion with various stakeholders for resolving the issues and getting back the PBG amount from Holding Company.

As informed to us, the Associate Company is exploring alternative usage of the current infrastructure available / built for the railway network. The Associate Company is engaged at appropriate levels of the Government authorities, Ministry of Railway and other stakeholders / experts in this field for utilization of Associate Company assets.

Considering the explanation given in the referred notes of the consolidated financial statements, the Associate Company has prepared its accounts on going concern basis till final decision about the utilisation of current assets by the Shareholders as well as the Railway authorities.

In view of the positive net worth of the Associate Company, going concern assumptions, possession of encashed PBG of Rs 23.26 crore and the offer given by JSW Jaigarh Port Limited (JSWJPL) to recoup the loss of investment, if any, it is the considered opinion of the management of Holding Company that the investment made in JDRL is intact even though the JDRL has accounted for an impairment loss and the Networth of the Associate Company has partially eroded.

These financial statement of Associate Company - Jaigarh Digni Rail Limited (JDRL) have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements in so far as relates to material certainty related to going concern of Associate Company is based solely on the report of the other auditor.

Our opinion on the consolidated financial statements, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor.



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Emphasis of Matter

- A) We draw attention to Note No. 57 of the consolidated financial statements related to effect of COVID- 19 on the consolidated financial statement due to outbreak of Corona virus (COVID-19) pandemic in India which has significantly impacted operation of the Holding Company, thereby the Coaching revenue has reduced substantially during the current year to Rs 200.69 Crores as compared to Rs 680.78 Crore in the previous year (i.e. reduction of Coaching revenue by 70.52%) and project revenue has also been affected substantially to Rs.973.89 crores during the current year as against Rs.1501.56 crore in the previous year (i.e. reduction of 35.14 %).

Likewise during April'21 & May'21, due to prevailing travel restrictions & partial lock down in various states, there is a continuing impact on financial performance of the Corporation.

In view of financial constraint faced due to COVID pandemic, on the request of the Holding company, the Ministry of Railways has granted refundable financial assistance of Rs.235 crores on 21 May 2021 and with the improving situation of train operations, the management is hopeful of revival of normal revenue and to overcome the financial constraint faced due to COVID-19.

- B) We draw attention to Note No. 48 of the consolidated financial statements, that the Balances of the Receivable and Payable accounts of Major Railways, Suppliers, Contractors etc. are subject to confirmation / adjustments / reconciliations. The Holding Company will review of such balances for carrying out necessary adjustments in the subsequent years.
- C) We also draw attention to Note No. 8, 16, 17 & 45.3 of the consolidated financial statements related to loan given to Konkan Railway Welfare Organisation (KRWO) wherein the principal and interest is overdue to the tune of Rs. 27.49 Crores. Further the balance confirmation as on 31.03.2021 is not received.
- D) We draw attention to Note No. 27 of the consolidated financial statements related to Trade Payable to Zonal Railways on account of train operating expenses of Rs. 592.56 Crores which includes Rs. 365.12 Crores outstanding for more than 1 year while outstanding for more than 3 years is of Rs. 167.25 Crores, as old as 2008-09 and onwards including old unclaimed amounts.

We draw attention to Note No. 17 of the consolidated financial statements related to Other Inter Railway Financial Adjustment (IRFA) Receivables from Zonal Railways of Rs. 270.69 Crores, which includes outstanding for more than 3 years of Rs. 27.09 crores lying since long, as old as 2008-2009 and onwards.



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- E) We draw attention to Note No. 20a.7 of the consolidated financial statements, which shows that there is a difference of Rs. 214.02 Crores in authorized share capital as per records of Ministry of Corporate Affairs – MCA (Rs. 8293.53 Crores) and as per Holding Company's records (Rs. 8079.51 Crores). The application given to MCA for correction / reduction in authorised share capital in line with approval of President of India, is not yet acted upon.
- F) We draw attention to Note No. 12 of the consolidated financial statements related to Investments wherein presently the Investment of free fund is also kept deposited with Life Insurance Corporation (LIC) in the Group Leave Encashment Scheme, including life assurance benefit. The same need to be evaluated as per Norms and Guidelines including disclosure and considering it as unfunded, Refer Note No. 38 (C) of the consolidated financial statements for disclosure of Employee benefits as per Ind AS 19.
- G) We draw attention to Note No. 49 of the consolidated financial statements related to Taxes on Income whereby, considering the huge accumulated losses and current trend of income, the management is of the view that the future taxable profit shall not be sufficient to recoup/recover the unabsorbed losses & unabsorbed depreciation in future. In view of this, Provision for Income Tax on taxable income earned during current financial year and deferred tax asset related to carried forward unabsorbed losses & unabsorbed depreciation have not been created by the holding company.
- H) We draw attention to the face of Balance Sheet related to Trade payables and Note No. 27 of the consolidated financial statements, wherein amount are not disclosed related to Micro and Small Enterprises as per the disclosure requirement of Schedule III of the Companies Act 2013.
- I) **Non-compliances of the Company Law Matters related to:**
- i) We draw attention to the Note No. 20a.4 of the consolidated financial statements regarding non-closure of Right Issue within 30 days in respect of 2nd and 3rd right issue leading into Non Compliance of Section 62 (1) (a) (i) of Companies Act 2013 in respect of Holding Company.
 - ii) Non Compliance of Section 42 of the Companies Act 2013 whereby the share application money received for 2nd & 3rd right issue is not kept in a separate bank account in a scheduled bank in respect of Holding Company. Also the Holding Company has not allotted shares within 60 days from the date of receipt of amount for 3rd right issue.



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Our opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters to be communicated is described in Annexure C of our report.

Other Matters

1. Due to the COVID 19 induced restrictions on physical movement and strict timelines, the audit team could not visit the audit place for undertaking the required audit procedures as prescribed under ICAI issued Standards on Auditing, including but not limited to:
 - Inspection, observation, examination and verification of the original documents / files.
 - Physical verification of cash, Inventories, Original fixed deposit receipts, original copies of investments, including adequate internal controls thereof.
 - Verification of original sanction letters of loans obtained by the bank, bank records, etc.
 - Observation with regard to access controls and data security.

The above audit procedures were conducted during the visit of one of the unit of the Holding Company in the month of March'2021 and we do not found any material misstatement during such verification. Further the management has provided us with the scanned copies of the relevant documents and records required for the purpose of our statutory audit and we have obtained the sufficient appropriate audit evidence which is required in forming our opinion.

Our opinion is not modified in respect of these matters.

2. The consolidated financial statements also include the Holding Company's share of Total loss after comprehensive income of Rs. 12.43 Crores for the year ended 31st March, 2021, as considered in the consolidated financial statements, in respect of one associate – Jaigarh Digni Rail Limited, whose financial statements have not been audited by us.

These financial statements have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of



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this associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid associate, is based solely on the report of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor.

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

The Holding Company's Board of Directors are responsible for Preparation of other information. The other information comprises the information included in the Holding Company's annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the 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 Responsibilities for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act, with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated state of affairs, consolidated profit or loss (including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Holding Company and its associate company in accordance with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India.

The respective Board of Directors of the Holding company and of its associate company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding of the assets of the Holding Company and its associate company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies;



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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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors of the Holding Company and its associate company are also responsible for overseeing respective financial reporting process of the Holding company and its associate company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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



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- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system with reference to consolidated financial statement 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 ability of the Holding Company and its associate company 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 consolidated 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 Holding Company and its associate company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Holding Company and its associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements of such entities included in the consolidated financial statements of which we are the independent auditors.

For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.



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Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated 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 consolidated financial statements.

We communicate with those charged with governance of the Holding Company 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 consolidated 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. The Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, is not applicable to auditor's report on Consolidated Financial Statements.
2. As required under section 143(5) of the Companies Act, 2013, we give in the "Annexure A", a statement on the directions issued by the Comptroller and Auditor General of India after complying the suggested methodology of Audit, the action taken thereon and its impact on the accounts and consolidated financial statement in respect of the Holding Company.
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 of the aforesaid consolidated financial statements.



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- (b) In our opinion, proper books of account as required by law have been kept relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor.
- (c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated Statement of Changes in Equity and the consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act read with relevant rules.
- (e) In respect of the Holding company, provisions of section 164(2) of Companies Act 2013 is not applicable, being a Government Company as per notification No. G.S.R. 463 (E). dated 5th June' 2015 issued by Ministry of Corporate Affairs.

In respect of Associate Company, On the basis of the written representations received from the directors of the Associate Company as on 31st March, 2021 taken on record by the Board of Directors of the Associate Company and the report of statutory auditor of the associate company incorporated in India, none of the directors of the its associate company is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

- (f) In respect of the associate company, the going concern matter described in under material uncertainty related to going concern paragraph above, in our opinion, may have an adverse effect on the functioning of the associate company.
- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its associate company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (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:



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- i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Holding Company and its associate company statements – Refer Note No. 42 to the consolidated financial statements
 - ii. The Holding Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
The Associate Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The Associate Company has not entered into any derivative contracts during the year;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its Associate Company incorporated in India.
- (i) With respect to the matter to be included in the Auditors' Report under section 197(16) of the Act, as amended:

i. In respect of the Holding company

As per notification No. G.S.R. 463 (E). dated 5th June' 2015 issued by Ministry of Corporate Affairs, Provisions of section 197 of Companies Act 2013 is not applicable, being a Government Company. Accordingly, the section 197(16) of the Act is not applicable to the Holding Company. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

ii. In respect of the Associate company:

As per the opinion of auditor of the Associate Company and to the best of their information and according to the explanation given to them, the remuneration paid by the Associate Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

For V. K. Surana & Co.

Chartered Accountants

Firm Reg No.110634W

Sd/-

CA. Sudhir Surana

Partner

Membership No. 43414

Nagpur, June 28, 2021

UDIN- 21043414AAAACR4748



KONKAN RAILWAY CORPORATION LTD.

Annexure A to the Independent Auditor's Report of even date on the consolidated financial statements of Konkan Railway Corporation Limited

(Referred to in Paragraph 2 under "Report on Other Legal and Regulatory Requirements" section of our report).

Report on Directions and Additional Directions, if any issued under section 143(5) of the Companies Act, 2013:

The directions were issued by the Comptroller and Auditor General of India (CAG) for FY 2020- 21 and onwards. Further the following directions are also hosted on the website of CAG - <http://www.care.cag.gov.in/policy/Directions2020-21.pdf>

We have reported our observations on the consolidated financial statement for FY 20-21 on the basis of those directions in respect of Holding Company.

Sr. No.	Directions	Action Taken & Auditor's Response	Impact on accounts and Financial Statements
1.	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The Holding Company has a system in place to process most of the accounting transactions through IT system. However, the inventory management module is not interfaced with the Accounts and fixed assets register is maintained in excel. However, the final effect is taken in the accounts through separate accounting transaction.	There is no impact on the Accounts and consolidated Financial Statement.
2.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be	During the year there is no restructuring of existing loan, nor cases of waiver and write off of debts /loan or interest by the lender to the holding company due to holding company's inability to repay the loan.	There is no impact on the Accounts and consolidated Financial Statement.



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Sr. No.	Directions	Action Taken & Auditor's Response	Impact on accounts and Financial Statements
	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).		
3.	Whether funds (grants/ subsidy etc.) received / receivable for specific schemes from Central/State Government or its agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation.	<p>The funds received / receivable for specific schemes from central/ state agencies are properly accounted for.</p> <p>With respect to utilization of funds received amounting to Rs. 12.50 Crores (Rs.9 Crore: 28.09.2017, Rs.3.50 Crores : 15.03.2018) and interest accrued thereon from Ministry of Tourism, Govt. of India for development of tourism infrastructure at certain stations, as per the terms of sanction if the amount is not utilized within 6 months the same should be surrendered to Central Government, unless extension is granted. However, the same is not being done. Total Amount utilized till 31.03.2021 is Rs. 9.32 Crores & kept as Capital work in progress. During FY 2019 - 20, the holding company has</p>	There is no impact on the Accounts and consolidated Financial Statement.



KONKAN RAILWAY CORPORATION LTD.

Sr. No.	Directions	Action Taken & Auditor's Response	Impact on accounts and Financial Statements
		<p>received Rs. 17.64 Cr from Ministry of Railways under Nirbahaya Fund for installing CCTV cameras at various stations in Konkan Railway route out of which Rs. 8.76 Cr is utilized till 31.03.2021. The remaining balance of Rs. 8.88 Cr is pending to be utilized as on 31.03.2021.</p> <p>During FY 2020-21, the Holding Company has received Rs.3.63 crore from Goa PWD for construction of RUB in lieu of LC-45 on cost sharing basis. Total Amount utilized till 31.03.2021 is Rs. 0.81 Crores & kept as Capital work in progress.</p>	

2) Additional Directions under section 143(5) of the Companies Act, 2013

For the F.Y. 2020-2021 no additional directions have been issued by the Comptroller and Auditor General of India under section 143(5) of the Companies Act, 2013.

For V. K. Surana & Co.

Chartered Accountants

Firm Reg No.110634W

Sd/-

CA. Sudhir Surana

Partner

Membership No. 43414

Nagpur, June 28, 2021

UDIN- 21043414AAAACR4748



KONKAN RAILWAY CORPORATION LTD.

Annexure B to the Independent Auditor's Report of even date on the Consolidated financial statements of Konkan Railway Corporation Limited

(Referred to in Paragraph 3 (g) under “Report on Other Legal and Regulatory Requirements” section of our report).

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 **Konkan Railway Corporation Limited** (“the Holding Company”) and its associate company, which are companies incorporated in India, as of March 31, 2021 in conjunction with our audit of the consolidated financial statements as of and for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Holding and Associate Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by the Institute of Chartered Accountants of India and prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.



KONKAN RAILWAY CORPORATION LTD.

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

We believe that the audit evidence we have obtained and audit evidence obtained by the other auditor in terms of their report referred to in Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding and Associate Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Emphasis of Matter Paragraph

We draw attention in respect of the following business processes which are not yet initiated /



KONKAN RAILWAY CORPORATION LTD.

processed / generated through IT (Information Technology) System in the Holding Company:

- a) Sub-ledgers of the Suppliers, Contractors and other parties are not maintained in IT System. Only the contract wise details of settled transactions are generated in IT system. Due to this the age wise analysis of the outstanding dues, classification of Micro and Small Enterprises and details of timely repayment of dues could not be generated from IT System and manual intervention is involved in this aspects.
- b) Consumption of Inventory and Stock lying at the respective storage locations are not yet maintained in IT Systems and manual records are maintained by the holding company at each storage locations. Due to which, the details regarding the Movement Analysis, Age-wise analysis and purchase of inventories despite having sufficient inventory balances could not be generated from the IT system and manual intervention is involved in this aspects.
- c) Fixed Asset Register is not maintained in IT System and complete records are maintained in the excel file. Due to which manual calculations have been carried out for working of Depreciation amount which involves the manual intervention in this process.
- d) Non-generation of ledgers with no transactions during the current financial year, while generating all ledgers in excel workbook.
- e) Contractors Bills are maintained Contract wise manually but the report containing the Contract wise details along with initial history is not generated from the IT System.

However, in respect of the above we do not found any material deviation from the standard procedures adopted by the Holding Company in so far as it relates to the adequacy of the internal financial controls over the financial reporting and there is no material financial impact. And we recommend to implement the above procedures through IT systems in order have better internal financial controls.

Our opinion is not modified in respect of these matters.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one Associate Company – Jaigarh Digni Rail Limited, the Company incorporated in India, is based on the corresponding report of the auditor of such Company.



KONKAN RAILWAY CORPORATION LTD.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Holding Company and its associate company, which are the companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For V. K. Surana & Co.

Chartered Accountants

Firm Reg No.110634W

Sd/-

CA. Sudhir Surana

Partner

Membership No. 43414

Nagpur, June 28, 2021

UDIN- 21043414AAAACR4748



KONKAN RAILWAY CORPORATION LTD.

Annexure C to the Independent Auditor's Report of even date on the consolidated financial statements of Konkan Railway Corporation Limited

(Referred to in Paragraph 1 under “Key Audit Matters” section of our report).

Sr. No.	The Key Audit matters	How our audit addressed the key audit matter / Auditor's Response
1.	<p>Recoverability and assessment of Trade Receivables, Other Inter Railway Financial Adjustment (IRFA) Receivables</p> <p>Trade Receivables of the Holding company comprise mainly receivables in relation to the Traffic Earning Receivable.</p> <p>Other Inter Railway Financial Adjustment (IRFA) Receivables comprise of Fuel Charges recoverable from Railways.</p> <p>These balances are recognised at their anticipated realisable value, based on allocation of traffic done by Centre for Railway Information System (CRIS), a Central Government entity. The same is worked on the basis of trains of one railway plying through own as well as other railways track.</p> <p>Refer Note No. 13 of consolidated financial statement related to Trade receivables.</p> <p>Refer Note No. 17 of consolidated financial statement related to Inter Railway Financial Adjustment (IRFA) Receivables.</p> <p>Refer Note No. 48 of consolidated financial statement related to Balance Confirmation and reconciliations.</p>	<p>Our key audit procedures included and were not limited to the following:</p> <p>We have performed the following procedures in relation to the recoverability of trade receivables and Inter Railway Financial Adjustment (IRFA) Receivables:</p> <ul style="list-style-type: none"> • Tested the calculations of claims on account of apportioned Traffic Earnings on sample basis. • Tested the accuracy of aging of trade receivables and Inter Railway Financial Adjustment (IRFA) at year end on a sample basis. • Obtained the details of outstanding receivables and identified the claim wherever there is substantial delay in payment. • Assessed the recoverability of the unsettled receivables on a sample basis through our evaluation of management's assessment with reference to the credit profile of the Other Railways, their historical payment pattern and latest correspondence with customers and to consider if any additional provision should be made; and • Tested subsequent settlement of trade receivables after the balance sheet date on a sample basis, if any. <p>We found the key judgements and assumptions used by management in the recoverability assessment of trade receivables to be supportable based on the available evidence.</p>



KONKAN RAILWAY CORPORATION LTD.

Sr. No.	The Key Audit matters	How our audit addressed the key audit matter / Auditor's Response
		<p>We have drawn attention in Emphasis of Matters on trade receivables and Other Receivable accounts in respect of Balance Confirmations and reconciliations, which in our judgement, are fundamental to the users' understanding of the consolidated financial statements.</p>
2.	<p>Evaluation of Direct Tax Positions The Holding Company has huge carry forward accumulated business loss and unabsorbed depreciation under the Income Tax Law. Considering the past trend of income, management is of the view that the future taxable profit shall not be sufficient to recoup/recover the carried forward unabsorbed losses & unabsorbed depreciation.</p> <p>In view of this, deferred tax asset related to carried forward unabsorbed losses & unabsorbed depreciation have not been created by the Holding company. Further Provision for Income Tax is not created on taxable income earned during current financial year due to availability of setoff of losses / unabsorbed depreciated.</p> <p>Assessment of Income Tax for the Financial Year 2007-08 to 2014-15 are pending at various level of Appellate Authority. However, the Management is of the opinion that, considering the outcome of past Assessment and existing carry forward un-absorbed Depreciation Loss, there will not be any impact on financials of the Holding company.</p> <p>Refer Note No. 49 to the consolidated Financial Statements for</p>	<p>Our key audit procedures included and were not limited to the following:</p> <p>Obtained details of completed tax assessments and demands for the year ended March 31, 2021 from management.</p> <p>We involved our internal experts to assess whether the carried forward accumulated losses and unabsorbed depreciation are sufficient to discharge the Income Tax Liability arising out of the current year profits.</p> <p>We have analysed the management's underlying assumptions in estimating the future taxable profit considering the past trend of income.</p> <p>We have analysed the management's view in estimating that huge carry forward business losses and unabsorbed depreciation shall not be recovered considering the past trend and consequently non-creation of deferred tax asset on accumulated losses and unabsorbed depreciation.</p> <p>We have evaluated the uncertainty of tax liability which may arise due to Income Tax assessment in respect of the Financial Year 2007-08 to 2014-15 and compared the same with carried forward accumulated losses and unabsorbed depreciation in order to ensure whether there will be additional impact on the financials of the Holding company on account of Income Tax Assessments.</p> <p>We have drawn attention in Emphasis of Matters on Non-creation of Income Tax Provision and Deferred</p>



KONKAN RAILWAY CORPORATION LTD.

Sr. No.	The Key Audit matters	How our audit addressed the key audit matter / Auditor's Response
	<p>Taxes on Income .</p> <p>Refer Note No. 42 to the consolidated Financial Statements for Contingent Liability on account of pending assessments.</p>	<p>Tax Asset considering the huge accumulated losses and, which in our judgement, are fundamental to the users' understanding of the consolidated financial statements.</p>
3.	<p>Inter Railway Bill Passing System and Reconciliations</p> <p>Trade payable of the Holding Company comprise mainly comprises of the claim of various Railways on account of Loco Hire Charges, Wagon Hire Charges, Fuel charges.</p> <p>The claims are recognised on the following basis: 1)Loco Hire Charges: Per Hour basis 2)Wagon Hire Charges: Per Day basis, 3)Fuel charges: On GTKm (Gross Ton Kilometer) basis as per the calculation of run mileage.</p> <p>Note No. 27 of the consolidated financial statements for Trade Payables.</p>	<p>Our key audit procedures included and were not limited to the following:</p> <p>We have performed the following procedures in relation to the payment / settlement of trade payables:</p> <ul style="list-style-type: none"> • Tested the calculations of claims on account of Loco Hire charges with number of hours operated in the month in the territory of Holding Company. • Tested the calculations of claims on account of Wagon Hire charges with number of days operated in the month in the territory of Holding Company. • Tested the calculations of claims on account of fuel with GTKM basis i.e. the gross ton kilometre run of the train belonging to Holding Company which run on the track of other Railways during the month. • Tested the accuracy of aging of trade payable at year end on a sample basis. • Obtained the details of outstanding payable and identified the claim wherever there is substantial delay in payment. • Assessed the liability of the old overdue unpaid claims on a sample basis through our evaluation of management's assessment with reference to the credit policy of other railways, historical payment pattern to customers and latest



KONKAN RAILWAY CORPORATION LTD.

Sr. No.	The Key Audit matters	How our audit addressed the key audit matter / Auditor's Response
		<p>correspondence / reconciliation with the customers and to consider if any extra provision need to be reversed; and</p> <ul style="list-style-type: none"> Tested subsequent settlement of trade payables after the balance sheet date on a sample basis, if any.
4.	<p>Disputed Statutory Dues The Holding Company has received a Demand of Rs.704.40 crore and applicable interest thereon, from the Service Tax department for the period 2009-10 to 2013-14.</p> <p>The Holding Company is engaged in providing services of Transportation of passenger and goods by Rail but the service tax department has identified it as another business transaction between KRCL and Indian Railways stating that KRCL is providing business support services to Indian railways by making available its rail infrastructure and manpower to Indian Railways. KRCL has challenged the order as unconstitutional and against service tax law and a matter of double taxation. Refer Note No 42 to the consolidated Financial Statement regarding contingent liabilities.</p>	<p>Our audit procedures included and were not limited to the following: Our audit procedures include the following substantive procedures ;</p> <ul style="list-style-type: none"> Obtained understanding of Service Tax Demand on providing Business Support Services and updated status of the dispute ; <p>We along with our internal tax experts –</p> <ol style="list-style-type: none"> Read and analysed select key correspondences, external legal opinions / consultations by management in this regards; Discussed with appropriate senior management and evaluated management's underlying key assumptions of not creating provisions in this regards; Assessed management's estimate of the possible outcome of the disputed cases.
5.	<p>Impact of COVID-19 on the Holding Company's operations and consolidated financial statement.</p> <p>On 11 March 2020, the World Health Organisation declared the Novel Coronavirus (COVID-19) outbreak to be a pandemic.</p>	<p>Our audit procedures included and were not limited to the following:</p> <ul style="list-style-type: none"> Obtained and reviewed the management impact assessment on account of reduction in revenue during current financial year, including judgement and estimates applied in determining the areas of impact.



KONKAN RAILWAY CORPORATION LTD.

Sr. No.	The Key Audit matters	How our audit addressed the key audit matter / Auditor's Response
	<p>The outbreak of Corona virus (COVID-19) pandemic in India has resulted in a nationwide lock down and travel restriction by the Government of India which has significantly impacted business operation of the Holding Company.</p> <p>We have identified the impact of, and uncertainty related to the COVID-19 pandemic as a key event and consideration for Holding Company's Operations on account of:</p> <ul style="list-style-type: none"> - Short and long term effect on Holding Company's business operations and its consequential first order and cascading negative impact on revenue; - impact of the pandemic on the Revenue and Expenses; and <p>Refer Note No 57 to the consolidated Financial Statement regarding contingent liabilities.</p>	<ul style="list-style-type: none"> - Assessed the determination of impact on traffic earnings & project revenues on account of travel restrictions due to nationwide lockdown consequent to COVID-19. - Assessed the determination of reduction in direct operating expenses during lockdown period consequent to COVID-19. - Assessment of how the management has factored the deterioration in the overall economic environment arising from COVID-19. - Assessed management's cost reduction measures taken by the company in order to reduce the impact COVID-19. - Assessed and evaluated expenditure incurred towards preventive health measures as an additional cost for prevention of COVID-19. - Performed subsequent event procedures upto the date of the audit report. - Assessed and tested the disclosure relating to COVID-19 Impact on financial position for FY 20-21 and for the period April'21 to June'21.

For V. K. Surana & Co.

Chartered Accountants

Firm Reg No.110634W

Sd/-

CA. Sudhir Surana

Partner

Membership No. 43414

Nagpur, June 28, 2021

UDIN- 21043414AAAACR4748



KONKAN RAILWAY CORPORATION LTD.

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2021

(₹ in Crore)

Particulars	Note No.	As at 31 st March'2021		As at 31 st March'2020	
ASSETS					
Non-current assets					
Property, Plant and Equipment	3	3,348.06		3,215.64	
Capital work-in-progress	4	1,552.99		1,182.81	
Other Intangible assets	5	0.04		0.05	
Intangible assets under development	6	0.58		0.58	
Financial Assets					
i) Investments	7	14.01		26.44	
ii) Loans	8	0.33		1.30	
iii) Other financial assets	9	0.24		0.52	
Other non-current assets	10	62.39		53.00	
Total Non-current assets			4,978.64		4,480.34
Current assets					
Inventories	11	46.32		89.68	
Financial Assets					
i) Investments	12	1,537.12		910.44	
ii) Trade receivables	13	159.78		148.28	
iii) Cash and cash equivalents	14	290.56		658.53	
iv) Bank balances other than (iii) above	15	1.80		3.75	
v) Loans	16	20.38		19.03	
vi) Other financial assets	17	281.31		367.03	
Current Tax Assets (Net)	18	3.86		15.30	
Other current assets	19	288.53		221.63	
Total Current assets			2,629.66		2,433.67
Total Assets			7,608.30		6,914.01
EQUITY AND LIABILITIES					
Equity					
Equity Share capital	20	1,481.19		1,283.06	
Instruments entirely equity in nature	20a	4,079.51		4,079.51	
Other Equity	21	(4,002.52)		(3,442.56)	
Total Equity			1,558.18		1,920.01
LIABILITIES					
Non-current liabilities					
Financial Liabilities					
i) Borrowings	22	2,680.73		2330.25	
ii) Other Financial Liabilities	23	1.86		3.56	
Provisions	24	742.54		452.38	
Other non-current liabilities	25	46.64		32.21	
Total Non-Current Liabilities			3,471.77		2,818.40
Current liabilities					
Financial Liabilities					
i) Borrowings	26	148.96		-	
ii) Trade payables					
a) Total outstanding dues of micro and small enterprises;		-		-	
b) Total outstanding dues of creditors other than micro and small enterprises.	27	838.02		1,027.32	
iii) Other financial liabilities	28	491.53		551.97	
Other Current Liabilities	29	1,028.57		535.28	
Provisions	30	71.27		61.02	
Total Current Liabilities			2,578.35		2,175.60
Total Liabilities			6,050.12		4,994.00
Total Equity and Liabilities			7,608.30		6,914.01

See accompanying notes to the Consolidated Financial Statements
Significant Accounting Policies
As per our report of even date

For V K Surana & Co.
Chartered Accountants
Firm Registration No. 110634W

Sd/-
CA Sudhir Surana
Partner
Membership No. 043414
UDIN : 21043414AAACR4748
Place : Nagpur
Date : 28th June, 2021

2

For and on behalf of Board

Sd/-
RAJESH BHADANG
Director (Finance)
DIN:09050270

Place : Navi Mumbai
Date : 28th June, 2021

Sd/-
SANJAY GUPTA
Chairman and Managing Director
DIN:06710604

Sd/-
RAJENDRA PARAB
Company Secretary



KONKAN RAILWAY CORPORATION LTD.

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2021

(₹ in Crore)

Particulars	Note No.	For the Year Ended	
		31 st March'2021	31 st March'2020
I. Revenue From Operations			
Sale of services:			
i) Traffic revenue	31	588.64	1,126.72
ii) Project revenue	32	973.90	1,501.56
Other operating revenue	33	13.81	14.40
Total Revenue from Operations		1,576.35	2,642.68
II. Other Income	34	80.94	92.12
III. Total Income (I+II)		1,657.29	2,734.80
IV. Expenses			
Cost of Operation			
i) Train Operation Expenses	35	329.38	581.61
ii) Project Cost	36	839.52	1,414.34
Change in inventory of Finished Goods	37	42.25	(42.25)
Employee benefits expense	38	558.05	535.15
Finance costs	39	138.03	131.90
Depreciation and amortization expense	3 & 5	63.63	61.98
Other expenses	40	52.84	48.23
Total expenses (IV)		2,023.70	2,730.96
V. Profit/(loss) before tax (III- IV)		(366.41)	3.84
VI. Tax expense:			
i) Current tax		-	-
ii) Deferred tax		-	-
VII. Profit / (Loss) for the year (V-VI)		(366.41)	3.84
VIII. Share of (profit)/loss of Joint Venture		12.43	(0.01)
IX. Profit / (Loss) for the year including of (profit)/loss share of Associates		(378.84)	3.85
X. Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss		(184.70)	(190.80)
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
Total Other Comprehensive Loss, net of tax		(184.70)	(190.80)
XI. Total Comprehensive Income for the year (IX + X)		(563.54)	(186.95)
XII. Earnings per equity share of par value of ₹ 1,000/-:			
i) Basic	47	(276.93)	3.01
ii) Diluted *		-	0.72
* Note :EPS is Anti-dilutive for the F.Y.2020-21			

See accompanying notes to the Consolidated Financial Statements
Significant Accounting Policies
As per our report of even date
For V K Surana & Co.
Chartered Accountants
Firm Registration No. 110634W
Sd/-
CA Sudhir Surana
Partner
Membership No. 043414
UDIN : 21043414AAAACR4748
Place : Nagpur
Date : 28th June, 2021

For and on behalf of Board

2 Sd/- RAJESH BHADANG Director (Finance) DIN:09050270 Place : Navi Mumbai Date : 28th June, 2021	Sd/- SANJAY GUPTA Chairman and Managing Director DIN:06710604 Sd/- RAJENDRA PARAB Company Secretary
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(₹ in Crore)

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KONKAN RAILWAY CORPORATION LTD.

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2021

(₹ in Crore)

PARTICULARS	As at the end of 2020-21	As at the end of 2019-20
CASH FLOW FROM INVESTMENT ACTIVITIES		
(Increase)/Decrease in Property, Plant and Equipments	(196.04)	(138.20)
Loss on Sale of Fixed Asset	(0.00)	(0.01)
Profit on Sale of Asset	(0.01)	0.00
Decrease / (Increase) in Capital Work in Progress	(302.91)	(400.87)
Decrease / (Increase) in Intangible Asset	-	(0.05)
Decrease / (Increase) in Intangible Asset under development	-	(0.57)
Decrease / (Increase) in Other Non-Current Assets	(9.39)	(16.75)
Interest on Deposits	77.33	70.16
Decrease / (Increase) in Non-Current Loans	0.97	-
Decrease / (Increase) in Non-Current Investment	12.43	(0.01)
Decrease / (Increase) Other Non-Current financial assets	0.28	4.46
Increase / (Decrease) Financial Asset-Loan	(1.35)	0.00
Decrease / (Increase) in Current Investments	(626.67)	(56.32)
Decrease / (Increase) in Bank balances other than Cash and Cash Equivalent	1.95	9.40
Decrease / (Increase) in Other Non-Current Liabilities	4.29	3.58
Decrease / (Increase) Other Current financial assets	85.72	113.33
NET CASH USED IN INVESTMENT ACTIVITIES B	(953.40)	(411.85)
CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Share Capital	198.13	23.52
Lease Liability	(1.70)	3.56
Finance Cost on Capital Project	(67.32)	(43.69)
Increase / (Decrease) Share Application Money Pending Allotment	3.59	7.24
Loan from Bank for Capital Project	350.49	391.16
Loan from Bank	148.96	-
Finance Cost	(138.03)	(131.90)
NET CASH USED IN FINANCING ACTIVITIES C	494.12	249.90
Net increase in Cash & Cash equivalents D= A+B+C	(367.97)	376.02
Cash & Cash equivalents at beginning of year E	658.53	282.50
Cash & Cash equivalents at end of the year F= D+E	290.56	658.53

See accompanying notes to the Consolidated Financial Statements
Significant Accounting Policies
As per our report of even date
For V K Surana & Co.
Chartered Accountants
Firm Registration No. 110634W
Sd/-
CA Sudhir Surana
Partner
Membership No. 043414
UDIN : 21043414AAAACR4748
Place : Nagpur
Date : 28th June, 2021

2

For and on behalf of Board

Sd/-
RAJESH BHADANG
Director (Finance)
DIN:09050270

Place : Navi Mumbai
Date : 28th June, 2021

Sd/-
SANJAY GUPTA
Chairman and Managing Director
DIN:06710604
Sd/-
RAJENDRA PARAB
Company Secretary



KONKAN RAILWAY CORPORATION LTD.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2021

A. Equity Share Capital

(₹ in Crore)

Particulars	Balance at 1st April'2020	Changes in equity share capital during Financial year 2020-21	Balance at 31st March'2021	Balance at 1st April'2019	Changes in equity share capital during Financial year 2019-20	Balance at 31st March'2020
Equity Share Capital	1,283.06	198.13	1,481.19	1,259.54	23.52	1,283.06

B. Instruments Entirely Equity in Nature

Compulsorily Convertible Preference Shares:

(₹ in Crore)

Particulars	Balance at 1st April'2020	Changes in Compulsorily Convertible Preference Shares during Financial year 2020-21	Balance at 31st March'2021	Balance at 1st April'2019	Changes in Compulsorily Convertible Preference Shares during Financial year 2019-20	Balance at 31st March'2020
Compulsorily Convertible Non Cumulative Preference Shares	4,079.51	-	4,079.51	4,079.51	-	4,079.51

C. Other Equity

(₹ in Crore)

Particulars	Share application money pending allotment	Reserves and Surplus	Items of Other Comprehensive Income	Total
		Retained Earnings	Remeasurements of the defined benefit plans	
Balance at the 1st April 2019	11.76	(3,106.43)	(178.56)	(3,273.24)
Changes in accounting policy	-	-	-	-
Prior period errors	-	10.39	-	10.39
Restated balance at the 1st April 2019	11.76	(3,096.46)	(178.56)	(3,262.85)
Total Comprehensive Income for the year	-	3.85	(190.80)	(186.95)
Share application money received during the financial year	30.76	-	-	30.76
Issue of Share Capital against the Share Application money	23.52	-	-	23.52
Balance at 31st March 2020	19.00	(3,092.19)	(369.36)	(3,442.56)
Balance at the 1st April 2020	19.00	(3,092.19)	(369.36)	(3,442.56)
Changes in accounting policy *	-	-	-	-
Prior period errors	-	-	-	-
Restated balance at the 1st April 2020	19.00	(3,092.19)	(369.36)	(3,442.56)
Total Comprehensive Income for the year	-	(378.84)	(184.70)	(563.54)
Share application money received during the financial year	201.72	-	-	201.72
Issue of Share Capital against the Share Application money	198.13	-	-	198.13
Balance at 31st March 2021	22.59	(3,471.03)	(554.07)	(4,002.51)

Nature and purpose of reserves: Since there are no reserves other than Retained Earnings, the disclosure requirement "stating description of the purposes of each reserve within equity" is not applicable.



KONKAN RAILWAY CORPORATION LTD.

*With effect from 1st April, 2019, Ind AS 116 – “Leases” (Ind AS 116) supersedes Ind AS 17 – “Leases”. The Company has adopted Ind AS 116, retrospectively with the cumulative effect of initially applying the standard, recognized on the date of initial application (April 1, 2019). The application of Ind AS 116 has resulted into recognition of ‘Right-of-Use’ asset with a corresponding Lease Liability in the Balance Sheet. However the company has applied the option given in transitional provisions of the Ind AS 116, and recognised the right-of-use asset at an amount equal to the lease liability at the date of initial application, relating to those operating lease arrangement recognised in the balance sheet immediately before the date of initial application. Due to which there is no impact on the date of initial application i.e. 01/04/2019 on the opening balance of retained earnings.

See accompanying notes to the Consolidated Financial Statements
Significant Accounting Policies

2

As per our report of even date

For V K Surana & Co.

Chartered Accountants

Firm Registration No. 110634W

Sd/-

CA Sudhir Surana

Partner

Membership No. 043414

UDIN : 21043414AAAACR4748

Place : Nagpur

Date : 28th June, 2021

For and on behalf of Board

Sd/-
RAJESH BHADANG
Director (Finance)
DIN:09050270

Place : Navi Mumbai
Date : 28th June, 2021

Sd/-
SANJAY GUPTA
Chairman and Managing Director
DIN:06710604
Sd/-
RAJENDRA PARAB
Company Secretary



KONKAN RAILWAY CORPORATION LTD.

Notes to Consolidated Financial Statements

1. Corporate information:

Konkan Railway Corporation Ltd. ('Corporation') is a Government Company domiciled in India and is incorporated on 19th July'1990 under the provisions of the Companies Act . The registered office of the company is located at Belapur Bhavan, Plot No 6, Sector 11, CBD-Belapur, Navi Mumbai 400614.

The Corporation is engaged into the passenger and goods transport services by rail as well as project services for Zonal Railways and Other Agencies.

The bonds of the company are listed on National Stock Exchange.

The consolidated financial statements are approved for issue by the Company's Board of Directors on June 28, 2021.

2. Significant Accounting Policies

A. Basis of Preparation of consolidated Financial Statements

2.1 The consolidated financial statements of the Corporation have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and amendments thereafter and the relevant provisions of the Companies Act 2013, as applicable. The consolidated financial statements for the year are prepared in accordance with Ind-AS.

The consolidated financial statements are prepared on a going concern basis. The consolidated financial statements have been prepared on a historical cost convention and on an accrual concept basis.

The consolidated financial statements are presented in INR which is the functional currency of the Corporation, and all values are rounded to the nearest crore (INR 00,00,000).

2.2 Accounting Estimates

The preparation of the consolidated financial statements, in conformity with the recognition and measurement principles of Ind AS, requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of consolidated financial statements and the results of operation during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates which are recognised in the period in which they are determined.



KONKAN RAILWAY CORPORATION LTD.

Notes to Consolidated Financial Statements

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the consolidated financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the consolidated financial statements.

B. Property, Plant and Equipment & Depreciation.

- i. When a major replacement or maintenance is performed, its cost is recognized in the carrying amount of the plant and equipment, if the recognition criteria are satisfied and the gross block and depreciation block of old assets is removed from the block. All other repair and maintenance costs are recognized in profit or loss as incurred.
- ii. As required by IND AS 16 the depreciation has been calculated considering Component Accounting wherever relevant i.e. if component of an asset is significant in value as compared to the total value of the asset and its useful life is different than the life of the asset. The depreciation of each such component is calculated separately.
- iii. The Corporation considered adjustment to carrying cost of its assets on account of cost of decommissioning, only if the same is significant.
- iv. The Property, Plant and Equipment's in use are shown at cost comprises of purchase price, import duties and non-refundable purchase taxes, after deducting trade discounts and rebates less accumulated depreciation and accumulated impairment losses, if any. Adjustments arising from Foreign Exchange Rate variations relating to borrowings attributable to fixed assets are allocated to those assets purchased out of Foreign Exchange Loans. Borrowing costs that are directly attributable to the construction or production of a qualifying asset are capitalized as part of the cost of that asset if the recognition criteria are met.
- v. An item of property, plant and equipment and any significant part is derecognized upon disposal or when no future economic benefits are expected from its use or disposal and any gain or loss arising from it is included in the income statement when the asset is derecognized.



KONKAN RAILWAY CORPORATION LTD.

Notes to Consolidated Financial Statements

- vi. Depreciation under Straight-Line Method is charged as per useful life prescribed in Schedule II of the Companies Act, 2013 except the following items:

Asset description	Life of asset (in years)	Basis of Depreciation
Lease hold land		As per Lease agreement
Bridges	80	As per Research Designs & Standards Organization Code
Tunnels	80	
<u>P.Way Track:</u> a) Rails and Fastenings b) Sleepers. c) Ballast	25 35 35	As per Technical assessment.
ROB/RUB/Level crossing	60	As per Railway Finance code
Loco Diesel	36	
Wagons	30	
Crane	25	
Other service wagon	30	
Tower Wagon	40	
Electronic Interlocking	15	

- vii. Depreciation on assets added/disposed off during the year is charged from/up to the date of addition/disposal. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.
- viii. As the corporation had paid the original compensation based on the value determined and provided by Special Land Acquisition Officer (SLAO), the Interest on additional compensation as per the Court award is added to the cost of land, considering it as part of land compensation.
- ix. In case of Fixed Assets other than Land the amount of arbitration claim and interest upto 26.01.1998 (date of Capitalization) is added to the fixed assets. Interest paid for post 26.01.1998 is be charged to Revenue.

C. Capital work-in-progress:

Tangible property, plant and equipment's which are not yet ready for their intended use are carried at cost, comprising direct cost, comprises of purchase price, import duties and non- refundable purchase taxes, after deducting trade discounts and rebates, related incidental expenses and attributable interest and are shown as Capital work-in-progress.

The capital inventory at the year end is also shown under Capital Work in progress.



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Notes to Consolidated Financial Statements

D. Inventories:

- i. The inventories are valued at cost or net realizable value whichever is lower. The cost of Inventories is determined on FIFO basis.
- ii. Stores for repairs and maintenance are initially charged off to revenue in the year of purchase and at the balance sheet date the inventory physically available is valued at cost and booked. Used material which is reusable is valued at Net Realizable Value.
- iii. Project and construction related Works in Progress are valued at cost till the major portion of the job is completed or net realizable value whichever is lower.
- iv. Cost includes expenditures incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition.
- v. Net realizable value is the estimated selling price in the ordinary course of business, less the selling expenses.

E. Foreign Currencies:

Foreign currency transactions are initially recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

- i. Monetary items denominated in foreign currencies at the year end are restated at year end foreign exchange rates. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.
- ii. Any income or expense on account of foreign exchange difference either on settlement or on translation is recognized in the Statement of Profit & Loss except in case where they relate to acquisition of Fixed Assets in which case they are adjusted to the carrying cost of such Fixed Assets.
- iii. In cases where the historical cost of a depreciable asset has undergone a change due to increase or decrease in the long term liability on account of foreign exchange fluctuations arising at the year end, the depreciation on the revised unamortized depreciable amount is provided prospectively over the residual useful life of the asset from the year following such capitalization.

F. Post-employment benefits and short-term employee benefits:



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Notes to Consolidated Financial Statements

i. Defined benefit plans:

The liability in respect of defined benefit plans and other post-employment benefits (mainly pensions to employees joined prior to 01.01.2004 and Gratuity) are calculated using the projected unit credit method and spread over the period during which the benefit is expected to be derived from employees' services, consistent with the advice of qualified actuaries. The long term obligations are measured at present value of estimated future cash flows discounted at rates reflecting the yields on risk free government bonds that have maturity dates approximating the terms of the Corporation's obligations.

Actuarial gains and losses are recognized in Other Comprehensive Income.

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, attrition rate and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

ii. Termination benefits:

Termination benefits are recognized as an expense when the Corporation is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized as an expense if the Corporation has made an offer encouraging voluntary redundancy. It is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

iii. Defined contribution plans:

The Corporation pays fixed contributions in relation to several state plans and insurances for individual employees. The Corporation has no legal or constructive obligations to pay contributions in addition to its fixed contributions, which are recognized as an expense in the period that related employee services are received.

iv. Compensated leave of absence:

The Corporation's current policies permit certain categories of employees to



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Notes to Consolidated Financial Statements

accumulate and carry forward a portion of their unutilized compensated absences and utilize them in future periods or receive cash in lieu thereof in accordance with the terms of such policies. The Corporation measures the expected cost of accumulating compensated absences as the additional amount that the Corporation expects to pay as a result of the unused entitlement that has accumulated at the statements of financial position date. Such measurement is based on actuarial valuation as at the statements of financial position date carried out by a qualified actuary. Gains and losses resulting from remeasurements of the net defined benefit liability are included in profit and loss account as Leave encashment expenses in the period in which they occur.

v. Post Retirement Medical benefits:

The Company have Post Retirement Medical Benefit Plan for Employees and their spouse at superannuation with minimum 20 years of service against one time contribution by the employee equivalent to the last month's basic pay at the time of retirement. The valuation of the benefit plan has been carried by the qualified actuary. Gain and losses resulting from measurement of the net defined benefit liabilities are included in the Profit & Loss account.

vi. Other Employees benefit:

Service cost on the Corporation's defined benefit plan is included in employee benefits expense. Employee contributions, all of which are independent of the number of years of service, are treated as a reduction of service cost. Net interest expense on the net defined benefit liability is included in finance costs. Gains and losses resulting from remeasurements of the net defined benefit liability are included in Other Comprehensive Income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Employees who have joined service on or after 1.1.2004 are governed by 'National Pension System' as announced by the Government of India. The said scheme is a defined contribution scheme and contribution is charged to Statement of Profit & Loss.

G. Leased Assets:

With effect from 1st April, 2019, Ind AS 116 – “Leases” supersedes Ind AS 17 – “Leases”. The Company has adopted Ind AS 116, retrospectively with the cumulative effect of initially applying the standard, recognized on the date of initial application (April 1, 2019). The application of Ind AS 116 has resulted into recognition of 'Right-of-Use' asset with a corresponding Lease Liability in the Balance Sheet. However the company has applied the option given in transitional provisions of the Ind AS 116, and



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Notes to Consolidated Financial Statements

recognised the right-of-use asset at an amount equal to the lease liability at the date of initial application, relating to those operating lease arrangement recognised in the balance sheet immediately before the date of initial application. Due to which there is no impact on the date of initial application i.e. 01/04/2019 on the opening balance of retained earnings.

The Company as a lessee: The Company's lease asset classes primarily consist of leases for land and buildings, Vehicles, Plant and Machinery, IT Assest. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether : (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short -term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value



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Notes to Consolidated Financial Statements

less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Company as a lessor : Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the ROU asset arising from the head lease. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

Transition

The Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the ROU asset as an amount equal to lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the Balance Sheet immediately before the date of transition to Ind AS.

The Company as a lessor: Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the ROU asset arising from the head lease. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.



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H. Revenue Recognition:

The Corporation recognises revenue to depict the transfer of promised services to customers. The revenue is recognised in accordance with Ind AS 115 Construction Contracts is detailed as under:

- i. Ministry of Corporate Affairs (MCA) notified Ind AS 115 on 28 March 2018, which came into effect from 1 April 2018. Ind AS 115 replaces Ind AS 11 (Construction Contracts) and Ind AS 18 (Revenue). It is a single source of revenue guidance for entities across industries. The corporation has recognised its revenue in accordance with Ind AS 115 – Revenue from Contracts with Customers as under:
- ii. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services. Generally, control is transferred upon supply of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the contracts.
- iii. Revenue from rendering of services is recognised over the time by measuring the progress towards complete satisfaction of performance obligations at the reporting period.
- iv. In many cases, the Company receives short-term advances from its customers. The Company does not adjust the committed amount of consideration for the effects of a significant financing component if it expects, that the period between the transfer of the good or service to the customer as per the contract and the receipt of payment from customers will be one year or less.
- v. The Company also receives long-term advances from customers. Excess income generated out of differential interest are recognised as finance income for the corporation.
- vi. Contract balances: Contract balances represent the balance of contract to an amount for which the Company's right could not have been established. No such balances have been accounted for in the books of the Corporation for the current Financial year.
- vii. Trade receivables: A receivable represents the Company's right to an amount of consideration that is unconditional, and the corporation has accounted the same in line with the provisions of Ind AS 115.



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Notes to Consolidated Financial Statements

- viii. Contract Assets & Liabilities: A Contract Assets is the performance by transferring goods and services to a customer, before the customer pays consideration or before payment is due, the entity shall present the contract as a contract asset, excluding any amount presented as a receivables.
- ix. A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.
- x. The Corporation has complied with the aforesaid provision in preparation of consolidated Financial Statement.
- xi. Contract modification: During the year no contracts were modified, hence contracts were not required to be recognised as separate & distinct.
- xii. The traffic earning from Railway business is received from goods and passenger traffic. Goods earnings are pertaining to Railway Receipts generated through the system for carriage of goods over railway network. Passenger earnings are pertaining to Tickets booked by people.
- xiii. Performance Obligation: Railway Receipt (RR) is prepared by the railway for booking the freight for movement of goods from one station to another station. Once the RR is prepared, performance obligation of Railways is to transport the materials up to location defined in the Railway Receipt.
- xiv. Revenue from passenger is recognised once the Tickets(seat) are booked on railway network based on application submitted by passengers. Seat once allotted by railways gives exclusive right of travel to the concerned passenger only. Railways cannot allot this reserved seat to another person unless it is cancelled by first person. Journey by passenger on the specified date is the performance obligation of railways.
- xv. The passenger must pay 100% fare at the time of booking the seat. There is no variable consideration involved. There is no significant financing component involved. The railways take the responsibility of safe journey up to the destination booked by the passenger.
- xvi. Revenue collected by all railways on account of freight and fares is processed through a computerized program run by CRIS to allocate the share of revenue to each railway



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Notes to Consolidated Financial Statements

for the distance travelled by the train on that railway. For KRCL, Central Railway is the nodal agency for the settlement of dues among KRCL and all other railways. Revenue on account of apportioned earnings is booked by KRCL based on monthly settlement between KRCL and Central Railway through single window system. Revenue collected on KR stations every month is treated as originating earnings and the same is brought into the books of accounts.

The above treatment is in line with provision of Ind AS 115 related to performance obligation.

- xvii. Sale of scrap, salvage or waste materials is accounted at the time of realization.
- xviii. Commission received on encashment of warrants issued by Defense/Police is recognized on accrual basis.
- xix. Interest income is recognized using Effective interest rate (EIR). Interest income is included in finance income in the statement of profit and loss.
- xx. Dividend income is recognised when the Corporation's right to receive the payment is established, which is generally when shareholders approve the dividend.

I. Contractor's claims:

- i. Claims for escalation by contractors are accounted for only when such claims are accepted after due verification.
- ii. Penalty for delay in completion / defective work is accounted as and when recovered from the contractors.

J. Provisions:

Provision is made for all known undisputed liabilities (legal or constructive) existing on the date of balance sheet.

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

No provision for contingency is recognized in respect of warranty/ defect or maintenance liability where the corporation has back to back arrangement with sub-contractor for the same liability and there is certainty that such liability would be made good by the sub-contractor.



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Notes to Consolidated Financial Statements

K. Intangible Assets and Amortization:

- i. Intangible assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization/depletion and accumulated impairment losses. All costs, including financing costs till commencement of commercial production, net charges on foreign exchange contracts and adjustment arising from exchanges rate variation attributable to the intangible assets are capitalized.
- ii. Amortization/Depreciation of Intangible Assets is made as under:
 - a) Patents, designs, R&D expenses considered as intangible assets - over their useful life or 10 years whichever is lower.
 - b) Specialized computer software - over a period of 3 years.

L. Financial Derivatives:

Derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The purchase contracts that meet the definition of a derivative under Ind-AS 109 are recognized in the statement of profit and loss.

M. Contingent liabilities and Contingent assets:

- i. Contingent Liability is disclosed in the case of:-
 - a) a present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation.
 - b) a possible obligation, unless the probability of outflow of resources is remote.
- ii. Contingent liability is disclosed for defects or maintenance liability when corporation has no back to back arrangements with sub-contractor for liability and there is virtual certainty that such liability would be made good by the sub-contractor.
- iii. Contingencies are reviewed at each balance sheet date and adjusted to reflect the correct management estimates.
- iv. Contingent Assets are not recognised in the consolidated financial statements. However, when the realisation of income is virtually certain, then the related asset is



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Notes to Consolidated Financial Statements

not a contingent asset and its recognition is appropriate.

N. Taxes on Income:

Income tax comprises of current and deferred income tax. Income tax is recognised as an expense or income in the Statement of Profit and Loss, except to the extent it relates to items directly recognised in equity or in OCI.

a. Current Income Tax

Current income tax is recognised based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the Income Tax Act, 1961. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

b. Deferred Income Tax

Deferred tax is determined by applying the Balance Sheet approach. Deferred tax assets and liabilities are recognised for all deductible temporary differences between the financial statements' carrying amount of existing assets and liabilities and their respective tax base. Deferred tax assets and liabilities are measured using the enacted tax rates or tax rates that are substantively enacted at the Balance Sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the period that includes the enactment date. Deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Such assets are reviewed at each Balance Sheet date to reassess realisation. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Minimum Alternative Tax ("MAT") credit is recognised as an asset only when and to the extent it is probable that the Company will pay normal income tax during the specified period.

O. Impairment of Non-Financial Assets:

The Company assesses at each Balance Sheet date whether there is any indication that an asset, including intangible asset, may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating



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Notes to Consolidated Financial Statements

unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Profit and Loss Account.

Recoverable amount is determined:

- In case of an individual asset, at the higher of the assets' fair value less cost to sell and value in use; and
- In case of cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of cash generating unit's fair value less cost to sell and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specified to the asset. In determining fair value less cost to sell, recent market transaction are taken into account. If no such transaction can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit and Loss, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through the Statement of Profit and Loss.

P. Financial Instruments:

FINANCIAL ASSETS

Initial recognition and measurement

Financial assets are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Investment in Subsidiaries, Associates and Joint Ventures

The Company has accounted for its investments in Subsidiaries, associates and joint venture at cost less impairment loss (if any).



KONKAN RAILWAY CORPORATION LTD.

Notes to Consolidated Financial Statements

Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

Financial assets at amortized cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate ("EIR") method. Impairment gains or losses arising on these assets are recognized in the Statement of Profit and Loss.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in the Statement of Profit and Loss. In respect of equity investments (other than for investment in subsidiaries and associates) which are not held for trading, the Company has made an irrevocable election to present subsequent changes in the fair value of such instruments in OCI. Such an election is made by the Company on an instrument by instrument basis at the time of transition for existing equity instruments/ initial recognition for new equity instruments.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are immediately recognized in statement of profit and loss.

Impairment of Financial Assets

In accordance with Ind AS 109, the Company applies the expected credit loss ("ECL")



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Notes to Consolidated Financial Statements

model for measurement and recognition of impairment loss on financial assets and credit risk exposures. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL. ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls).

De-recognition of Financial Assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralized borrowing for the proceeds received.

EQUITY INSTRUMENT AND FINANCIAL LIABILITIES

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments which are issued for cash are recorded at the proceeds received, net of direct issue costs. Equity instruments which are issued for consideration other than cash are recorded at fair value of the equity instrument.

Financial Liabilities

Initial recognition and subsequent measurement



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Financial liabilities are recognized initially at fair value and in case of borrowing and payables, net of directly attributable cost.

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit or loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

De-recognition of Financial Liabilities

Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting Financial Liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis to realise the assets and settle the liabilities simultaneously.

Q. Current and Non-Current Classifications:

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

An asset as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Occurs primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- 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.

A liability is current when:

- It is expected to be settled in normal operating cycle



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Notes to Consolidated Financial Statements

- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- 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.

R. Borrowing Cost:

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

S. Government Grant

Governments grant are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the period that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

T. Earnings per share:

Basic earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company and weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares



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are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares).

U. Trade receivables and Trade payables :

Trade receivables

A receivable is classified as a 'trade receivable' if it is in respect of the amount due on account of goods sold or services rendered in the normal course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortized cost using the EIR method, less provision for impairment.

Trade payables

A payable is classified as a 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. These amounts are unsecured and are usually settled as per the payment terms stated in the contract. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortized cost using the EIR method.



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Notes forming part of the consolidated Financial Statements

3. Property, Plant and Equipment

(₹ in Crore)

Classification	Gross carrying amounts				Accumulated Deprecations, Amortisation and Impairment				Net carrying amounts	
	As at the beginning of financial Year	Additions	Deletions / disposals	As at the end of financial year	As at the beginning of financial Year	Charge for the Year	Deletions / disposals	As at the end of financial year	As at the end of current financial year	As at the end of previous financial year
For the year ended March 31, 2021										
LAND:										
i) FREE HOLD LAND	205.96	2.25	0.14	208.07	-	-	-	-	208.07	205.96
ii) LEASE HOLD LAND	4.94	-	-	4.94	2.05	0.07	-	2.12	2.82	2.89
iii) EARTH WORK	1,074.14	103.11	-	1,177.25	-	-	-	-	1,177.25	1,074.14
LEASE ASSETS AS PER IND AS 116:	-	-	-	-	-	-	-	-	-	-
i) LEASED ASSET VEHICLE	0.07	1.13	-	1.21	0.01	0.41	-	0.41	0.79	0.07
ii) LEASED ASSET S&T EQUIPMENT	8.67	0.14	-	8.81	2.68	2.70	-	5.38	3.43	6.00
BUILDINGS	286.46	7.68	-	294.14	75.93	4.59	-	80.53	213.61	210.52
PLANT AND EQUIPMENT	389.83	65.28	0.00	455.11	263.88	11.55	0.00	275.43	179.68	125.94
FURNITURE AND FIXTURES	5.73	0.27	0.00	6.00	2.88	0.46	0.00	3.34	2.65	2.85
VEHICLES	6.94	-	-	6.94	4.69	0.45	-	5.14	1.80	2.25
OFFICE EQUIPMENT	40.05	0.33	0.07	40.31	31.59	2.51	0.05	34.05	6.26	8.45
PWAY TRACK (RAILS,BALLAST,SLEEPERS)	929.69	12.98	0.01	942.66	546.63	21.66	0.00	568.30	374.36	383.05
BRIDGES & TUNNELS	1,676.30	-	-	1,676.30	526.58	18.04	-	544.62	1,131.68	1,149.72
ROB, RUB, FOB & FC	29.40	3.93	0.03	33.31	5.34	0.51	0.00	5.85	27.46	24.06
LOCOS & OTHERS ROLLING STOCK	37.14	0.00	-	37.15	17.41	1.54	-	18.95	18.19	19.73
TOTAL	4,695.33	197.10	0.24	4,892.19	1,479.69	64.49	0.06	1,544.12	3,348.06	3,215.64
For the year ended March 31, 2020										
LAND:										
i) FREE HOLD LAND	160.44	45.69	0.17	205.96	-	-	-	-	205.96	160.44
ii) LEASE HOLD LAND	4.94	-	-	4.94	1.97	0.07	-	2.05	2.89	2.97
iii) EARTH WORK	1,047.84	26.30	-	1,074.14	-	-	-	-	1,074.14	1,047.84
LEASE ASSETS AS PER IND AS 116:	-	-	-	-	-	-	-	-	-	-
i) LEASED ASSET VEHICLE	-	0.07	-	0.07	-	0.01	-	0.01	0.07	-
ii) LEASED ASSET S&T EQUIPMENT	-	8.67	-	8.67	-	2.68	-	2.68	6.00	-
BUILDINGS	281.87	4.58	-	286.46	71.40	4.53	-	75.93	210.52	210.47
PLANT AND EQUIPMENT	354.85	34.98	0.00	389.83	253.71	10.17	0.00	263.88	125.94	101.14
FURNITURE AND FIXTURES	4.36	1.37	-	5.73	2.43	0.45	-	2.88	2.85	1.93
VEHICLES	6.44	0.52	0.01	6.94	4.31	0.39	0.01	4.69	2.25	2.12
OFFICE EQUIPMENT	37.68	2.48	0.11	40.05	29.11	2.59	0.10	31.59	8.45	8.57
PWAY TRACK (RAILS,BALLAST,SLEEPERS)	915.72	17.05	3.09	929.69	525.01	21.63	-	546.63	383.05	390.72
BRIDGES & TUNNELS	1,676.07	0.24	-	1,676.30	508.55	18.04	-	526.58	1,149.72	1,167.52
ROB, RUB, FOB & FC	29.29	0.11	-	29.40	4.87	0.46	-	5.34	24.06	24.42
LOCOS & OTHERS ROLLING STOCK	37.06	0.08	-	37.14	15.88	1.54	-	17.41	19.73	21.18
TOTAL	4,556.56	142.15	3.39	4,695.33	1,417.24	62.56	0.12	1,479.69	3,215.64	3,139.32



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- 3.1. In accordance with the provisions of Ind AS the effect of prior period depreciation accounted for during the year is ₹0.04 Crores (₹0.58 Crores), by restating the previous year figures for the depreciation relating to FY 2019-20 and retained earnings for depreciation relating to period prior to 2019-20. Consequently the opening Gross block and depreciation block of relevant Fixed Assets has been reduced and restated.
- 3.2. Fixed assets exclude track measuring 185.275 km's (of gross value ₹131.66 Crore) was sold to consortium led by IL&FS in the F.Y. 1995-96. Subsequently the same was sold by consortium led by IL&FS to Ministry of Railways in the F.Y. 2003-04. Thereafter the same was leased back by Railways to Corporation.
- 3.3. In cases where most of the works have been completed and only some portion remain to be executed but the assets is ready for put to use, then the value of same is capitalized based on the technical assessment.
- 3.4. On all the capital cost relating to construction / erection etc. of any fixed assets involving assistance and monitoring of manpower of KRCL, the Corporation charges specified percentage of cost of project for Engineering, Electrical and S&T Department as 'Direction & General (D & G) Charges' in accordance with the Railway Board guidelines.
- 3.5. The Corporation is having the regular program for physical verification of fixed assets. Adjustment on account of discrepancy, if any, is carried out after due verification and reconciliation. However, during the current year prevailing Covid-19 issue, Corporation could not undertake physical verification of Fixed Assets.
- 3.6. Land cost includes indirect expenses incurred in the process of acquisition of land and the interest paid as per the court order in connection with enhancement of compensation of land price. Provisional advance payments consequent to awards based on certificates of Special Land Acquisition officer (SLAO) is adjusted as and when final awards and acquaintance details are certified by the SLAO's.
- 3.7. 8.50% 2500 taxable bonds of 17-I series amounting to ₹ 250 Crores have been issued for capital projects which includes additional Stations and Looplines. The net interest during capitalization period amounting to ₹ 11.61 crore (net of interest payable ₹ 14.70 crore, interest earned ₹ 3.09 crore) on these bonds is charged to related Project in accordance with Ind AS23. Interest amounting to ₹ 5.32 Crore (₹ 2.90 Crore) on these Bonds charged to Profit and Loss during the year.



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- 3.8. Depreciation related to Asset used in USBRL Project is charged to the Project. Depreciation related to asset used for Route electrification and Doubling project is charged to respective CWIP. Total depreciation charged to the project/CWIP is ₹0.86 crore (₹0.58 crores).
- 3.9. During the course of execution of deposit work relating to development of railway facilities for the customers, certain asset are created on the land of KRCL, the cost of which is recovered from the customers. However, as per the agreement the ownership of such property always rest with the KRCL and the customer has only right to use.

As no cost is borne by KRCL such properties are continued at zero cost.



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4. Capital work-in-progress

(₹ in Crore)

Particulars	As at 31 st March 2021	As at 31 st March 2020
Closing Carrying Amount of Capital work-in-progress	1,552.98	1,182.81

- 4.1 8.50% 2500 taxable bonds of 17-I series amounting to ₹250 Crores were issued for capital projects which includes additional Stations and Looplines. Interest amounting to ₹1.21 crore (₹11.92 Crore) on these bonds is included in respective project upto end of the year in accordance with Ind AS 23 Borrowing Costs.
- 4.2 The Corporation has entered into a Rupee Term Loan Agreement for ₹1200 Crores loan for 20 years tenure on 9th April, 2017 with State Bank of India and EXIM Bank for its Route Electrification and Roha to Veer Doubling Project. The interest rate applicable is one year MCLR of SBI, with annual reset. KRCL has availed ₹927.57 crore (₹577.97 crore) as on 31st March 2021. Accordingly, interest amounting to ₹54.50 Crores, cumulative ₹88.62 Crore (₹32.52 Crore, Cumulative ₹34.12 Crores) have been charged to the project in accordance with Ind AS 23 Borrowing Costs.
- 4.3 Capital Work in Progress includes capital inventory amounting to ₹ 160.00 crore (₹32.29 Crore) Comprising of Rails, Sleepers, Cables etc.

5. Other Intangible Assets

(₹ in Crore)

Classification	Gross carrying amounts				Accumulated Amortisation and Impairment				Net carrying amounts	
	As at the beginning of financial Year	Additions	Deletions / disposals	As at the end of financial year	As at the beginning of financial Year	Charge for the Year	Deletions / disposals	As at the end of financial year	As at the end of current financial year	As at the end of previous financial year
For the year ended March 31, 2021										
PATENT	1.20	-	-	1.20	1.15	0.01	-	1.16	0.04	0.05
KNOWHOW	13.90	-	-	13.90	13.90	-	-	13.90	-	-
TOTAL	15.10	0.00	0.00	15.10	15.05	0.01	0.00	15.06	0.04	0.05
For the year ended March 31, 2020										
PATENT	1.15	0.05	-	1.21	1.15	-	-	1.16	0.05	-
KNOWHOW	13.90	-	-	13.90	13.90	-	-	13.90	-	-
TOTAL	15.05	0.05	0.00	15.10	15.05	0.00	0.00	15.05	0.05	0.00

6. Intangible Asset under Development

(₹ in Crore)

Particulars	As at 31st March 2021	As at 31st March 2020
Financial accounting software (Integrated Financial Accounting System)	0.58	0.58
Total	0.58	0.58



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Non-Current Financial Assets :

7. Investments in Associate

Carrying amount of the investment

(₹ in Crore)

Particulars	As at 31 st March, 2021		As at 31 st March, 2020	
Current Assets	26.01		25.84	
Non Current Assets	36.64		87.53	
Current Liabilities	(8.00)		(10.91)	
Non Current Liabilities	(0.78)		(0.78)	
Equity		53.88		101.68
Proportion of the Group's Ownership		26%		26%
Total Carrying amount of the Investment		14.01		26.44

Group Share of (Profit)/Loss for the year

(₹ in Crore)

Particulars	As at 31 st March, 2021		As at 31 st March, 2020	
Revenue	0.04		0.64	
Employee Benefit Expenses	(0.76)		(0.32)	
Finance Cost	(0.73)		-	
Depreciation & Amortisation Expenses	(0.04)		(0.08)	
Other Expenses	(1.00)		(0.11)	
Profit/(Loss) before Tax		(2.50)		0.14
Impairment in respect of CWIP and Intangible assets		(45.31)		
Income Tax Expense		-		(0.11)
Profit/(Loss) for the year		(47.81)		0.02
Other Comprehensive Income	(0.00)		(0.01)	
Total Comprehensive Income for the year		(47.81)		0.03
Group Share of (Profit)/Loss for the year		12.43		(0.01)

Additional Information of the Investment

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	(₹ in Crore)	As % of consolidated profit or loss	(₹ in Crore)
Jaigarh Digni Rail Limited	26.00%	14.01	26.00%	12.43

Name of the entity in the Group	Share in other comprehensive income		Share in total comprehensive income	
	As % of Consolidated Other Comprehensive Income	(₹ in Crore)	As % of Total Comprehensive Income	(₹ in Crore)
Jaigarh Digni Rail Limited	26.00%	(0.00)	26.00%	12.43



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Notes forming part of the consolidated Financial Statements

7.1 The Corporation made long term equity investment into Jaigarh Digni Rail Limited (JDRL) with 26% holding in the financial year 2015-16. In terms of Ind-AS 28 the Corporation has significant influence in JDRL, being its voting power is more than 20% and since it is participating in financial and/or operating policy decisions but does not have control over these policies. Konkan Railway Corporation Limited has accepted right issue of 1,55,87,000 no. of shares fully paid at face value of ₹10/- each. This Investment is classified as Trade Investments and not held for Sale. In accordance with the Ind AS, Trade Investments are recognized at cost and carrying amount is increased or decreased to recognize the Investors' share of profit or loss after date of acquisition. The required disclosures as above have been made as per Ind-AS 112 and in accordance with Schedule III of Companies Act, 2013.

7.2 JDRL is a JV company in which KRCL and Maharashtra Maritime Board (MMB) holds 26% and 11 % equity respectively and balance is held by JSW Jaigarh Port Limited (JSWJPL). JDRL was formed for construction, operation and maintenance of a Railway system for providing port connectivity between Jaigad Port and Digni Railway Station on KR Route. JDRL has entered into the requisite Concession Agreement with Ministry of Railways through KRCL.

Consequent to failure of JDRL to achieve the milestone of Financial closure in terms of the Concession Agreement, KRCL had encashed the Bank Guarantee of ₹ 23.26 Crores in FY 2019-20 and has kept it as a liability pending further directions from MoR, GOI.

Further during the current period, & until the date, the facts and circumstances relating to severer dip in cargo projection, electrification costs, significant escalations in project costs due to changes in extant laws, non-commissioning of complementary rail links of Chiplun-Karad and Vaibhavwadi-Kolhapur, difficulties in effecting financial closure, non- acquisition of land, steep rise in land prices etc. have transpired the JDRL Project unviable. The second study report by PWC has fortified the fact that traffic projections are bleak, making the project unviable.

During the joint meetings of investing partners, the KRCL has expressed its concern that the KRCL being Government company, involving public money the investment of ₹ 26 Crores in the project cannot be forgone. In response to this, JSWJPL vide its letter dated 24 May 2021, has expressed its intentions to make good investment of KRCL, with a request of amicable closure of Concession Agreement and Shareholders' Agreement without any other costs, penalty or liabilities.

As at 31st March'2021, JDRL has accounted for an impairment loss on its CWIP amounting to ₹ 45.31 Crore indicating the intention of the management of the company not to continue the project. However, at the same time the JV is exploring alternative usage of the current infrastructure available / built for the railway network and have engaged experts in this field for utilization of Company assets. As such the accounts are drawn on going concern basis.

Therefore, in view of the positive net worth of the company, going concern assumptions, KRCL is already in possession of ₹23.26 crore and the offer given by M/s JSWJPL to recoup the loss of investment, if any, it is the considered opinion of the management that the investment made in M/s JDRL is intact even though the JDRL has accounted for an impairment loss and the Networth of the JV company has partially eroded.

8 Non-Current Financial Assets :Loans

(₹ in Crore)

Particulars	As at 31 st March, 2021		As at 31 st March, 2020	
Financial assets measured at amortized cost				
Loans to related parties (Considered good-Unsecured)				
Konkan Railway Welfare Organisation		-		1.30
Other Loans (Considered good-Secured)				
House Building Advance		0.33		-
TOTAL		0.33		1.30

8.1 Loan given to Konkan Railway Welfare Organisation (KRWO), formed for the welfare of the employees of the Corporation, carries interest @ 7% p.a and is repayable in 7 years from the date of disbursement. The loans were disbursed during the period 2010-11 to 2014-15. The KRWO has executed mortgage deed (not registered) in favour of the Corporation for land purchased at Ulve, Suratkal, Madgaon and Ratnagiri. The loan has been classified as unsecured. Balance of KRWO are subject to confirmation.

8.2 During the current year house building advance for construction of house was given to employees which is secured by mortgage.



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9. Non-Current Financial Assets : Other Financial Assets

(₹ in Crore)

Particulars	As at 31 st March, 2021		As at 31 st March, 2020	
Financial assets carried at amortized cost				
Unsecured, considered good				
Bank deposit with remaining maturity of more than 12 months as on Balance sheet date, held as margin money or security against the bank guarantees and others.		0.20		-
Other Bank Deposits with remaining maturity of more than 12 months as on Balance sheet date		0.02		-
Interest Accrued but not due		0.02		0.52
TOTAL		0.24		0.52

10. Other non-current assets

(₹ in Crore)

Particulars	As at 31 st March, 2021		As at 31 st March, 2020	
Capital Advances				
Unsecured, considered good				
Capital Advances including Advances for Land Acquisition		49.50		35.13
Unsecured, considered doubtful				
Capital advance	0.97		0.97	
Less: Provision for Doubtful Advances	0.97	-	0.97	-
Advance other than Capital Advance				
Unsecured, considered good				
With Govt. authorities		12.88		17.87
TOTAL		62.38		53.00

11. Inventories

(₹ in Crore)

Particulars	As at 31 st March, 2021		As at 31 st March, 2020	
Valued at Lower of Cost (FIFO Basis) or Net Realisable Value (As taken, valued and certified by the Management)				
Stores and spares		38.58		38.72
Diesel		5.03		5.74
Rails (including reusable for replacement purpose)		2.71		2.97
Finished Goods (Rolling Stock - DEMU) (Refer Note No. 11.1)		-		42.25
TOTAL		46.32		89.68

11.1 Inventory of Finished good was DEMU rakes which have been exported to Nepal in the current year.

11.2 The above inventories does not include the inventories procured for project clients which are lying in the companies premises as these inventories are charged/billed to respective projects.



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Current Financial Assets

12. Investments

(₹ in Crore)

Particulars	As at 31 st March, 2021		As at 31 st March, 2020	
Unquoted, At cost				
Investments with Life Insurance Corporation (LIC) under Group Leave encashment Scheme including Life Assurance Benefits		1,537.12		910.44
TOTAL		1,537.12		910.44

12.1 Investment with Life Insurance Corporation under Group Leave encashment Scheme includes Life Assurance Benefits and is also used for general business purpose.

Current Financial Assets

13. Trade Receivables

(₹ in Crore)

Particulars	As at 31 st March, 2021		As at 31 st March, 2020	
Trade Receivables (Considered good-Unsecured)				
Traffic Earnings and other receivable		125.02		108.32
Projects Receivables		34.76		39.96
Trade Receivables which have significant increase in Credit Risk				
Traffic Earnings and other receivable	0.54		0.54	
Less: Provision for bad and doubtful debts	0.54	-	0.54	-
Projects Receivables	21.92		9.77	
Less: Provision for bad and doubtful debts	21.92	-	9.77	-
TOTAL		159.78		148.28

13.1 All trade Receivables are having uniform credit terms as agreed between parties and there is no incidence of extended credit days/terms. Hence, this does not involve any significant financing element. There are trade receivables which are not realised in time or as per the credit terms due to various reasons and it is subject to reconciliation for final settlement.

13.2 Udupi Power Corporation Ltd (UPCL), previously known as Nagarjun Power Corporation Ltd.- (NPCL) has made a Power Plant at Padubidri, Udupi. UPCL had appointed the LANCO Infratech Ltd. as their EPC Contractor/agent, and, informed KRCL, that, LANCO, on behalf of UPCL, will deal with KRCL in relation with the Railway Siding work. An amount of ₹ 12.14 Crores, is due from UPCL /LANCO Infratech Ltd. However, LANCO has gone into liquidation and official liquidator has been appointed. KRCL has filed the Civil Recovery Suit OS no. 119/2016 against UPCL (Principal Employer) and LANCO (its agent).

Appraisal of financial status in the website of LANCO shows that the realizable value of assets of LANCO is substantially less than its secured creditors and there are remote chances of recovery from LANCO. No hearing has taken place during the year. Considering the long time involved in judgement and uncertainty of realizing the amount, on a prudent basis the provision for doubtful dues is made during the year.

13.3 Project Receivables includes loss due to foreign currency fluctuation to the extent of ₹0.05 crore (₹ NIL).



KONKAN RAILWAY CORPORATION LTD.

Notes forming part of the consolidated Financial Statements

14. Cash and Cash Equivalents

(₹ in Crore)

Particulars	As at 31 st March, 2021		As at 31 st March, 2020	
Balances with banks (of the nature of cash and cash equivalents)				
a) In Current Accounts		83.13		104.26
b) In Deposit Accounts with original maturity of less than 3 months				
i) In Autosweep Account		203.55		549.87
ii) In Fixed Deposit		2.00		2.00
Cash on hand		1.88		2.40
TOTAL		290.56		658.53

15. Bank Balances Other Than Cash and Cash Equivalents

(₹ in Crore)

Particulars	As at 31 st March, 2021		As at 31 st March, 2020	
In Deposit Accounts with original maturity of more than 3 months but remaining maturity of less than 12 months				
In Fixed Deposit		0.58		-
In Fixed Deposit held as margin money or security against the bank guarantees and others		1.22		3.75
TOTAL		1.80		3.75

Current Financial Assets

16. Loans

(₹ in Crore)

Particulars	As at 31 st March, 2021		As at 31 st March, 2020	
Financial assets measured at amortized cost				
Loans to related parties (considered good - Unsecured)				
Loans to Konkan Railway Welfare Organisation		20.33		19.03
Loans to others (considered good - Secured)				
House Building Advacne(HBA)		0.05		-
TOTAL		20.37		19.03

16.1 Loan given to Konkan Railway Welfare Organisation (KRWO), formed for the welfare of the employees of the Corporation, carries interest @ 7% p.a and is repayable in 7 years from the date of disbursement. The loans were disbursed during the period 2010-11 to 2014-15. The KRWO has executed simple mortgage deed in favour of the Corporation. The loan has been classified as unsecured.

16.2 As on 31st march, 2021, Loan amount includes ₹ 19.03 Crore (₹ 19.03 Crore) which has become due on completion of seven years from the disbursement of respective loans. The management is in the process of recovery of the same.



KONKAN RAILWAY CORPORATION LTD.

Notes forming part of the consolidated Financial Statements

Current Financial Assets

17. Other Financial Assets

(₹ in Crore)

Particulars	As at 31 st March, 2021		As at 31 st March, 2020	
Unsecured, considered good				
Interest Accrued but not due on Investments and Deposits		0.06		2.25
Interest Accrued and due on Deposits		0.05		0.05
Interest Accrued on Loans (Refer note 17.1)		9.07		7.13
Other Inter Railway Financial Adjustment (IRFA) Receivables		270.69		355.31
Gratuity Receivable from LIC of India		0.51		1.23
Advances to Employees		0.16		0.18
Deposits with				
Others		0.76		0.88
Unsecured, considered doubtful				
Others	0.01		0.01	
Less: Provision for Doubtful debts	0.01	-	0.01	-
TOTAL		281.31		367.03

17.1 Interest accrued amounting to ₹ 8.46 Crore (₹ 7.12 Crore) is overdue and the management is in process of recovery from KRWO.

18. Current Tax Assets (Net)

(₹ in Crore)

Particulars	As at 31 st March, 2021		As at 31 st March, 2020	
Due from Tax Authorities				
Income Tax		3.86		15.30
TOTAL		3.86		15.30



KONKAN RAILWAY CORPORATION LTD.

Notes forming part of the consolidated Financial Statements

19. Other Current Assets

(₹ in Crore)

Particulars	As at 31 st March, 2021		As at 31 st March, 2020	
Unsecured and Considered good				
Advances other than capital advances :				
Other Advances: Project Advances		137.58		141.27
Advances to Contractors / Suppliers		5.70		4.38
Prepaid Expenses		0.44		0.73
Duties and Taxes Receivable:				
a) Goods & Services Taxes(GST- ITC)	41.34		39.95	
b) Goods & Services Taxes - (GST Recd. in Advance)	65.21		-	
c) Income Tax	21.57		18.31	
d) Service Tax Receivable	-	128.12	0.24	58.50
Deposits with Court for				
a) land acquisition (Refer Note no 40 (ix))	6.68		6.75	
b) Tax Cases (Refer Note no 40 (vi))	10.01	16.69	10.00	16.75
Unsecured, considered doubtful				
Project Advances	11.14		5.00	
Less: Provision for Doubtful debts	11.14	-	5.00	-
Advances to Contractors / Suppliers	0.39		0.39	
Less: Provision for Doubtful debts	0.39	-	0.39	-
Recoverable from contractors / others	0.85		0.85	
Less: Provision for Doubtful debts	0.85	-	0.85	-
TOTAL		288.53		221.63



KONKAN RAILWAY CORPORATION LTD.

Notes forming part of the consolidated Financial Statements

20. Equity

(a) Equity Share capital

(b) Instruments entirely equity in nature

(₹ in Crore)

Particulars	As at 31 st March, 2021		As at 31 st March, 2020	
Authorised Share Capital				
4,00,00,000 (4,00,00,000) Equity Shares of par value of ₹1000/- each		4,000.00		4,000.00
3,22,24,600 (3,22,24,600) Compulsorily Convertible Non Cumulative 20 Years Preference Shares of par value of ₹1000/- each		3,222.46		3,222.46
85,70,500 (85,70,500) Compulsorily Convertible Non Cumulative 15 Years Preference Shares of par value of ₹1000/- each		857.05		857.05
		8,079.51		8,079.51
Issued, subscribed and fully paid up Share Capital				
148,11,862 (128,30,562) Equity Shares of par value of ₹1000/- each fully paid up		1,481.19		1,283.06
(A) Total of Issued, subscribed and fully paid up Share Capital		1,481.19		1,283.06
Issued, subscribed but not fully paid Equity Share Capital				
99 (99) Equity Shares of par value of ₹1000/- each not fully paid up		0.01		0.01

20.1 The reconciliation of the number of shares outstanding is set out below :

Equity Shares

(₹ in Crore)

Particulars	As at 31 st March, 2021		As at 31 st March, 2020	
	Number of shares	Amount	Number of shares	Amount
At beginning of the year	1,28,30,661	1,283.07	1,25,95,461	1,259.55
Changes during the year: Right shares issued	19,81,300	198.13	2,35,200	23.52
At end of the year	1,48,11,961	1,481.20	1,28,30,661	1,283.07
Less: Calls in Arrears		0.01		0.01
TOTAL		1,481.19		1,283.06



KONKAN RAILWAY CORPORATION LTD.

Notes forming part of the consolidated Financial Statements

20a Instruments Entirely Equity in Nature

(₹ in Crore)

Particulars	As at 31 st March, 2021		As at 31 st March, 2020	
Preference Shares (Refer Note 20a.6)				
i) 3,22,24,600 (3,22,24,600) Compulsorily Convertible Non Cumulative 20 Years Preference Shares of par value ₹1000/- each		3,222.46		3,222.46
ii) 85,70,500 (85,70,500) Compulsorily Convertible Non Cumulative 15 Years Preference Shares of par value ₹1000/- each		857.05		857.05
TOTAL		4,079.51		4,079.51

20a.1 Rights, preferences and restrictions attached to Equity Shares

Equity Shares

The Corporation has only one class of equity shares having a par value of ₹ 1000/- each.

The Corporation was incorporated as a joint venture between the Central Government of India acting through Ministry of Railways and the participating State Governments of Maharashtra, Goa, Karnataka and Kerala to construct and operate the Konkan Railway Broad Gauge Line (KR Route). The Corporation was originally intended to be merged with Indian Railways upon completion of 15 years or as and when its loan liabilities are fully discharged, whichever is earlier. According to the initial MOU, the government of India would pay the contributions made by state governments towards equity at par, after the corporation liquidates the loan obtained for completing KR route. However, on 7th January 2009, Ministry of Railways communicated the approval of Cabinet Committee on Economic Affairs that the Corporation shall continue as a Central PSU even after discharge of its debt liabilities.

The holders of the equity shares are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their share holding at the meetings of shareholders. In the event of Liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining asset of the company after distribution of all preferential payments. The distribution will be in proportion to the number of equity shares held by the shareholders.

20a.2 Calls in Arrears

It represents outstanding call money towards equity shares from Ministry of Railways. The Issued Equity share capital of corporation is ₹1481.19 crore out of which ministry of Railways hold 52.39% of the stake i.e. ₹776.07 Crore, out of these the corporation received an amount of ₹776.06 crore towards Equity share capital and the balance amount of ₹0.01 crore is outstanding.



KONKAN RAILWAY CORPORATION LTD.

Notes forming part of the consolidated Financial Statements

20a.3 The details of Equity Shareholders holding more than 5% shares

Name of Shareholder	As at 31 st March, 2021		As at 31 st March, 2020	
	No. of Shares	% held	No. of Shares	% held
Ministry of Railways	77,60,677	52.39	66,93,573	52.20
Government of Maharashtra	31,13,625	21.02	28,87,424	22.50
Government of Karnataka	19,68,699	13.29	16,74,698	13.10
Government of Kerala	10,81,480	7.30	7,87,480	6.10
Government of Goa	8,87,480	5.99	7,87,479	6.10

20a.4 In the F.Y. 2018-19 the company has come out with the 2nd Rights Issue for ₹196 Crore to the shareholders in their existing shareholding proportion which was kept open from 1.12.2018 to 29.12.2018 (both days inclusive).

During FY 2019-20 the company has allotted shares against 2nd right issue to the tune of ₹ 23.52 Crores whereas in June'2020 the remaining shares of 2nd Right issue were allotted to the shareholder amounting to ₹ 29.40 Crores.

The Board of Director in their meeting have allowed for receiving the subscription from the shareholders even after the closure of Rights Issue.

Likewise in the F.Y. 2019-20 the Company has announced 3rd Right issue of ₹490 Crores to the shareholders in their existing shareholding proportion which was kept open for the period 16/12/2019 to 14/01/2020 (both days inclusive). During FY 20-21 the Company has allotted shares against 3rd right issue to the tune of ₹168.73 Crores whereas share application money received whose allotment is not yet initiated is ₹22.59 Crores as on 31st March'2021.

Further in the month of May' 2021, ₹ 81.31 Crores was received as share application money but allotment is not yet initiated. And balance of ₹ 217.37 Crores is not yet received from the shareholders till date.

Consequently, the Board of Director in their meeting have allowed for receiving the subscription from the shareholders even after the closure of Rights Issue.

20a.5 The reconciliation of the number of shares outstanding is set out below :

(i) Compulsorily Convertible Non-cumulative 20 Years Preference Shares

(₹ in Crore)

Particulars	As at 31 st March, 2021		As at 31 st March, 2020	
	Number of shares	Amount	Number of shares	Amount
At beginning of the year	3,22,24,600	3,222.46	3,22,24,600	3,222.46
Changes during the year	-	-	-	-
At end of the year	3,22,24,600	3,222.46	3,22,24,600	3,222.46

(ii) Compulsorily Convertible Non-cumulative 15 Years Preference Shares

(₹ in Crore)

Particulars	As at 31 st March 2021		As at 31 st March 2020	
	Number of shares	Amount	Number of shares	Amount
At beginning of the year	85,70,500	857.05	85,70,500	857.05
Changes during the year	-	-	-	-
At end of the year	85,70,500	857.05	85,70,500	857.05



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Notes forming part of the consolidated Financial Statements

20a.6 The salient features of Capital Restructuring proposal as approved by Cabinet Committee on Economic Affairs and given effect to, are as follows:

The Loans provided by the Ministry of Railways along with accrued interest thereon as at 31st March, 2008 amounting to ₹ 3222.46 Crore were converted into Non-cumulative Preferential Shares redeemable at the end of 20 years.

Likewise, the Ministry of Railways has provided financial assistance amounting to ₹857.05 Crore by way of subscription to Non-cumulative Preferential Shares redeemable at the end of 15 years towards full debt servicing and 50% of the value of Bonds redeemable during financial years 2008-09 to 2010-11.

Thereafter these Non-Cumulative Redeemable 20 years/ 15 years Preference Shares totaling to ₹4,079.51 crore held in the name of Ministry of Railways are converted into Compulsorily Convertible Non-cumulative Preference Shares (CCPS) w.e.f. 31/03/2015 with the approval of competent authority. The approval of Central Government has been received on 26th December, 2017.

20a.7 There is a difference of ₹ 214.02 Crore in authorized share capital as per records of Ministry of Corporate Affairs – MCA (₹ 8293.53 Crore) and as per company's records (₹ 8079.51 Crore). At the time of increase in authorized share capital for issue of Preference Shares, based on the approval of the Cabinet Committee on Economic Affairs (CCEA) for 1st restructuring, the request for increase in Authorized Share Capital to ₹ 4293.5339 Crore was submitted to Government and resolution was passed in EGM dt.16.02.2009. Based on this Form 5 was filed with ROC for the increase in Authorised share capital. However, later the H'ble President of India approved the increase of ₹ 4079.51 Crore only. Consequently the application was given to MCA for correction / reduction in authorised share capital in line with approval of President of India. However, the same is not yet done and the Management is pursuing for the same. Alternatively management will approach to Government of India to grant approval for enhanced share capital in line with MCA.

20a.8 The details of Preference Shareholders holding more than 5% shares

(i)	Compulsorily Convertible Non-cumulative 20 Years Preference Shares	As at 31 st March, 2021		As at 31 st March, 2020	
		Number of shares	% held	Number of shares	% held
	Ministry of Railways	3,22,24,600	100	3,22,24,600	100

(ii)	Compulsorily Convertible Non-cumulative 15 Years Preference Shares	As at 31 st March, 2021		As at 31 st March, 2020	
		Number of shares	% held	Number of shares	% held
	Ministry of Railways	85,70,500	100	85,70,500	100



KONKAN RAILWAY CORPORATION LTD.

Notes forming part of the consolidated Financial Statements

Details of Preference Shares convertible into Equity shares with date of issue along with the earliest date of conversion given hereunder:-

Sr.No.	Date of issue of preference share	Amount ₹ in crore	Date of conversion to Equity Share Capital
1	30/03/2009	3,222.46	30/03/2029
2	24/12/2010	34.99	24/12/2025
3	19/11/2010	61.48	19/11/2025
4	13/07/2010	42.40	13/07/2025
5	25/05/2010	117.94	25/05/2025
6	21/04/2010	51.36	21/04/2025
7	26/02/2010	25.00	26/02/2025
8	30/11/2009	67.50	30/11/2024
9	30/10/2009	82.00	30/10/2024
10	01/10/2009	37.50	01/10/2024
11	27/05/2009	85.38	27/05/2024
12	30/03/2009	251.50	30/03/2024
	TOTAL	4,079.51	

21 Other Equity

A) Retained Earnings

(₹ in Crore)

Particulars	As at 31 st March, 2021		As at 31 st March, 2020	
Deficit in the Statement of Profit and Loss				
Balance as at the beginning of the year		(3,092.20)		(3,106.43)
Prior Period Errors		-		10.39
Restated Balance as at the beginning of the year		(3,092.20)		(3,096.05)
Add/(Less) : Profit/(Loss) for the year		(378.84)		3.85
Balance as at the end of the year		(3,471.04)		(3,092.20)

21.1 The prior period expenses and income accounted for during the year have been treated in accordance with Ind AS-8. The relevant adjustments have been made and the corresponding previous year figures have been restated, including in the retained earnings for figures prior to previous year.

As such, Income amounting to ₹8.26 Crore accounted for during the current year, were pertaining to previous year(s). Therefore as per Ind AS – 8, these prior period expenses and income have been shifted to previous year and the relevant expenses and income for previous year are restated, resulting in the reduction of Profit After Tax for previous years by ₹2.12 Crore. Consequently, opening Reserves and Surplus for that year have also been increased by Rs.10.39 crore. Also Current and Non-Current Liabilities for the previous year have been restated and increased by ₹ 10.91 Crore and Current Assets for the previous year have been restated and increased by ₹2.65 Crore

B) Other Comprehensive Income

(₹ in Crore)

Particulars	As at 31 st March, 2021		As at 31 st March, 2020	
Remeasurements of Defined Benefit Plans Obligations				
Balance as at the beginning of the year		(369.36)		(178.56)
Add/(Less) : Additions during the year		(184.70)		(190.80)
Balance as at the end of the year		(554.06)		(369.36)



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Notes forming part of the consolidated Financial Statements

C) Share Application Money Pending Allotment

(₹ in Crore)

Particulars	As at 31 st March, 2021		As at 31 st March, 2020	
Share Application Money Pending Allotment				
Balance as at the beginning of the year		19.00		11.76
Share application money received during the financial year		201.72		30.76
Issue of Share Capital against the Share Application money		198.13		23.52
Balance as at the end of the year		22.59		19.00
Total Other Equity (A+B+C)		(4,002.51)		(3,442.56)

22. Non-Current Financial Liabilities

Borrowings

(A) Bonds:

(₹ in Crore)

Particulars	As at 31 st March, 2021		As at 31 st March, 2020	
Secured and issued through Private Placement				
7.94%, 1200 taxable bonds of ₹ 10 lakh each 19-I series redeemable on 01.10.2029 (Refer Note 22.1 (d))		120.00		120.00
7.65%, 3000 taxable bonds of ₹ 10 lakh each 18-I series redeemable on 22.09.2026		300.00		300.00
8.30%, 500 taxable bonds of ₹ 10 lakh each 17-III series redeemable on 29.04.2026		50.00		50.00
8.50%, 2500 taxable bonds of ₹ 10 lakh each 17-II series redeemable on 30.03.2026		250.00		250.00
8.50%, 2500 taxable bonds of ₹ 10 lakh each 17-I series redeemable on 25.01.2026		250.00		250.00
9.08%, 5000 taxable bonds of ₹ 10 lakh each 16-IV series redeemable on 25.09.2024		500.00		500.00
9.18%, 1100 taxable bonds of ₹ 10 lakh each 16-III series redeemable on 11.08.2024		110.00		110.00
9.15%, 1700 taxable bonds of ₹ 10 lakh each 16-II series edeemable on 21.07.2024		170.00		170.00
TOTAL (A)		1,750.00		1,750.00



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22.1

- The IDBI Trusteeship Services Limited has been appointed as Trustees to the Bond Holders for all series of Bonds.
- All Bonds issued by the Corporation under various Series are secured by way of pari-passu charges / mortgage created / to be created on movable / immovable assets of the Corporation.
- Corporation is authorised to reissue all bonds u/s 121 of the Companies Act, 1956 (Corresponding section 73 notified under the Companies Act, 2013) after complying all the formalities required for reissue or fresh issue of bonds or both.
- These bonds carry a put and call option on 01/10/2024, giving a right, to redeem the bonds before scheduled redemption date at par at the end of 5 years from the date of allotment .
- In terms of Section 71 of the Companies Act, 2013 the Corporation is required to create a Debenture Redemption Reserve of an adequate amount in respect of bonds issued. However, due to accumulated losses no Debenture Redemption Reserve has been created by the Corporation.
- Letter of Comfort has been given by the Ministry of Railways in respect of all the Bonds (except 17-I Series) issued for which No fees has been charged by MOR .
- The bond are listed on National Stock Exchange.

22.2 Non-Current Financial Liabilities:

Borrowings:

(B) Term Loans:

(₹ in Crore)

Particulars	As at 31 st March, 2021		As at 31 st March, 2020	
Secured :				
From Banks:				
Loans from State Bank of India (SBI)		546.23		342.57
From Other Financial Institutions :				
Export-Import Bank of India		384.50		237.68
TOTAL (B)		930.73		580.25
TOTAL A+B		2,680.73		2,330.25

- Konkan Railway Corporation Limited (KRCL) had entered into a Rupee Term Loan Agreement for ₹1200 crore for 20 years tenure on 9th April, 2017 with consortium of State Bank of India (Lead Bank) and Export-Import Bank of India for its Route Electrification and Roha to Veer Doubling Project. The interest rate applicable is one year MCLR of SBI with annual re-set clause.
- The facility is secured by way of a pari passu charge by way of hypothecation on all Fixed Assets pertaining to the project, both present and future.
- The terms of loan is 20 years including moratorium period of 5 years from the first drawdown date inclusive of construction period. Interest during construction period is also financed by bank. After Construction period, interest will be paid as and when applied.



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(d) Quarterly Repayment is scheduled after moratorium period as per below mentioned schedule:

Qtr	Repayment % per Qtr	Amount in Crores (per Qtr)	Repayment % (per annum)	Amount in Crores
1-16	1.25	15.00	5.00	240.00
17-20	0.13	1.50	0.50	6.00
Bullet repayment option at the end of 10th year		NA	79.50	954.00 (Lumpsum)

In case rollover is opted Rollover amortisation schedule:

Qtr	Repayment % per Qtr	Amount in Crores	Repayment per annum %	Amount in Crores
21-56	1.88	22.50	7.50	810.00
57-60	3.00	36.00	12.00	144.00

Non-current Financial Liabilities:

23. Others

(₹ in Crore)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Lease Liability (Refer Note 46)	1.86	3.56
TOTAL	1.86	3.56

24. Non-Current Liabilities : Provisions

(₹ in Crore)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Provision for employee benefits		
Compensated Leave Absences (Refer Note 24.2)	229.47	173.54
Employee Pension Scheme (Refer Note 24.1)	421.12	227.22
Gratuity (Refer Note 24.1)	76.17	36.90
Post Retirement Medical Benefits	15.78	14.72
TOTAL	742.54	452.38

24.1 Net of the amount of Investments held by KRCL Employees Super Annuation Trust and KRCL Employee's Gratuity Trust.



KONKAN RAILWAY CORPORATION LTD.

Notes forming part of the consolidated Financial Statements

24.2 Leave Encashment: It represents un-availed leave to the credit of the employee and carried forward in accordance with leave rules of the Corporation. As per KRCL Circular no. CO-13011(11)/1/2019-PERS dtd 29.06.2020, as an austerity measure due to COVID-19, leave balance of each employee as of 31st March 2020 was reduced by 30 days except for the employees who were on deputation or who were having KRCL service of 10 years or less or those who were having less than 60 days leave as on 31st March 2020. 30 days leave adjustment for employees having less than 60 days as on 31st March 2020 was adjusted during FY 2020-21.

25. Other non-current liabilities

(₹ in Crore)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Deferred government grant	30.09	28.07
Deposits from contractors & Others	16.55	4.13
TOTAL	46.64	32.20

- 25.1 Government Grant includes grant received from Ministry of Tourism for Station development for passenger amenities including interest earned on the same and Grant received from MP LAD Fund.
- 25.2 In the year 2019-20, KRCL had received ₹ 17.64 Crore from Ministry of Railways under Nirbahaya Fund for installing CCTV cameras at various stations in KR route out of which ₹ 2.27 Crore (₹ 6.49 Crore) is appropriated during the year. The remaining balance of ₹ 8.89 crore (₹ 11.15 Crore) is included above.
- 25.3 During the year KRCL has received ₹ 3.63 crore from Goa PWD for construction of RUB in lieu of LC-45 on cost sharing basis.

26. Borrowings

(₹ in Crore)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Unsecured Loan		
Repayable on Demand		
ICICI BANK	75.00	-
AXIS BANK	73.96	-
TOTAL	148.96	-

- 26.1 The loan is having tenure of 1 year with an option of early payment.
- 26.2 The rate of interest in respect of Axis Bank was 5.25% and in case of ICICI Bank the interest rate was in range of 5.25% to 5.75%.

Current Financial Liabilities

27. Trade Payables

(₹ in Crore)

Particulars	As at 31 st March 2021	As at 31 st March 2020
Contractors	102.93	80.05
Contractors - Project	100.62	174.92
Railways	600.87	685.67
Project Payables	33.60	86.68
TOTAL	838.02	1027.32
Details relating to micro, small and medium enterprises (Refer Note No. 27.1)		
(a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;	-	-
(b) 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;	-	-



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(c) 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.	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(e) 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.	-	-
Explanation.- The terms 'appointed day', 'buyer', 'enterprise', 'micro enterprise', 'small enterprise' and 'supplier', shall have the same meaning as assigned to them under clauses (b), (d), (e), (h), (m) and (n) respectively of section 2 of the Micro, Small and Medium Enterprises Development Act, 2006.		

- 27.1 Purchase orders to MSME parties are separately identified and processed for payment to avoid delay in payment. There is no demand/complain from MSME parties for non receipt of payment or interest on delayed payment.
- 27.2 There is no incidence of extended credit terms with reference to Trade Payables.
- 27.3 Trade payable includes ₹ 600.87 Crore in respect of amount due to railways, out of which includes old outstanding of ₹ 365.12 Crores which is payable for more than 1 year and includes old outstanding of ₹ 167.25 Crores which is payable for more than 3 years

Current Financial Liabilities

28. Other Financial Liabilities

(₹ in Crore)

Particulars	As at 31st March 2021	As at 31st March 2020
Interest accrued but not due		
On Bonds	61.72	61.70
On Loans From Financial Institution & Banks	2.54	1.69
Employee payable	32.96	58.33
NPS Payable	2.96	4.86
Expenses Payable	53.99	37.49
Other Payables		
For Capital Works	52.87	1.95
To Associates (Refer 28.1)	23.26	23.26
For Others (Refer 28.2, 28.3)	79.29	114.09
Deposits from		
Contractors & Others	173.90	240.68
Associates	5.00	5.00
Lease Liability (refer Note 46)	3.04	2.92
TOTAL	491.53	551.97



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- 28.1 The amount of other Payables includes amount of Bank Gurantee encashed relating to Jaigarh Digni Rail Limited (JV) consequent to non-achievement of milestone of financial closure as detailed in Note 7.2.
- 28.2 Deposits from contractors & others for Project includes an amont of ₹ 25 Crore received from RDSO for research and development of SKY Bus Technology which is refundable as per the letter received from Railway Board vide no 2K/Proj/SBM/1/1Pt. dated 26/10/2015.
- 28.3 Deposits from contractors & others for Project includes an amont of ₹ 21.47 Crore forfeited from the parties related to USBRL project. The same needs to be refunded to Northern Railway once the arbitration proceedings related to this are completed in all respects.

29. Other Current Liabilities

(₹ in Crore)

Particulars	As at 31st March 2021	As at 31st March 2020
Revenue received in advance	-	0.50
Advance related to Projects (Refer note 29.1)	932.22	489.97
From Associates	0.49	0.80
Duties and Taxes Payable		
a) Goods & Services Taxes(GST)	81.78	27.71
b) Goods & Services Taxes - Tax Deducted Source (GST - TDS)	5.35	4.63
c) Income Tax Deducted at Source	3.67	7.37
d) Labour Cess	2.87	2.11
Deferred government grant	2.19	2.19
TOTAL	1,028.57	535.28

- 29.1 Pending verification of the impact of GST in respect of contract awarded for USBRL Project in the pre GST regime involving excise and Service Tax, certain percentage of deductions from the bill of sub contractors are kept in Advance related to Projects to the tune of ₹ 59.82 Crore.



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30. Current liabilities : Provisions

(₹ in Crore)

Particulars	As at 31st March 2021	As at 31st March 2020
Provision for employee benefits		
Employee Pension Scheme*	47.71	41.35
Gratuity*	15.85	13.83
Compensated Leave Absences	7.53	5.82
Post Retirement Medical Benefits	0.19	0.02
TOTAL	71.27	61.01

*Net of the amount of Investments held by KRCL Employees Super Annuation Trust and KRCL Employee's Gratuity Trust.

Leave Encashment: It represents un-availed leave to the credit of the employee and carried forward in accordance with leave rules of the Corporation. As per KRCL Circular no. CO-13011(11)/1/2019-PERS dtd 29.06.2020, as an austerity measure due to COVID-19, leave balance of each employee as of 31st March 2020 was reduced by 30 days except for the employees who were on deputation or who were having KRCL service of 10 years or less or those who were having less than 60 days leave as on 31st March 2020. 30 days leave adjustment for employees having less than 60 days as on 31st Marh 2020 was adjusted during FY 2020-21.

Revenue From Operations

Sale of Services:

31.Traffic Revenue

(₹ in Crore)

Particulars	For the Year Ended	
	31st March, 2021	31st March, 2020
Passenger	192.55	670.77
Other Coaching Revenue	8.15	10.01
Goods	385.55	438.07
Sundry Revenue	2.39	7.87
TOTAL	588.64	1,126.72

31.1 Refer Note No.57.



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32. Project Revenue

(₹ in Crore)

Particulars	For the Year Ended	
	31st March, 2021	31st March, 2020
Contracts of Project Division		
Udhampur Srinagar Baramulla Rail Link (USBRL) Project	827.21	1,280.51
NTPC Kudgi	23.25	11.71
NTPC Gadawara	23.63	114.95
Other Projects	99.80	94.39
TOTAL	973.89	1,501.56

32.1 Refer Note No.57.

32.2

- (a) The Contract agreement between the Corporation and Northern Railway for the execution of USBRL Project was initially upto 15.08.2007 and validity of the contract has been extended upto 31.03.2021. The corporation has applied for the further extension.
- (b) In terms of the contract between the Corporation and Northern Railway for execution of USBRL Project, monthly account statements are being submitted by the Corporation in the mutually agreed proforma incorporating all the expenses and 10% profit. So far there is no disallowances of any item of expenditure. Disallowance if any will be incorporated in the accounts on its occurrence.

NTPC Kudgi Project and NTPC Gadawara Project was awarded to KRCL on bidding basis. KRCL is eligible for management fees of certain percentage of the estimated cost of the works and the expenses other than project related, like Salary, Administrative expenses are to be borne by the corporation.

33. Other Operating Revenue:

(₹ in Crore)

Particulars	For the Year Ended	
	31st March, 2021	31st March, 2020
Other Operating Revenue	11.69	6.96
Other Miscellaneous Income	2.12	7.44
TOTAL	13.81	14.40



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34. Other Income

(₹ in Crore)

Particulars	For the Year Ended	
	31st March, 2021	31st March, 2020
Interest on Investments and Fixed Deposits*	75.89	68.73
Interest on Loans*	1.44	1.42
Revenue from Government Grant (Refer Note 34.2)	2.33	6.54
Other income	0.19	4.33
Profit on Sale of Asset	0.01	0.00
Excess provision of earlier years written back (net) (Refer 34.1)	1.08	11.10
TOTAL	80.94	92.12

* Interest is calculated using the effective interest method for financial assets which are measured at amortized cost.

34.1 The Other Income of previous year on account of "excess provision of earlier years written back" includes reversal on account of Indian Railway Financial Adjustment (IRFA) charges, due to full and final settlement of Account of respective years.

34.2 The Revenue from Government grant includes amount received from Nirbhaya Fund worth ₹ 2.27 Crore (₹ 6.49 Crore) utilised for installation of CCTV Surveillance System.

Cost of Operation:

35. Train Operation Expenses

(₹ in Crore)

Particulars	For the Year Ended			
	31st March, 2021		31st March, 2020	
Fuel expenses		152.81		269.73
Hire Charges of Rolling Stock		89.17		173.59
Electricity and Water Charges		4.75		7.53
Catering Expenses		-		7.21
Repair and Maintenance				
Permanent Way	54.86		81.84	
Station and Other Buildings	3.80		9.56	
Plant and Equipments	9.87		16.18	
Bridges & Tunnels	9.57		5.52	
Rolling Stock	4.55	82.65	10.45	123.55
TOTAL		329.38		581.61



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36. Project Cost

(₹ in Crore)

Particulars	For the Year Ended			
	31st March, 2021		31st March, 2020	
Udhampur Srinagar Baramulla Rail Link Project				
Payment to contractors	704.09		1112.30	
Establishment charges	17.68		37.37	
Other than Establishment charges	34.46	756.22	18.86	1,168.53
NTPC Kudgi				
Payment to contractors	22.93		11.09	
Establishment charges	0.23		0.35	
Other than Establishment charges	0.07	23.24	0.19	11.63
NTPC Gadawara				
Payment to contractors	20.47		106.10	
Establishment charges	2.20		2.34	
Other than Establishment charges	0.31	22.97	0.20	108.64
Other Projects				
Payment to contractors	33.95		121.79	
Establishment charges	1.92		2.65	
Other than Establishment charges	1.22	37.09	1.11	125.54
TOTAL		839.52		1,414.34

Project Cost includes loss due to fluctuation in foreign currency to the extent of ₹0.52 Crore(₹ NIL).

37. Change in Inventory of Finished Goods

(₹ in Crore)

Particulars	As at 31st March 2021	As at 31st March 2020
Opening Inventory of Finished Goods	42.25	-
Less Closing Inventory of Finished Goods	-	42.25
Total	42.25	(42.25)

Inventory of Finished good was DEMU rakes which have been exported to Nepal in the current year.



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38. Employee benefits expenses

(₹ in Crore)

Particulars	For the Year Ended			
	31st March, 2021		31st March, 2020	
Salaries and wages*				
Salary and wages	384.67		412.38	
Compensated Leave Absences	58.85	443.52	20.85	433.23
Contribution to Provident Fund and Other Fund				
Employee Pension Scheme	54.74		36.17	
Gratuity	15.11		13.54	
Contribution to Provident Fund and NPS (Refer Note No.36.6)	16.70		15.11	
		86.55		64.82
Staff Welfare Expenses				
Staff Welfare Expenses	25.49		28.62	
Post Retirement Medical Benefits	1.11		5.62	
Cash Awards	0.12		0.60	
Training Expenses	0.10		1.55	
Foreign Service Contribution	1.16	27.98	0.81	37.10
TOTAL		558.05		535.15

38.1 The High Court of Bombay in April 2008 exempted the Corporation from the purview of Employees Provident Fund and Miscellaneous Provisions Act, 1952 and permitted the Corporation to maintain its own provident fund and pension scheme. Accordingly, Pension was restored as per Railway Service (Pension) Rules, 1993 and it is managed by erstwhile 'Konkan Railway Corporation Employees Superannuation Trust' through Life Insurance Corporation of India.

However, the employees those who have joined on or after 1.1.2004 are continued to be governed by the 'National Pension Scheme' as announced by the Government of India.

38.2 An amount ₹ 1.46 crore (Previous year ₹ 1.19 crore) has been deducted from Salary, Wages and Allowance etc. and charged to Capital/Deposit Work on account of Direction & General/Establishment expenses.

38.3 Out of Actuarial Expenses charged, Pension Expense ₹ 1.30 Crores (₹ 0.86 Crores), Gratuity Expenses ₹ 0.26 Crores (₹ 0.23 Crores), Compensated Leave Absences Expenses ₹ 1.03 Crores (₹ 0.67 Crores) and PRMS expenses ₹ 0.20 Crores (₹ 0.03 Crores) have been charged to USBRL Project.

38.4 Employees Contribution for National Pension System (NPS) is deducted at 10% Whereas as employer contribution is made at the rate of 14%.

38.5 Disclosures for Employee benefit expenses as per Ind-AS 19 are given below :



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(A) Defined Contribution Plan :

- (i) The employees joined on or after 1.1.2004 are governed by the Contributory Pension Scheme introduced by Government of India. The Corporation is contributing an amount equal to the contribution made by the employees to the fund and there is no further liability on this account.

- (ii) Contribution to defined contribution plan, recognised as expenses for the year is as under : (₹ in Crore)

Particulars	For the Year Ended	
	31st March, 2021	31st March, 2020
Employer's Contribution to Provident Fund	0.02	0.08
Employer's Contribution to Pension Fund (Post 2004)	16.14	14.29

(B) Defined Benefit Plan :

- (i) Gratuity: The employees' gratuity fund scheme managed by a Trust, is a defined benefit plan. The present value of obligation is determined based on the actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. Represents benefits to employee on the basis of number of years of service rendered. The employee is entitled to receive the same on retirement or resignation. The Corporation has formed a trust for gratuity, which is funded by the Corporation. However the funding to Gratuity fund as required by actuary valuation is partly funded.

- (ii) Leave Encashment: It represents un-availed leave to the credit of the employee and carried forward in accordance with leave rules of the Corporation. As per KRCL Circular no. CO-13011(11)/1/2019-PERS dtd 29.06.2020, as an austerity measure due to COVID-19, leave balance of each employee as of 31st March 2020 is reduced by 30 days except for the employees who were on deputation or who are having KRCL service of 10 years or less or those who are having less than 60 days leave as on 31st March 2020. 30 days leave adjustment for employees having less than 60 days as on 31st March 2020 was adjusted during FY 2020-21.

- (iii) Pension : It represents benefits to employees joined prior to 1.1.2004 on the basis of rules framed in the Employees Pension Scheme Rules as under:

- a Retirement pension on normal retirement at age of superannuation.



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50% of the average emoluments received during the past 10 months or the pay last drawn whichever is more beneficial to the retiring employee subject to completion of minimum pensionable service of 10 years.

b. No pension benefits accrue on exits before Normal Retirement age (except in case of approved Voluntary Retirement).

c. In-service death benefit to spouse:

There is no qualifying period of minimum service prescribed for Family Pension @30% of last drawn salary subject to Minimum of Monthly amount of ₹ 9,000/- and a maximum of ₹ 1,25,000/- is payable to spouse/Eligible person as per Indian Railway Pension Rule, 1993. However for the first 10 years from date of death, Enhanced Family Pension @50% of last drawn salary, will be payable.

d. Benefit to Family on death of member while receiving pension:

Family pension as defined above shall be payable to the family. However until 7 years from the date death or up to his age of 67 years, whichever is less, Enhanced Family Pension as defined above shall be payable.

e. For all Pension payments DA is allowed for at an appropriate rate consistent with the rates declared by the Corporation.

Voluntary Retirement Scheme:

The Corporation has implemented the Voluntary Retirement Scheme (VRS) as applicable to Central Government employees and Railway employees w.e.f.01.06.2016.

- (iv) The Company has introduced in 2018-19, Post Retirement Medical Benefit Plan for Employees including their spouse at superannuation/Death/VRS/Medically Invalidation against one time contribution equivalent to the last month's basic pay at the time of retirement as per KRREHS Policy.



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(C) INDIAN ACCOUNTING STANDARDS (IND AS): 19 - Employee Benefits

The following table sets out the status of the defined benefit Pension Plan, Gratuity Plan and Leave Salary Plan as required under Ind AS 19:

(₹ in Crore)

Particulars	Funded Pension		Funded Gratuity		Unfunded PRMS		Unfunded Leave Salary	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Reconciliation of opening and closing balances of Defined Benefit Obligation								
Defined benefit obligation at the beginning of the year	870.63	648.60	244.78	203.23	4.04	2.03	179	161.17
Adj. to PVO at the beginning of the year	-	-	-	-	-	-	-	-
Current Service Cost	39.14	30.97	12.46	11.73	12.05	2.02	7.33	6.45
Interest Cost	59.00	48.82	16.36	15.09	-	-	12.00	11.99
Components of actuarial gain/losses on obligations	-	-	-	-	-	-	-	-
Due to change in financial assumptions	139.20	107.40	33.69	15.72	-	-	47.61	13.27
Due to change in demographic assumptions	-	1.18	-	(0.88)	-	-	-	(0.13)
Due to experience adjustments	23.10	60.34	(8.79)	3.84	-	-	(7.06)	(10.05)
Actuarial losses (gains)	162.30	168.91	24.90	18.68	-	-	40.55	3.08
Past service cost	-	-	-	-	-	-	-	-
Benefits paid	(17.13)	(26.67)	(3.63)	(3.94)	-	-	(2.24)	(3.32)
Defined benefit obligation at the year end	1113.95	870.63	294.87	244.78	16.10	4.04	237.00	179.36
Reconciliation of opening and closing balances of Fair Value of Plan Assets								
Fair value of plan assets at the beginning of the year	600.72	535.77	194	174.18	-	-	-	-
Interest Income	42.10	41.41	13.39	13.34	-	-	-	-
Contributions by employer	16.15	52.18	-	12.00	-	-	-	-
Benefit Paid	(17.13)	(26.67)	(3.63)	(3.94)	-	-	-	-
Return on plan assets excluding amounts included in interest income	3.28	(1.97)	(0.79)	(1.23)	-	-	-	-
Fair value of plan assets at the year end	645.12	600.72	203.33	194.35	-	-	-	-
The actual return on plan asset is Rs.	45.38	39.44	12.60	12.11	-	-	-	-
Reconciliation of present value of the obligation and fair value of the plan assets								
Present Value of Funded obligation at the year end	1113.95	870.63	294.87	244.78	-	-	-	-
Present Value of Unfunded obligation at the year end	-	-	-	-	16.10	4.04	237.00	179.36
Fair Value of Plan assets at the year end	645.12	600.72	203.33	194.35	-	-	-	-
Amount Recognised in the Balance Sheet	468.83	269.91	91.55	50.43	16.10	4.04	237.00	179.36
Composition of plan assets								



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(₹ in Crore)

Particulars	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Policy of insurance	100.00%	100.00%	100.00%	100.00%				
Net Cost recognised in Statement of Profit and Loss (Under the head "Employee Benefit Expenses" - Refer note no.36)								
Current Service Cost	39.14	30.97	12.46	11.73	12.05	2.02	7.33	6.45
Interest Cost	59.00	48.82	16.36	15.09	-	-	12.00	11.99
Past service cost	-	-	-	-	-	-	-	-
Interest Income	(42.10)	(41.41)	(13.39)	(13.34)	-	-	-	-
Due to change in financial assumptions	-	-	-	-			47.61	13.27
Due to change in demographic assumptions	-	-	-	-			-	(0.13)
Due to experience adjustments	-	-	-	-			(7.06)	(10.05)
Total cost considered as Employee Benefit expenses	56.04	38.38	15.43	13.48	12.05	2.02	59.88	21.52
Other Comprehensive Income								
Other Comprehensive Income at the beginning of the year	316.44	145.55	52.92	33.01				
Components of actuarial gain/losses on obligations	-	-	-	-				
Due to change in financial assumptions	139.20	107.40	33.69	15.72				
Due to change in demographic assumptions	-	1.18	-	(0.88)				
Due to experience adjustments	23.10	60.34	(8.79)	3.84				
Actuarial (Gains)/Losses on Obligation	162.30	168.91	24.90	18.68				
Return on plan assets excluding amounts included in interest income	(3.28)	1.97	0.79	1.23				
Other Comprehensive Income at the end of the year	475.46	316.44	78.60	52.92				
Reconciliation of opening and closing net liability recognized in Balance Sheet								
Net Liability at the beginning of the year	270	112.83	50	29.04	4.04	2.03	179	161.17
Expenses as recognized in profit and loss account	56.04	38.38	15.43	13.48	12.05	2.02	59.88	21.52
Other Comprehensive Income for the current period	159.02	170.88	25.69	19.91				
Expenses deducted from the fund	-	-	-	-	-	-	-	-
Benefits paid by the Company	-	-	-	-	-	-	(2.24)	(3.32)
Employers Contribution	(16.15)	(52.18)	-	(12.00)	-	-	-	-
Net liability/(Asset) recognized in Balance Sheet at the year end	468.83	269.91	91.55	50.43	16.10	4.04	237.00	179.36
Principal Actuarial Assumptions: -								
Discount Rate	6.95%	6.80%	6.45%	6.80%	6.95%	6.80%	6.45%	6.80%
Salary Escalation	7.00%	7.00% p.a for next 2 years & 5.00% p.a thereafter	7.00%	7.00% p.a for next 2 years & 5.00% p.a thereafter	7.00%	7.00% p.a for next 2 years & 5.00% p.a thereafter	7.00%	7.00% p.a for next 2 years & 5.00% p.a thereafter



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(₹ in Crore)

Particulars	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Pension growth rate	2.50%	2.50%	NA	NA	NA	NA	NA	NA
Withdrawal rates at all stages	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%
Sensitivity to key assumptions								
Discount rate + 0.5%	1,024.31	801.01	282.42	234.14			225.18	18.64
Discount rate - 0.5%	1,246.26	958.96	308.15	256.14			249.76	206.46
Salary growth rate + 0.5%	1,176.10	928.27	301.17	251.40			249.63	206.57
Salary growth rate - 0.5%	1,054.20	813.79	288.39	237.61			225.18	186.27
Expected Post employment term of the obligation	19.37	24.87	9.71	10.18	15.27	16.61	9.71	10.18
Expected future cashflows from the plan								
We have not considered the future accrual while computing the cashflows.								
1st Year	1.06	5.19	11.91	8.41			7.53	5.82
2nd Year	1.48	7.56	12.04	10.14			7.36	5.79
3rd Year	1.61	10.39	16.30	11.62			10.38	7.13
4th Year	1.76	12.21	19.43	15.44			12.72	9.92
5th Year	1.85	15.85	25.94	17.95			16.72	11.72
6th to 10th Year	13.32	147.11	190.33	160.43			138.24	108.73

39. Finance costs

(₹ in Crore)

Particulars	For the Year Ended	
	31st March 2021	31st March 2020
Interest on		
Bonds (Refer note 39.1)	134.28	130.72
Loan from Financial Institution & Banks (Refer Note 39.3)	2.86	-
Management Fees on Bonds Issued including service charges	0.24	0.36
Other Interest (Refer Note 39.2)	0.15	0.19
Finance Charges on Lease Assets	0.50	0.63
TOTAL	138.03	131.90

* Interest is calculated using the effective interest method for financial assets which are measured at amortized cost.



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39.1 8.50%, 2500 taxable bonds of 17-I series amounting to ₹250 Crore have been issued for capital projects which includes additional Stations and Looplines. Hence interest amounting to ₹12.83 crore (interest payable ₹21.25 crore net-off interest earned ₹3.09 crore) on these bonds have been charged to Project of Roha-Veer Doubling and Project of additional looplines and new crossing stations in accordance with Ind AS 23 Borrowing Costs. Interest amounting to ₹5.32 Crore on these bonds charged to Profit and Loss.

39.2 Other Interest includes ₹ 0.14 Crore (₹ 0.065 Crore) on account of interest paid on arbitration awards during the current financial year.

39.3 Interest on Rupee Term Loan from State Bank of India and Export-Import Bank of India for its Route Electrification and Roha to Veer Doubling Project. Interest amounting to ₹54.50 Crore (₹ 32.52 Crores) have been charged to the project in accordance with Ind AS 23 Borrowing Costs.

40. Others Expenses

(₹ in Crore)

Particulars	For the Year Ended	
	31st March 2021	31st March 2020
Rent for Residential buildings	0.49	0.42
Rent for Office buildings	0.91	0.93
Telephone and Communications	0.46	0.52
Vehicle Expenses	0.89	0.86
Vehicle Hiring Expense	1.73	3.00
Corporate Social Responsibility Expenses (Refer Note no. 54)	1.70	1.51
Legal Expenses	0.41	0.48
Advertisement & publicity	0.30	1.27
Payment to Auditors	0.18	0.16
Travelling expenses	14.85	18.22
Commission	0.22	0.62
Insurance	0.24	0.28
Indirect Tax	0.09	0.46
Repairs and Maintenance-Staff Qtrs,Office Building	1.62	4.23
Electricity and Water Charges : Qtrs and Admin Building	2.03	2.28
Other Sundry Expenses	8.44	12.81
Provision for Doubtful Debts	18.28	0.17
Loss on Sale of Asset	0.00	0.01
TOTAL	52.84	48.23



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41. Provision for Contingencies

- i. As per the terms and conditions of project, the corporation is required to make good, the defects in the project work undertaken for defined period of time depending on the terms specified in the MOU/Agreement.
- ii. However, the Corporation stipulates similar condition to the sub-contractor and retains the Security Deposit/ obtains the financial guarantees. As such, management is of the view that there would not be any major financial impact on account of the same and no provision is required to be made in accordance with IND-AS 37 on "Provision, Contingent Liabilities and Contingent Assets."

42. Contingent liabilities and Contingent Asset:

Claims/Disputed liabilities not acknowledged as debt:

- i. Against the court cases/arbitration proceeding relating to USBRL project, if any liability arises, then as per the MOU between Northern Railway (NR) and KRCL the same will be absorbed by NR. In case of any dispute between KRCL & NR on said claim, the same will be decided under Arbitration between NR & KRCL. Even if it is to be shared by KRCL as per the outcome of Arbitration, the liability of KRCL should be limited to 80% of the total profit of the project of that year.

As such no contingent liability has been considered against the Arbitration claims settled by KRCL upto 31st March 2021 amounting to ₹51.52 Crores (₹30.12 Crores) charged to project and accepted by Northern Railway. Similarly, claims of ₹882.52 Crores (₹907.17 Crores) under Arbitration and Court case related to USBRL Project, in case of an adverse outcome of cases, these claims also will be chargeable to the Projects. No contingent liability arises until the claims settled by KRCL are disputed by Northern Railway (NR).

- ii. Apart from above, the claims by contractors against the Corporation pending under Arbitration are ₹19.80 Crores (₹30.78 Crores). Besides this, against the arbitration award to the tune of ₹12.44 Crores (₹11.40 Crores) the corporation has preferred an appeal in the Court.
- iii. An agreement of collaboration for manufacturing, installation, commissioning and maintaining of Networked ACDs for use on Railways was awarded to M/s Kernex Microsystems (India) Ltd. In connection with the execution of the said agreement M/s Kernex Microsystems (I) Ltd. has raised claim of ₹350 Crores (₹350 Crores) against KRCL through arbitration. At present, the petition is pending in the Mumbai High Court for appointment of arbitral tribunal.
- iv. Assessment of Income Tax for the Financial Year 2007-08 to 2016-17 are pending at various level of Appellate Authority. However, considering the past Assessment and existing substantial carry forward un-absorbed Depreciation loss of ₹ 1146.63 crore (₹ 1372.65 Crore), there will not be any impact on financials of the company.



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- v. Against the demand of the Service Tax Department of ₹ 704.40 Crore (including penalty of ₹ 314.09 crore, excluding interest) for the period from 2009-10 to 2014-15, the corporation has filed a writ petition with CESTAT, Mumbai on 28th August 2019 as per the directive of High Court, Mumbai challenging the same as unconstitutional and against the service tax law being double taxation on business transaction between KRCL and Indian Railways. Against the same the Corporation has deposited ₹10 Crore with the court.
- vi. Further, Asst. Commissioner, CGST & Central Excise has confirmed demand for excess availment of CENVAT credit as per rule 6 of CCR 2004 of ₹0.08 Crore and Service Tax liability on Advance for works contract of ₹ 0.03 Crore, for FY 2017-18, apart from 100% penalty and Interest. The same has been contested with Commissioner (Appeals), who upheld the order of Asst. Commissioner. Now the Corporation has filed an appeal on 14.06.2021 with CESTAT, Mumbai by depositing tax amount as Demand under protest.
- vii. Further, vide order received on 01.04.2021, Commissioner, CGST & Central Excise has confirmed demand of ₹ 15.27 Crores apart from 100% penalty and Interest thereon for Service Tax liability on NTPC Kudgi & Gadawara project for period Apr'2015 to Jun'2017. The Corporation has preferred an appeal to CESTAT, Mumbai.
- viii. The TRACES Portal of Income tax department shows demand of ₹ 0.26 Crore (₹ 0.60 Crore) including interest. The same is on account of mismatch in credit of TDS paid due to certain punching error. The management affirms the rectification of above-mentioned amount.
- ix. There is demand of ₹ 19 crore (₹ 19 crore) towards Value Added tax by the department of Commercial tax for work of Road Over Bridge (ROB) executed in Jharkhand state which has been challenged by the Corporation.
- x. 81 (103) cases relating to land have been filed by the landowners in several Courts for revision of amount of the award passed by the concerned SLAOs of the respective State Governments involving amount of ₹ 11.33 Crore (₹ 12.79 Crore) (approx.). The Corporation has deposited ₹6.68 Crore (₹ 6.75 Crore) with the Court including Interest.
- xi. 458 (458) cases have been filed for enhance Land Compensation payable to claimants under section 28A of Land Acquisition Act, 1894 having financial implication of ₹86.91 Crores (₹86.91 Crores).
- xii. Total 68(69) personal claims pertaining to railway accidents are pending with Tribunal amounting to ₹ 5.44 Crore (₹ 5.52 Crore).

Contingent Asset: NIL



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43. Capital and Revenue Commitments

Estimated amount of contracts remaining to be executed on account of capital not provided for, are ₹423.35 Crores (₹ 618.27 Crores).

Revenue commitment

Estimated amount of contracts remaining to be executed on account of revenue not provided for, are ₹ 3884.08 Crore (₹ 3258.13 Crore).

44. Operating Segment Reporting

- i. As per Ind-AS 108 an operating segment is a component of an entity:
 - a) that engages in business activities from which it may earn revenues and incurred expenses.
 - b) whose operating results are regularly reviewed by the Competent Authority to make decisions about resources to be allocated to the segment and assess its performance, and
 - c) for which discrete financial information is available.
- ii. Based on above, the Corporation has two operating segments, i.e. (i) Traffic & (ii) Project; required disclosures are made for the same in the financial statements.
- iii. Segment revenue and expenses directly identifiable / allocable to the segment are classified accordingly. The expenses relating to the specific projects are chargeable to the related project cost as per the terms of contract. Due to which the major portion of the common expenses are considered as attributable to the Open line, and allocated to Traffic Earnings. Segment assets and liabilities include those directly identifiable with the respective segments.

Information in accordance with Ind-AS 108 on Operating Segments for the Year ending 31.03.2021

(₹ in Crore)

Primary Segments	Traffic		Projects		Consolidated Total	
Particulars	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
REVENUE						
External Revenue	602.33	1,139.81	974.02	1,502.86	1,576.35	2,642.68
Inter Segment Revenue				-		-
Total Revenue	602.33	1,139.81	974.02	1,502.86	1,576.35	2,642.68
RESULT						
Segment result	(337.94)	(25.18)	134.50	88.52	(203.44)	63.35
Unallocated Expenses	-	-	-	-	-	-
Operating Profit	(337.94)	(25.18)	134.50	88.52	(203.44)	65.35
Finance Income	79.62	76.46	0.02	0.23	79.66	76.69
Other Income	1.28	15.43	0.00	-	1.28	15.43



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Primary Segments	Traffic		Projects		Total	
Particulars	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Finance charges	138.03	131.90	-	-	138.03	131.90
Change in inventory of Finished Goods	-	-	42.25	(42.25)	42.25	(42.25)
Depreciation/Amortization	63.34	61.67	0.30	0.31	63.63	61.98
Share in Profit / Loss of Associates	12.43	(0.01)			12.43	(0.01)
Income Taxes(Wealth Tax/GBT)	-	-	-	-	-	-
Profit from ordinary activities	(458.41)	(126.86)	91.98	130.69	(378.84)	3.85
Exceptional Items	-	-	-	-	-	-
Net Profit	(458.41)	(126.86)	91.98	130.69	(378.84)	3.85
OTHER INFORMATION						
Segment Assets	4,900.79	4,830.10	2,707.51	2,083.92	7,608.30	6,914.01
Unallocated Corporate Assets	-	-	-	-	-	-
Total Assets	4,900.79	4,830.10	2,707.51	2,083.92	7,608.30	6,914.01
Segment Liabilities	3,669.87	3,305.57	2,380.25	1,688.43	6,050.12	4,994.00
Unallocated Corporate Liabilities	-	-	-	-	-	-
Total Liabilities	3,669.87	3,305.57	2,380.25	1,688.43	6,050.12	4,994.00
Depreciation and Amortisation	63.34	61.67	0.30	0.31	63.63	61.98

45. Related Party Disclosures: -

The Corporation being a Government related entity is exempt from the general disclosure requirements in relation to related party transactions and outstanding balances with the controlling Government and another entity under same Government. The related disclosure in accordance with para 26 of IND AS 24 are given hereunder.

45.1 Government of India (acting through Ministry of Railways -MOR) is holding 52.39% of equity shares and State Govt. of Maharashtra, Goa, Karnataka and Kerala holding 21.02%, 5.99%, 13.29% and 7.30% respectively in the Corporation. Accordingly, Corporation is controlled by the Government of India (Ministry of Railways). The Corporation along with other Zonal Railways and entities like RDSO, CRIS, IRCTC, NIC, ICF, Railtel are under the control of the Ministry of Railways



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A substantial portion of Traffic Earnings of the Corporation accrues from various Zonal Railways. The corporation also makes payment of significant amounts of Traffic Earnings to said Zonal Railways as per the agreement with the Ministry of Railways. Such “apportioned earnings” form a major part of traffic revenue of the Corporation.

The revenue expenditure incurred under the head 'Train Operations Expenses' include large amount of expenditure towards Hire charges of Coaches, Locos and Wagons and fuel charges from the various Zonal Railways.

A large portion of Project Revenue is contributed by the various Zonal Railways and from other PSU companies owned by Central Government/state Governments.

The details of transactions along with name of the projects and such awarding entities are mentioned below:

(₹ In Crore)			
Related Party Name	Nature of Transaction	2020-21	2019-20
Zonal Railways	Hire Charges of Rolling Stock	89.17	173.59
Zonal Railways	Fuel Expenses	152.81	269.73
Indian Oil Corporation Ltd.	Purchase of Diesel and Lubricant Oil	175.97	280.56
Certification Engineers International Ltd (CEIL)	Quality Assurance and Inspection Services	-	3.66
MITES Ltd.	Technical Consultancy	0.00	3.18
MITES Ltd.	Inspection Fees	1.08	0.18
STEEL AUTHORITY OF INDIA	Purchase of Rails	145.83	7.14
NICS	20 GB mail Support	-	0.08
RAILTEL CORP OF INDIA	INTERNET LEASE LINE SERVICES	0.05	0.05
RAILTEL CORP OF INDIA	BANDWIDTH LEASE CHARGES	0.62	0.96
RAILTEL CORP OF INDIA	LEASING OF NGN CONNECTIVITY	0.01	0.09
RAILTEL CORP OF INDIA	LEASE CHARGES FOR VIDEO CONFERENCE FACILITY	0.06	0.05
RAILTEL CORP OF INDIA	Prs e-1 link cstm-mao	0.14	-
CRIS	EXP. FOR UTS OVER KR	-	1.46
CRIS	MAINTENANCE & AMC SUPPORT FOR WEBSITE	0.02	0.07
CRIS	RENEWAL OF POST IMPLEMENTATION SUPPORT OF COA APPLICATION	0.34	1.02
Northern Railway	USBRL Project	827.21	1280.73
NTPC-Kudgi	Construction of Railway Siding	23.25	11.71
NTPC-Gadarwara	Construction of Railway Siding	23.63	114.95



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Central Railway	Construction of Rolling Stock Component Factory	26.81	53.23
East Central Railway	Raxaul Kathmandu Railway Line Project	0.69	0.04
Vizhinjam International Seaport Limited	Seaport Rail Connectivity	0.60	0.74
Kerala Rail Development Corporation Limited	Mysore-Thalassery PET Survey	0.00	1.30
RVNL	Madgaon-Majorda Doubling Work	4.64	20.01
MSEZL	Construction of Flyover and ROB	4.13	3.32
MRPL	Construction of Railway Siding	9.22	13.39
GOA PWD	Construction of RUB	3.63	–

KRCL has issued bonds for long term borrowings to the tune of ₹ 1500 Crore (₹ 1500 Crore) wherein letter of comfort has been issued by Ministry of Railways in favor of lending agencies.

45.2 Investment in associate company Jaigarh Digni Rail Limited- 26% holding

The Company has subscribed 2,60,00,000 (2,60,00,000) of Equity Shares at par value of ₹ 10/- each at total cost of ₹ 26 Crore (₹ 26 Crore).

Note : Bank Guarantee for ₹ 23.26 Crore was encashed during previous year relating to Jaigarh Digni Rail Limited (JV) consequent to non-achievement of milestone of financial closure as detailed in Note 7.2.

45.3 Loan to Konkan Railway Welfare Organization (KRWO)

Loan has been given to Konkan Railway Welfare Organization (KRWO) formed for the welfare for the employees of Corporation. As on 31st March 2021, total amount receivable from KRWO is ₹ 29.40 Crore (₹ 27.98 Crore) including interest amounting to ₹ 1.42 Crore for current year. The loan has been classified as unsecured pending execution of mortgage deed in favour of the corporation. The KRWO has executed simple mortgage instead of registered mortgage deed in favour of the Corporation as per the terms and conditions of the sanction. The loan has been classified as unsecured.

45.4 Ramakrishna Hegde Skill Development Centre (RHSDC)

RHSDC is a society registered under Karnataka Societies Registration Act 1969 at Udupi, Karnataka with an object to setting up of training centre for imparting training in Mechatronics to engineering students and industry professionals.

Further Corporation had spent ₹ 1.25 Crore from CSR fund for the said society towards Corpus fund and other expenditure of RHSDC.



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45.5 The Key Managerial Personnel of the Corporation and their remuneration (including Superannuation benefits) are as below:

- a) **Shri Sanjay Gupta, Chairman and Managing Director** Salary & Allowances: ₹ 0.57 Crore (₹ 0.69 Crore) including Employer Contribution to PF: ₹ 0.08 Crore (₹ 0.09 Crore); Perks: Nil
- b) **Shri Rajesh Bhadang, Director (Finance)** (28/01/2021 - till date) Salary & Allowances: ₹ 0.07 Crore (NIL) including Employer Contribution to PF: ₹ 0.01 Crores (NIL); Perks: Nil
- c) **Shri Hari Das Gujrati, Director (Operations & Commercial)** (01/04/2020-25/07/2020) Salary & Allowances: ₹ 0.18 Crore (₹ 0.59 Crore) including Employer Contribution to PF: ₹ 0.02 Crore (₹ 0.08 Crore); Perks: Nil
- d) **Shri Subhas Chand Gupta, Director (Way & Works)** Salary & Allowances: ₹ 0.49 Crore (₹ 0.48 Crore) including Employer Contribution to PF: ₹ 0.07 Crore (₹ 0.07 Crore); Perks: Nil
- e) **Shri Rajendra Parab, (Company Secretary)** Salary & Allowances: ₹ 0.25 Crore (₹ 0.24 Crore) including Employer Contribution to PF: ₹ 0.01 Crore (₹ 0.01 Crore); Perks: Nil

46. Lease payments:

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of ₹ 8.75 crore, and a lease liability of ₹ 8.75 crore. The following is the summary of practical expedients elected on initial application:

The company has applied exemption for non-recognition of ROU assets and liabilities for leases with less than 12 months of lease term. The initial direct costs have been excluded from the measurement of the ROU asset.

The changes in the carrying value of ROU assets for the year ended March 31, 2021 are as follows:-



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(₹ in crore)

Particulars	Category of ROU Assets		Total
Balance as at 1 st April 2020	S & T Equipment	Vehicles	
	6.00	0.07	6.07
Addition	0.14	1.14	1.28
Deletion	-----	-----	-----
Depreciation	2.70	0.41	3.11
Impairment	-----	-----	-----
Balance as on 31 st March 2021.	3.44	0.80	4.24

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the Statement of Profit and Loss.

The break-up of current and non-current lease liabilities as at March 31, 2021 is as follows

(₹ in Crore)

Particulars	Amount
Current lease liabilities	3.04
Non-Current Lease Liabilities	1.86

The details of the contractual maturities of lease liabilities as at March 31, 2021 on an undiscounted basis are as follows:

(₹ in Crore)

Particulars	As at 31 st March 2021
Less than one year	3.04
One to five years	1.86
More than five years	-----
Total	4.90

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.



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Leases not yet commenced to which Company is committed relating to CCTV surveillance system at 39 station and leasing of KR-Net amounting to ₹ 58.10 crore for a lease term for a period of 5 years.

As Lessor

The corporation is engaged in leasing of Dark optic fiber between Belapur and Loliem. Further the corporation also collects way leave charges from various telecom companies for installation of mobile towers on land pertaining to KRCL. Also the corporation collects license fees from various vendors for stalls at various station on KR route.

Way leave Charges on assets given on lease to others was ₹ 0.55 crore (₹1.61 Crore) for the year ended March 31, 2021

License Fees on assets given on lease to others was ₹1.44 crores (₹6.36 Crore) for the year ended March 31, 2021.

The details of the contractual maturities of lease payments to be received as at March 31, 2021 on an undiscounted basis are as follows:

(₹ in Crore)

Particulars	As at 31 st March 2021
Less than one year	0.72
One to five years	1.69
More than five years	0.37
Total	2.78

47. Earnings per Share (EPS) is calculated as under:

Particulars	2020-21	2019-20
Net Profit / (Loss) for the year (₹ in Crore)	(378.84)	3.85
Weighted average no. of Equity shares of ₹1,000 each	1,36,79,954	1,27,76,681
Weighted average no. of Ordinary Shares for Diluted EPS	5,44,75,054	5,35,71,780
Earnings Per Share (in ₹)	(276.93)	3.01
Earnings Per Share Diluted (in ₹)	NIL	0.72

Note : Considering the net loss after tax, the earning per share for the financial year 2020-21 is anti-dilutive if the convertible preference shares are considered. Due to which earning per share diluted is shown as NIL for the F.Y. 2020-21.



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48. Receivable and payable balances of Railways, Government Authorities, Suppliers, Contractors, etc. are subject to confirmation / adjustment / reconciliation. The Corporation is in the process of review of such balances for carrying out necessary adjustments in the subsequent years.

49. Taxes on Income

- i. KRCL has an unabsorbed depreciation of ₹1019.59 Crores (₹1146.63 Crore), as computed under Income Tax Act 1961. In view of above, no income tax provision is made during the current year.
- ii. Considering the past trend of income and payment towards servicing of interest, management is of the view that the future taxable profit shall not be sufficient to recoup/recover the deferred tax asset in near future. In view of this, as per Ind AS-12 deferred tax asset has not been created.
- iii. In Jammu & Kashmir state, the amount of ineligible Input Tax Credit due to mismatch of ITC claimed with Credit reflected in Form 2A of GST portal for the Financial Year 2020-21 and will be finalized before completion of GST Audit for the Financial Year 2020-21.
- iv. An amount of mismatched ITC of ₹0.039 Crore has been paid in the course of GST Audit apart from interest of ₹11.84 Crore thereon for the FY 2018-19 and 2019-20.
- v. The Refund of the Income tax of ₹ 21.21 crores is pending for various reasons such as disputed demand raised against certain dis-allowances, pending completion of Assessment of immediately preceding years, pending processing of refund order, etc. The Management is pursuing the claim for recovery of the same and is of the opinion that no provision is required for the same.

50. Capital Management

- i. For the purpose of the company's capital management, capital includes issued equity capital, attributable to the equity holders of the holding company. The primary objective of the company capital management is to maximize the shareholder value.
- ii. The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants.
- iii. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, Loan obligation, trade and other payables and less cash and cash equivalents.



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(₹ in Crore)

Particulars	As at 31st March 2021	As at 31st March 2020
Non-current Borrowings	2680.73	2330.25
Current Borrowing	148.96	0.00
Current Maturities of Non-current Borrowing	-----	0.00
Total Debt	2829.69	2330.25
Less : Cash & Cash Equivalent	290.56	658.53
Net debt	2539.12	1671.72
(a) Equity Share capital	1481.19	1283.06
(b) Instruments entirely equity in nature	4079.51	4079.51
(c) Other Equity	(4002.52)	(3442.56)
Total capital	1558.18	1920.01
Capital and net debt	4097.31	3591.73
Gearing Ratio	61.97%	46.54%

51. Financial Risk Management Objectives and Policies:

The Corporation's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Corporation's operations and to provide guarantees to support its operations. The Corporation's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

Credit risk:

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Corporation is exposed to credit risk from its operating activities [primarily trade receivables] and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

(₹ in crore)

Particulars	As at 31 st March 2021	As at 31 st March 2020
Trade Receivables	159.78	148.28
Total	159.78	148.28



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The Company evaluates the concentration of risk with respect to trade receivables as low as they most of them are government entities.

Exposure to the Credit risk on the financial guarantee:

- i. Performance Guarantee are given for various project amounting to ₹10.75 Crores (₹0.45 Crores). Against this margin money has been kept in the form of term deposits.
- ii. Advance Bank Guarantee amounting to NIL (₹10.49 Crores) towards advance received, related to supply of 2 DEMU rakes to Nepal Government, has been issued by Nabil Bank - Nepal on the basis of counter guarantee issued by the ICICI Bank Ltd during the previous financial year.
- iii. Letter of credit issued to foreign supplier in EURO 5,92,446 amounting to ₹5.10 crore.

Financial instruments and cash deposits:

Credit risk from balances with banks and financial institutions is managed by the Corporation's Finance department in accordance with the Corporation's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Corporation's Board of Directors on an annual basis and may be updated throughout the year subject to approval of the Corporation's Finance Committee. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Corporation's maximum exposure to credit risk is 'Other deposits' illustrated in Note 14 of the balance sheet at March 31, 2021 and March 31, 2020.

Liquidity risk:

The Corporation monitors its risk of a shortage of funds using a liquidity planning tool. The Corporation's objective is to maintain a balance between continuity of funding and flexibility through the use of bonds. The Corporation assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Corporation has access to a enough variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.



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The table below summarizes the maturity profile of the KRCL's financial liabilities based on contractual undiscounted payments (₹ in Crore)						
	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended March 31, 2021						
Borrowings				1,280.00	470.00	1,750.00
Secured Loan from Bank & Financial Institutes				180.00	750.73	930.73
Unsecured loan from Banks		73.96	75.00			148.96
Other financial liabilities		38.45	453.09	1.85		493.39
Trade and other payables		838.02				838.02
Total	-	950.43	528.09	1,461.85	1,220.73	4,161.11
Year ended March 31, 2020						
Borrowings				780.00	970.00	1,750.00
Secured Loan from Bank				90.00	490.25	580.25
Other financial liabilities		64.87	487.10	3.56		555.53
Trade and other payables		1,027.33				1,027.33
Total	-	1,092.20	487.10	873.56	1,460.25	3,913.11
The table below summarizes the maturity profile of the KRCL's financial assets based on contractual undiscounted payments (₹ in Crore)						
	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended March 31, 2021						
Investment	30.00	1,507.12		14.01		1,551.13
Trade Receivables						-
Cash and Cash Equivalent	290.56					290.56
Bank balance other than cash & Cash Equivalents			1.80			1.80
Loan		0.01	20.37	0.22	0.11	20.71
Other Financial Assets		0.82	280.49	0.25		281.55
Total	320.56	1,507.95	302.66	14.47	0.11	2,145.75
Year ended March 31, 2020						
Investment	30.00	880.44			26.44	936.88
Trade Receivables		130.57	17.71			148.28
Cash and Cash Equivalent	658.53					658.53
Bank balance other than cash & Cash Equivalents			3.75			3.75
Loan			19.03	1.30		20.33
Other Financial Assets		3.12	363.91	0.52		367.55
Total	688.53	1,014.13	404.40	1.82	26.44	2,135.32



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Market Risk:

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's exposure to the risk of changes in interest rates relates primarily to the Company's debt obligations with floating interest rates.

52. Fair Values:

The management assesses that cash and cash equivalents, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities are included at the amount at which the instruments could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Long-term fixed-rate receivables/borrowings are evaluated by the Corporation based on parameters such as interest rates, and individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are considered for the expected credit losses of these receivables.

A) Financial instruments by category

The carrying value and fair value of financial instruments by categories as at 31 March 2021 were as follows:

(₹ in Crore)

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
Assets:					
Investments	1551.13	----	----	1551.13	1551.13
Trade receivables	159.78	----	----	159.78	159.78
Loans	20.71	----	----	20.71	20.71
Others financial assets	281.55	----	----	281.55	281.55
Cash and cash equivalents	290.56	----	----	290.56	290.56
Other bank balances	1.80	----	----	1.80	1.80
Liabilities:					
Borrowings	2829.69	----	----	2829.69	2829.69
Trade payables	838.02	----	----	838.02	838.02
Other financial liabilities	493.39	----	----	493.39	493.39



KONKAN RAILWAY CORPORATION LTD.

Notes forming part of the consolidated Financial Statements

The carrying value and fair value of financial instruments by categories as at 31 March 2020 were as follows:

(₹ in Crore)

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
Assets:					
Investments	936.88	----	----	936.88	936.88
Trade receivables	148.28	----	----	148.28	148.28
Loans	20.33	----	----	20.33	20.33
Others financial assets	367.55	----	----	367.55	367.55
Cash and cash equivalents	658.53	----	----	658.53	658.53
Other bank balances	3.75	----	----	3.75	3.75
Liabilities:					
Borrowings	2330.25	----	----	2330.25	2330.25
Trade payables	1027.32	----	----	1027.32	1027.32
Other financial liabilities	555.53	----	----	555.53	555.53

53. Auditors remuneration (excluding GST)

(₹ in Crore)

Particulars	2020-21	2019-20
Statutory audit fees/Limited review	0.11	0.12
Tax audit fees	0.02	0.02
Certification	0.04	0.01
Total	0.17	0.15

54. Corporate Social Responsibility Expenses (CSR)

As per Section 135 of the Companies Act, 2013 read with guidelines issued by Department of Public Enterprises, GOI, the Company is required to spend, in every financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial years in accordance with its CSR Policy. The details of CSR expenses for the year are as under:



KONKAN RAILWAY CORPORATION LTD.

Notes forming part of the consolidated Financial Statements

(₹ in Crore)

Particulars	31st March 2021	31st March 2020
Amount required to be spent during the year	3.22 (Including carry forward from previous year of ₹ 1.69)	3.32 (including carry forward from previous year of ₹ 1.38)
Amount spent during the year		
(a) Construction/acquisition of any asset	0.42	0.38
(b) On purposes other than (a) above	1.28	1.25
Total	1.70	1.63

55.A The prior period expenses and income accounted for during the year have been treated in accordance with Ind AS-8. The relevant adjustments have been made and the corresponding previous year figures and / or figures of retained earnings have been restated.

55.B Reconciliation of Retained Earnings

(₹ in Crore)

Particulars	Amount
Balance at the 1st April'2019	(3,106.42)
Prior Period errors	
Add:	
Income received for prior period	22.92
Less :	
Receivables write off	1.63
Prior Period Expenses	10.89
Restated balance at the 1st April' 2019	(3,096.02)

55.C Reconciliation of Total Comprehensive Income for the year 2019-20

(₹ in Crore)

Particulars	Amount
Total Comprehensive Income for the year 2019-20	(184.82)
Prior Period errors	
Add:	
Income received for prior period	0.03
Prior period Depreciation	-----
Less:	
Prior period depreciation	0.04
Prior Period Expense	2.11
Restated Total Comprehensive Income for the year 2019-20	(186.94)



KONKAN RAILWAY CORPORATION LTD.

Notes forming part of the consolidated Financial Statements

56. Additional Disclosure as per Ind- AS 115.

REVENUE FROM OPERATIONS

Accounting Policy

The Company derives revenues primarily from passenger and Freight operations business comprising Mail/Express/Passenger and freight Trains including Roll-On-Roll-Off Services.

Under Cost Plus Contract, Revenue is determined by adding the aggregate cost-plus proportionate margin as agreed with Principal Customer.

Under Fixed Price Contract Revenue is recognized by adding the aggregate cost and proportionate margin using the percentage completion method. Percentage of completion is determined as a proportion of cost incurred to date to the total estimated contract cost.

Revenue is recognized upon transfer of control of services to customers in an amount that reflects the consideration we expect to receive in exchange for those services.

Disclosures:

Contract Balances (mentioned in Table below)

Contract balances represent the balance of contract to an amount for which the Company's right could not have been established. No such balances have been accounted for in the books of the Corporation for the current Financial year.

Trade receivables (mentioned in Table below)

A receivable represents the Company's right to an amount of consideration that is unconditional, and the corporation has accounted the same in line with the provisions of Ind AS 115.

Contract Assets & Liabilities (mentioned in Table below)

A Contract Assets is the performance by transferring goods and services to a customer, before the customer pays consideration or before payment is due, the entity shall present the contract as a contract asset, excluding any amount presented as a receivables.

A Contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company



KONKAN RAILWAY CORPORATION LTD.

Notes forming part of the consolidated Financial Statements

transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

There is no significant changes in contract asset and contract liability.

Performance Obligation:

The company considers timeline indicators mentioned in the contract for performance obligation. Transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc are indicators of discharge of service obligations. The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period. Depending on the terms of contract, controls on the asset or existence of enforceable right to payment is established against performance in full or part discharge of obligation.

KRCL is engaged in execution of projects either as deposit work or as a project management consultant or on cost plus contract basis.

Typically, KRCL receives advance consideration on some of the contracts and some are executed based on the defined payment term in the contract. The consideration on contracts can be Cost Plus or Fixed, however, unconstrained by any uncertainty.

KRCL is also involved in execution of contract where- in it acts as an intermediary. Transaction price allocated to the remaining performance obligations.

The revenue recognized corresponds to the value transferred to customer.

The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations as on 31st Mar 2021 was ₹ 2251.00 Crores (₹ 3225.00 Crore) out of which around 30% is expected to be recognized as revenue in the next year and the balance in subsequent years.

In accordance with Para 121 of Ind AS 115, the company has not specifically disclosed contracts with expected duration of one year or less.

Significant judgements in the application of this Standard:

Revenue is recognized upon transfer of control of promised deliverables to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those deliverables. Revenue is recognized based on output measured by Aggregate Cost-plus margin.



KONKAN RAILWAY CORPORATION LTD.
Notes forming part of the consolidated Financial Statements

In respect of other fixed-price contracts, revenue is recognized using percentage-of completion method ('POC method') of accounting with contract costs incurred determining the degree of completion of the performance obligation.

Determining the transaction price and the amounts allocated to performance obligations Contract assets are recognized when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue ("contract liability") is recognized when there is billing in excess of revenues.

(₹ in Crore)

Contract Value	Op. Balance	Addition	Deletion	Closing Balance
USBRL	2140.56	-	827.21	1313.35
NTPC-Kudgi	71.59	-	22.93	48.66
NTPC-Gadarwara	74.88	-	20.47	54.41
Others	938.35	-	103.28	835.07
Total	3225.38	-	973.89	2251.49
Receivables	Op. Balance	Addition	Deletion	Closing Balance
USBRL PROJECT	0.545	0.94	0.93	0.55
NTPC-Kudgi	5.55	23.25	25.26	3.54
NTPC-Gadarwara	7.70	23.64	19.38	11.96
Others	5.75	0.71	---	6.46
Total	19.54	48.54	45.57	22.51
Contract assets	Op. Balance	Addition	Deletion	Closing Balance
	NIL			
Contract Liabilities	Op. Balance	Addition	Deletion	Closing Balance
USBRL Project	332.93	1382.32	827.96	887.29
Others	97.75	27.91	50.31	75.35
Total	430.68	1410.23	878.27	962.64



KONKAN RAILWAY CORPORATION LTD.

Notes forming part of the consolidated Financial Statements

57. Effect of COVID-19 on the performance of company in FY 2020-21

Indian Railways suspended all passenger trains in March 2020 following the national lockdown to combat Covid-19 pandemic. As a precautionary measure, regular passenger train operation over Indian Railways remained suspended during the entire year i.e 2020-21.

It is stated that there was a continuous increase in coaching revenue of the corporation since open line started working in FY 1998-99. However Coaching revenue reduced substantially due to suspension of regular train services on account of Covid-19 lock down throughout the current year. During the current year as against 2586.78 (Millions) Passenger kilometer (PKm), same was 11973.35 (Millions) in previous year, i.e reduction of around 78.39% against previous year.

As a result the Coaching revenue (including other coaching revenue) during the current year has been reduced to ₹ 200.69 Crores as compared to ₹ 680.78 Crores in the previous year (i.e reduction of Coaching revenue by 70.52%).

Suspension of regular passenger trains operation during the entire year i.e during 2020-21 put a severe strain on the corporation's finance and hence coaching revenue of finance year 2020-21 cannot be compared with coaching revenue of the previous year.

Further due to covid situation and restricted operation due to lockdown etc. the project revenue has also been affected substantially. As against the project revenue of ₹1501.56 crores in the previous year the same is declined to ₹ 973.89 crores during the current year, i.e. reduction of around 35.14 % against previous year.

Further during April'21 to May'21, due to prevailing travel restrictions & partial lock down in various states, there is a continuing impact on financial performance of the Corporation, whereby the traffic revenue was ₹ 95 Crores (approx) as against ₹ 107 Crores (approx), in 2019 -20 (which is a comparable period of operation). However, there is marginal improvement of Covid situation from June 21 and if the trend improves, Traffic Revenue may improve in FY 2021-22. Further Corporation does not foresee any revenue loss in project segment during FY 2021-22.

In view of financial constraint faced by company due to covid pandemic, on the request of the company, Ministry of Railways has granted refundable financial assistance of ₹ 235 crores on 21 May 2021.

With the improving situation of train operations, the management is hopeful of revival



KONKAN RAILWAY CORPORATION LTD.

Notes forming part of the consolidated Financial Statements

of normal revenue and to overcome the financial constraint faced due to Covid-19.

Figures in bracket indicates figures of previous year.

58. Previous year figures have been regrouped/ rearranged wherever necessary.

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose consolidated financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work in-progress and intangible asset under development.

If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.

- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.
- Disclosure of some ratios (Current Ratio, Debt-Equity ratio, Return of Capital Employed, Return of Equity)



KONKAN RAILWAY CORPORATION LTD.

Notes forming part of the consolidated Financial Statements

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the consolidated financial statements.
- The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

For V. K. Surana & Co.

Chartered Accountants,
Firms Registration No. 110634W

Sd/-

CA Sudhir Surana

Partner

Membership No. 043414

UDIN : 21043414AAAACR4748

Place: Nagpur

Date: June 28, 2021

For and on behalf of the Board

Sd/-

Rajesh Bhadang

Director (Finance)

DIN: 09050270

Place: Navi Mumbai

Date: June 28, 2021

Sd/-

SANJAY GUPTA

Chairman and Managing Director

DIN:06710604

Sd/-

RAJENDRA PARAB

Company Secretary

Form AOC-1
SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARY / ASSOCIATES / JOINT VENTURES AS PER COMPANIES ACT, 2013

Part A: Subsidiaries

Name of the Subsidiary	Reporting Period	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of shareholding
1	2	3	4	5	6	7	8	9	10	11	12	13	14
Not Applicable													

Part B: Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associate	Latest audited Balance Sheet Date	Shares of Associate/Joint Ventures held by the company on the year end		Extent of Holding (%)	Net worth attributable to shareholding as per latest audited Balance Sheet (₹ in crore)	Profit/(Loss) for the year		Description of how there is significant influence	Reason why the associate/joint venture is not consolidated
		No.	Amount of Investment in Associates/Joint Venture (₹ in crore)			Considered in Consolidation (₹ in crore)	Not Considered in Consolidation (₹ in crore)		
1	2	3	4	5	6	7	8	9	10
Jaigarh Digni Rail Limited	31.03.2021	26000000	26.00	26 %	14.01	(12.43)	(35.38)	Note A	Consolidated as Associate

Note A: The Company has significant influence through holding more than 20 % of the Equity Shares in the investee Company in terms of Ind- AS 28.

For V.K. Surana & Co.
Chartered Accountants
Firm Registration No. 110634W
Sd/-
CA Sudhir Surana
Partner
Membership No. 043414

For and on behalf of Board

Sd/-
R. M. Bhadang
Director (Finance)
DIN: 09050270
Place: Navi Mumbai
Date: June 28, 2021

Sd/-
Sanjay Gupta
Chairman and Managing Director
DIN: 06710604
Sd/-
Rajendra Parab
Company Secretary



KONKAN RAILWAY CORPORATION LTD.

STATISTICAL SUMMARY OF TRAIN OPERATIONS

	YEAR 2020-21	YEAR 2019-20
GENERAL INFORMATION:-		
Guage	Broad Guage	Broad Guage
Route Length (Kilometers)	739 Kms	739 Kms
Number of Stations	72	67
	(66 Crossing +6 Halt Stations)	(58 Crossing +9 Halt Stations)
PERSONNEL:		
Number of Employees	5519	5566
Wage Bill (₹ in Crore)	558.05	532.43
OPERATING STATISTICS:		
Net Tonnes Kilometers (Millions) (on actual distance)	2778.08	3221.3
Net Tonnes Kilometers / Engine hour	17556.00	18627.00
Wagon Kilometers (Million)	69.20	83.51
Vehicle Kilometers (Million)	104.09	309.47
Net Tonnes Kilometers/Wagon day	12404.00	11877.00
Wagon Kilometers per wagon day in use	311.00	309.00
Average Diesel Kilometers per Day	736.00	542.00
Wagon turn round (Days)	2.00	2.22
Daily Average Wagon interchange	563.00	614.00
Average Speed of Goods train (kilometers per hour)	49.00	30.00
Average outage per Day on Freight	11.64	19.81
Turn round of Roll On – Roll Off trains (Days)	2.34	2.96
PASSENGER TRAFFIC:		
No. of passengers carried (Million)	4.73	31.15
Passenger Kilometers (Million)	2586.78	11973.35
Passenger earnings (₹ in crore)	192.55	670.77
Average lead (Kilometers)	545.80	870.52
FREIGHT TRAFFIC:		
Tonnes originating (Million):		
Revenue earning traffic	2.28	2.12
Net tonnes Kilometers (Million):		
Revenue earning traffic (NTKM)	4167.12	4831.95
Earnings from freight carried (₹ in Crore)	384.43	435.60
(Excluding Demmorage and Wharfage charges)		
Average lead-Revenue traffic (Kilometers)	639	684
REVENUE AND EXPENDITURE:		
Total Income (Excluding Project) (₹ in Crore)	683.39	1233.21
Total Expenditure (Excluding Project) (₹ in Crore)	1184.18	1314.46

Operating statistics and General Information are based on actual distances whereas, statistics on passenger and freight traffic are based on chargeable distance.



KONKAN RAILWAY CORPORATION LTD.

NOTES



कोंकण रेलवे कॉर्पोरेशन लिमिटेड

(भारत सरकार का उपक्रम)

KONKAN RAILWAY CORPORATION LTD.

(A Government of India Undertaking)

कोंकण रेलवे कॉर्पोरेशन लिमिटेड
(भारत सरकार का उपक्रम)

KONKAN RAILWAY CORPORATION LTD.

Registered & Corporate Office

Belapur Bhavan, Plot No. 6, Sector 11, CBD Belapur, Navi Mumbai - 400 614

ईमेल (e-mail): compsec@krcl.co.in

कॉर्पोरेट पहचान संख्या (Corporate Identity Number): U35201MH1990GOI223738

पूर्वक्रीत एवं प्रदत्त शेअर पूंजी (Subscribed & Paid-up Share Capital) : Rs. 5560.70 crores

• Website: www.konkanrailway.com Tel.: 022 27572015-18; Fax: 022 27572420