



सादर सेवा

कोंकण रेलवे कॉर्पोरेशन लिमिटेड  
Konkan Railway Corporation Limited.

**21 वीं वार्षिक रिपोर्ट 2010-11**  
**21st Annual Report 2010-11**

## वचन बद्धता

कोंकण रेलवे कोंकण क्षेत्र का पर्यावरण संतुलन बनाये रखते हुए क्षेत्र के विकास एवं समृद्धि के लिए एक किरफायती और प्रभावी प्रेरक होगी।

### कार्य के मूलभूत सिद्धांत

❖ कोंकण रेलवे सजगतापूर्ण संपूर्ण सेवा प्रदान करेगी

❖ यात्रियों के लिए –

संरक्षा	समयपालन
आराम	सुविधाएं
	सेवाएं

❖ माल के लिए –

समय पर लदान	समय पर सुपुर्दगी
सुरक्षित परिवहन	तुरंत क्षतिपूर्ति
	मूल्यवर्धित संभार सहायता

❖ कोंकण रेलवे परिवार अपने आचरण से समाज में इन मूल्यों का वर्धन करेगा

सत्यनिष्ठा एवं स्वयं-अनुशासन	सादगी एवं किरफायत
सुशिष्टा एवं निर्भीकता	कुशलता एवं प्रशिक्षितता
	जनता का सच्चा सेवक

❖ कोंकण रेलवे विशिष्ट गुणयुक्त प्रौद्योगिकी का प्रयोग करेगी।

इस सहस्राब्दि के लिए अद्यावत  
पर्यावरण संरक्षण और निरंतर वृद्धि को प्रोत्साहन  
अनुरक्षण की न्यूनतम आवश्यकता  
वृद्धियों के प्रति सहनशील व भविष्य की आवश्यकताओं के लिए विश्वनीय, सदा  
उपलब्ध और सामर्थ्यदायी

## MISSION

Konkan Railway shall evolve into economic, eco-friendly & cost effective catalyst for growth & prosperity in the Konkan region.

### MODE

❖ Konkan Railway cares & Provides

❖ For people

Safety	Amenities	Comfort
Punctuality		Services

❖ For goods

On time loading	In time delivery
Instant compensation	Intact transit
	Value added logistic support

❖ Konkan Railway adds value to the society

Integrity & Self-discipline	Austerity & Economy
Polite & Confident	Skilled & Trained
	True public servants

❖ Konkan Railway Technology

Cutting edge for this Millennium  
Eco-friendly & Promotes sustainable growth  
Less-maintenance or maintenance free  
Fault-tolerant and open to growth for future needs.  
Reliable, available and enabling.

## कोंकण रेलवे की प्रमुख विशेषताएं

आमान	: बड़ी लाइन (1676 मि.मी.)
लम्बाई	: 741 कि.मी.
नियंत्रक ढलान	: 1:150 (समकृत)
स्टेशनों की संख्या	: 63
बड़े पुलों की संख्या	: 179 (कुल रेखीय जलमार्ग 19.823 कि.मी.)
आरओवी, आरयूबी व एफ ओवी	: 365
छोटे पुलों की संख्या	: 1701 (कुल रेखीय जलमार्ग 5.58 कि.मी.)
सुरंगों की संख्या	: 91 (कुल लम्बाई 84.496 कि.मी.)
सबसे लम्बी सुरंग	: 6.5 कि.मी. (करबुडे सुरंग)
सबसे लम्बा पुल	: 2.065 कि.मी. (शरावती नदी पर)
सबसे ऊंची भूमि सेतु	: 64 मी. ऊंचा (पनवल नदी पर)
रेलपथ मार्ग संरचना	: रेल 52 कि. ग्राम (90 यू.टी.एस.) पटरी 1540 मोनो ब्लॉक पीएससी स्लीपर्स कि.मी. पर बिछायी गई लम्बी झलाईवाली रेलें.
टर्न आउटस्	: पी.एस.सी. स्लीपर्स पर थिकवेब स्विचेस

## SALIENT FEATURES OF KONKAN RAILWAY

Gauge	: Broad Gauge (1676 mm.)
Length	: 741 km.
Ruling Gradient	: 1:150 (Compensated)
Number of Stations	: 63
Number of Major Bridges	: 179 (With a total linear waterway of 19.823 km.)
ROB, RUB & FOB	: 365
Number of Minor Bridges	: 1701 (with total linear waterway of 5.58 km.)
Number of Tunnels	: 91 (Total length 84.496 km.)
Longest Tunnel	: 6.5 km. (Karbude tunnel)
Longest Bridge	: 2.065 km. (on Sharavati River)
Tallest Viaduct	: 64 meters in height (on Panval River)
Track Structure	: Rails 52 kg. (90 U.T.S.) LWR laid on monobloc PSC sleepers @ 1540 per km.
Turnouts	: Thickweb Switches on PSC sleepers.

## **CONTENTS**

## **Pg. No.**

BOARD OF DIRECTORS .....	3
NOTICE OF AGM .....	4
CHAIRMAN'S SPEECH.....	5
DIRECTORS' REPORT .....	6
(including Auditor's Certificate on Corporate Governance)	
C & AG COMMENTS .....	28
AUDITORS' REPORT .....	29
(including Management's Remarks)	
ANNUAL ACCOUNTS.....	40

## FINANCIAL SUMMARY FOR THE YEAR 2001-02 TO 2010-11

Sr.No.	Particulars	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
1	Total Income (incl.other Income)	189	228	245	289	630	669	787	787	766	924
2	Expenditure (Incl.Increase/Decrease in Stock)	145	146	195	217	499	510	555	600	520	697
3	Operating Margin	44	82	50	72	131	159	232	187	246	227
4	Interest Expenses	335	328	332	304	303	321	305	190	166	140
5	Depreciation	71	70	70	69	70	70	70	76	77	85
6	Profit/(Loss) before Tax	(362)	(316)	(352)	(301)	(242)	(232)	(143)	(78)	3	2.84
7	Profit after Tax	(362)	(316)	(352)	(301)	(243)	(233)	(144)	(79)	3	2.81
8	General Reserves	15.21	15.21	15.06	5.55	0	0	0	0	0	0
9	Net Fixed Assets (Gross block)	3519	3530	3547	3615	3656	3687	3732	3792	3876	3929
10	Inventories	13	23	26	61	16	13	11	16	14	24
11	Equity Share Capital *	784	784	789	790	803	803	803	806	806	806
12	Preference Share Capital *	0	0	0	0	0	0	0	3474	3771	4080
13	Capital Employed	3157	3133	3111	3184	3172	3112	3222	3307	3366	3355
14	Government Investment	*	*	*	*	*	*	*	*	*	*
15	Net-Worth	(894)	(1211)	(1559)	(1859)	(2080)	(2314)	(2459)	937	1247	1557
16	Profit before tax to Capital Employed	(0.115)	(0.101)	(0.113)	(0.095)	(0.076)	(0.075)	(0.045)	(0.024)	0.001	0.001
17	Operating Margin to Capital Employed	0.014	0.026	0.016	0.023	0.041	0.051	0.072	0.057	0.073	0.068
18	Profit after tax to Share Capital	(0.462)	(0.403)	(0.446)	(0.381)	(0.302)	(0.290)	(0.179)	(0.099)	0.004	0.003
19	Expenditure to Income	2.915	2.386	2.437	2.042	1.384	1.347	1.182	1.100	0.996	0.998
20	Number of Employees		3453	3552	3722	4119	4160	4304	4308	4353	4656
21	Income per Employee		0.066	0.069	0.078	0.153	0.161	0.183	0.183	0.176	0.198
22	Current Ratio	0.681	0.814	0.934	1.098	1.079	0.985	1.218	1.343	1.428	1.340
23	Debt/Equity Ratio	(4.641)	(3.632)	(3.014)	(2.722)	(2.525)	(2.345)	(2.310)	2.528	1.698	1.155
24	Investments	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

\* Note: Equity and Preference Share Capital is held by Government.

## BOARD OF DIRECTORS

<b>SHRI A. P. MISHRA</b>	:	Chairman, KRCL
<b>SHRI BHANU P. TAYAL</b>	:	Managing Director
<b>SHRI SHAHZAD SHAH</b>	:	Director (Finance)
<b>SHRI RAJESH TRIPATHI</b>	:	Director (Way & Works)
<b>SHRI PRADEEP BHATNAGAR</b>	:	Addl. Member (Traffic Transportation) Railway Board
<b>SHRI RATNAKAR GAIKWAD</b>	:	Chief Secretary, Government of Maharashtra
Alternate Director		
<b>DR. S. K. SHARMA</b>	:	Secretary (Transport, Excise & Ports), Government of Maharashtra
<b>SHRI S. V. RANGANATH</b>	:	Chief Secretary, Government of Karnataka
Alternate Director		
<b>SMT. VANDANA GURNANI</b>	:	Resident Commissioner, Government of Karnataka
<b>SHRI SANJAY K. SRIVASTAVA</b>	:	Chief Secretary, Government of Goa
Alternate Director		
<b>SHRI RAJEEV VERMA</b>	:	Principal Secretary (Transport), Government of Goa
<b>DR. P. PRABHAKARAN</b>	:	Chief Secretary, Government of Kerala
Alternate Director		
<b>DR. K. ELLANGO VAN</b>	:	Principal Secretary (Transport), Government of Kerala
<b>SHRI S. M. SINGLA</b>	:	Director
<b>SHRI B. SATYANARAYANA</b>	:	Company Secretary
<b>M/S/ JAIN &amp; JAIN</b>	:	Statutory Auditors
<b>C &amp; A G AUDITORS</b>	:	Principal Director of Commercial Audit & Ex-officio Member, Audit Board-II, Mumbai.

**Registered Office :**  
334-C, 3rd Floor,  
Metro Station Building,  
Pragati Maidan, New Delhi - 110 001.

**Corporate Office :**  
Belapur Bhavan,  
Sector 11, CBD Belapur,  
Navi Mumbai - 400 614.

## **NOTICE OF THE TWENTY FIRST ANNUAL GENERAL MEETING**

Notice is hereby given that the 21st Annual General Meeting of Konkan Railway Corporation Limited will be held on 29th September, 2011 at 12:30 hrs. at Committee Room, Rail Bhavan, Raisina Road, New Delhi 110 001 to transact the following business:

### **ORDINARY BUSINESS :**

#### **ITEM NO.1 ADOPTION OF ANNUAL ACCOUNTS**

To receive and adopt the Directors' Report, Balance Sheet and Profit and Loss Account for the year ended 31.03.2011 and Auditors' Report thereon.

#### **ITEM NO.2 FIXATION OF REMUNERATION TO AUDITORS**

To fix the remuneration to the Statutory Auditors appointed by the Comptroller & Auditor General of India for the year 2011-12.

Yours faithfully,  
**By the Order of the Board of Directors,  
For Konkan Railway Corporation Ltd.**

PLACE : NAVI MUMBAI  
Date : 20th August, 2011

Sd/-  
**B. SATYANARAYANA**  
Company Secretary

#### **Notes:**

1. A member entitled to attend and vote at the meeting is also entitled to appoint a proxy to attend and vote thereat instead of himself and the proxy need not be a member. Form of Proxy is enclosed.
2. The instrument of proxy must be deposited at the Registered Office. Room no. 334C, Third Floor, Metro Station Building, Pragati Maidan, New Delhi 110 001 not less than 48 hours before the time fixed for holding the meeting.

## CHAIRMAN'S SPEECH

Gentlemen,

It gives me great pleasure to welcome you to the Twenty First Annual General Meeting of your Company.

### 1. FINANCIAL & OPERATING PERFORMANCE

- a) The performance of the Corporation for the year 2010-11 has been covered in the Directors' Report. I am glad to inform you that the total revenue has increased to ₹ 924 Cr during the year 2010-11 from ₹ 766 Crore of the previous year. Out of the total revenue of ₹ 924 Crore, traffic earnings increased marginally to ₹ 600 Crore compared to the previous year traffic earnings of ₹ 588 Crore. Other income had increased from ₹ 33 Crore to ₹ 36 Crore. Project revenue also showed an increase to ₹ 288 Crore from ₹ 145 Crore of the previous year and had a Project surplus of ₹ 24 Cr during the year 2010-11 compared to ₹ 9.45 Cr in the previous year. Corporation had earned an operating surplus of ₹ 227 Cr during the year under review. This is the 2nd year in succession the corporation had earned net profit of ₹ 2.84 Crore compared to the previous year profit of ₹ 3.36 Crore.
- b) The operating ratio which is a parameter of operating efficiency is 81.35% in the year 2010-11, which has increased due to increase in expenditure by 12.39% largely on account of increased hire charges and establishment expenses. The Corporation had redeemed ₹ 320 crore worth of bonds and Net Worth has increased from ₹ 1248 Crore to ₹ 1557 Crore during the year under review. The corporation is hoping to maintain the same tempo in the years to come.

### 2. PROJECTS

- a) The work of 72.91 km of Katra-Dharam Section of J&K new Rail Line project was entrusted to KRCL in Dec 2002 with an estimated cost of ₹ 5005 crore (Rupees Five Thousand Five Crore only). The Project involves construction of 19 tunnels with aggregate length of 62 km (85%), 7.5 km (10%) of route on bridges and balance 5% of route in cuttings and embankments. The project also involves construction of 176 km of approach roads and feeder roads. So far 12.4 km of tunnels have been mined and two tunnels have been made through. Out of 176 km of roads to be constructed, 118 km of roads have been made motorable. The work of bridges including very challenging bridge over Chenab is in progress at various stages. During the Financial Year 2010-11, the turnover was ₹ 264 crore on this project as against ₹ 135 crore during the financial year 2009-10. The cumulative turnover at the end of the financial year 2010-11 is ₹ 1183 crore.
- b) Pilot ACD project on North East Frontier Railway was commissioned on 25/06/2007 and the same is being maintained by KRCL with the assistance of M/s. KERNEX for a period of 3 years (2009 to 2012). During the year under review, ACD Field trials were carried out in Arakkonam-Pattabiram suburban section in Chennai Division of Southern Railway to assess the suitability of ACD system in Railway Electrified area, Automatic Signaling and Multiple lines. Train Collision Avoidance System (TCAS) will be implemented on several railway zones in the coming years.

### 3. SAFETY

Geo safety works of ₹ 18.80 crore were completed during the year under review to tackle the vulnerable cuttings for improving the drainage, to prevent boulder falls in tunnels to enhance safety of running trains. A comprehensive Disaster Management Plan 2011 of Konkan Railway was prepared to tackle the disasters.

### 4. FUTURE OUTLOOK

I am confident that earnings from train operations & project management, the Corporation has the potential to improve its earnings in the years to come.

### 5. ACKNOWLEDGEMENT

I would like to conclude by thanking Ministry of Railways and the Governments of the States of Maharashtra, Karnataka, Goa and Kerala as well as Central Government departments and agencies for their help, support and co-operation. I would like to take this opportunity to thank the Members of the Board for their valuable guidance, support and prudent counsel. Most importantly, I acknowledge the critical role played by the employees, whose contribution to your Company's business growth has been paramount.

Thanking you,

Sd/-

Place: New Delhi  
Date: 29.09.2011

**Shri A.P. Mishra**  
**Chairman**

## DIRECTORS' REPORT

**Gentlemen,**

The Directors of Konkan Railway Corporation Limited have great pleasure in presenting the Twenty First Annual Report on the working of your Corporation.

### 1. FINANCIAL RESULTS :

Total revenues of the Corporation are ₹ 924.43 (Rupees Nine hundred twenty four crore forty three lakhs only) compared to previous year's total revenues of ₹ 766.27 crore (Rupees Seven hundred sixty six crore twenty seven lakhs only). The train operations have yielded a gross earning of ₹ 600.01 crore (Rupees Six hundred crore one lakh only) on apportioned basis and other income of ₹ 36.33 crore (Rupees Thirty six crore thirty three lakhs only). The operating surplus (after meeting the operating costs, the earnings before interest, depreciation, taxes & amortization (EBIDTA)) is ₹ 227.40 crore (Rupees Two hundred twenty seven crore forty lakhs only). The profit during the year is ₹ 2.84 crore (Rupees Two crore eighty four lakhs only), after providing ₹ 139.91 Crore (Rupees One hundred thirty nine crore ninety one lakhs only) towards financing costs and ₹ 84.65 crore (Rupees Eighty four crore sixty five lakhs only) towards depreciation.

### 2. A) SHARE CAPITAL:

#### (i) Equity Share Capital

The Paid-up Equity Share Capital of the Corporation stood at ₹ 806,45,62,000 (Rupees Eight hundred six crore forty five lakhs sixty two thousand only) as on 31.03.2011 against the Authorized Equity Share Capital of ₹ 806,46,61,000 (Rupees Eight hundred six crore forty six lakhs sixty one thousand only). The details are as under:

	As on 31.03.2011	As on 31.03.2010
Ministry of Railways	411,28,74,000	411,28,74,000
Government of Maharashtra	177,42,24,000	177,42,24,000
Government of Goa	48,38,79,000	48,38,79,000
Government of Karnataka	120,96,98,000	120,96,98,000
Government of Kerala	48,38,80,000	48,38,80,000
Railway Board Nominee	1,000	1,000
Railway Board Nominee	1,000	1,000
Railway Board Nominee	1,000	1,000
Special Commissioner, Maharashtra	1,000	1,000
Resident Commissioner, Goa	1,000	1,000
Resident Commissioner, Karnataka	1,000	1,000
Resident Commissioner, Kerala	1,000	1,000
<b>Total</b>	<b>806,45,62,000</b>	<b>806,45,62,000</b>

#### (ii) Preference Share Capital:

The Authorised and Paid-up Preference Share Capital of the Corporation stood at ₹ 4079,51,00,000 (Rupees Four thousand seventy nine crore fifty one lakhs only) held by President of India through Ministry of Railways as on 31.03.2011.



**B) Financial Restructuring Proposals Approved by CCEA (Cabinet Committee on Economic Affairs) on 4.12.2008**

As per financial restructuring proposals approved by CCEA (Cabinet Committee on Economic Affairs) on 4.12.2008, the loans of ₹ 4079.51 Cr provided by Ministry of Railways were converted into Non-Convertible, Non-cumulative, redeemable Preference shares issued in the name of President of India as detailed year wise as under:

Year	₹ in crore	Tenure
Up to 2008	3222.46	20 years
2008-09	251.50	15 years
2009-10	297.38	15 years
2010-11	308.17	15 years
<b>Total</b>	<b>4079.51</b>	

After implementation of the financial restructuring proposals, the debt liabilities of the corporation had come down and thereby interest burden was reduced. The Traffic earnings of the Corporation have picked up during the year under review and it is expected the same trend will continue in the coming years. In view of this the corporation may be able to meet its debt obligations for the next two years. In future also the corporation may be able to meet its part market borrowings obligations on its own, if the expected traffic & project revenues materialize. Otherwise, the corporation will approach the Railway Board for further financial assistance on need basis.

Board for Reconstruction of Public Sector Enterprises (BRPSE) suggested for forming a committee by the Railway Board for suggesting writing off of losses either by canceling the Paid up Preference Share Capital of the company or infusing equity capital to that extent to make KRCL as a viable organization.

**D) Redemption of Bonds:**

During the year 2010-11, the Corporation redeemed bonds worth ₹ 320.50 Crore (Rupees Three hundred twenty crore fifty lakhs only). Bonds worth ₹ 58 Crore (Rupees Fifty Eighty Crore only) is falling due in 2011-12.

**E) AAA (SO) Rating of Bonds :**

CRISIL/CARE rating agencies reaffirmed this year also AAA (SO) rating for the bonds issued by the Corporation during the previous years.

**3. BUSINESS OF TRAIN OPERATIONS:**

**A) Passenger Operations:**

Daily 26 passenger carrying trains are run on this single line section. Besides this thirteen freight trains including three RO-RO services are also run on the system. To meet the growing demand, 2 new trains 12223/12224 (bi-weekly) Lokmanya Tilak Terminus - Ernakulam and 12519/12520 (bi-weekly) Pune-Ernakulam were introduced on Konkan Railway route during the period. Besides 778 special trains were run during the year to clear extra rush of passengers and thereby earned ₹ 20.8 Crore. In addition 734 extra coaches were attached to regular train, thereby earning of ₹ 1.98 Crore.

**B) Freight Operations:**

The global recession had also hampered the performance of KRCL as Iron Ore exports declined sharply which was moving over Konkan Railway. Passenger fare and freight rate has not been increased since last eight years. The innovative service of RO\_RO completed 12 years of its successful run. This year it earned ₹ 25.68 Crore which is highest ever so far. New originating traffic of lime stone from

Chiplun resulted in loading of 0.2 Lakh Tonnes during 2010-11 fetching an income of ₹ 59.83 lakhs. To improve the line capacity of KRCL, two crossing stations were opened for traffic. They are Vinhere on 09/04/2010 between Karanjadi and Diwankhavti and Nandikur on 18/11/2010 between Padabidri and Mulki. Apart from this, one additional loop line work has been completed at Nivsar on 12/01/2011,

Fifty six BOXN wagons were modified for suiting RO-RO service in the month of August 2010 and have been a good source of incremental revenue from the RO-RO service for KRCL. RO-RO service is being operated between Kolad-Verna, Verna-Surathkal, Kolad-Surathkal and Ankola-Surathkal. Konkan Railway has transported more than 2 lakh trucks since the introduction of RO-RO service in January, 1999 and has generated about ₹ 170 Cr. It is estimated that the operation of RO-RO service helps the nation in saving of diesel to the tune of about 15,000 Litres per day.

#### **Pilot Project of Freightmiser:**

The Freightmiser System provides tactical advice to Loco Pilots that reduces fuel consumption whilst managing train running time. Freightmiser computes the optimal driving strategy from the current location to the next target location and uses adaptive control to deliver the train to the target with minimal energy usage. The Freightmiser system is able to achieve 11.8% less fuel consumption.

#### **4. ENGINEERING PROJECTS:**

##### **a) Construction of Katra – Dharam Section of Udhampur – Srinagar – Baramulla Rail Link (USBRL) Project:**

Northern Railway has entrusted the construction of new railway line from Katra-Dharam (72.91 km.) in the State of Jammu & Kashmir to Konkan Railway. The estimated cost at 2006 price level is INR 5005 Cr. 113.8 kms. length of roads has been completed out of 180 kms of approach and feeder road earth work. Tunneling of 11.588 km has been completed. The construction of major Bridges and Special Bridges is in progress.

With a view to expedite progress of construction of approach roads for the project in co-ordination with the Ministry of Defence, 262 tonnes of road and tunneling machinery like road roller, shot Crete machine, dumpers, crane, concrete mixers, mini crushers, Generators, Twin Drill Drilling Jumbo, four excavators, etc. were helilifted by using MI 26 helicopter of Indian Air Force, which is the largest cargo helicopter in the world from Jammu to a remote and inaccessible village Surukote in Reasi District, which is the first ever instance in the history of Indian Railways.

##### **b) Anti Collision Device (Raksha Kavach):**

During the year under review, ACD Field trials were carried out in Arakkonam-Pattabiram suburban section in Chennai Division of Southern Railway to assess the suitability of ACD system in Railway Electrified area, Automatic Signaling and Multiple lines. Pilot ACD project on Northeast Frontier Railway was commissioned on 25th June 2007 and the same is being maintained by KRCL with the assistance of M/s. KERNEX for a period of 3 years (2009 to 2012). Train Collision Avoidance System (TCAS) will be implemented on several railway zones in the coming years.

#### **5. ENGINEERING WORKS:**

The following Geo safety works of ₹ 18.80 crore were completed during the year to tackle the vulnerable cuttings, improving the drainage, to prevent boulder falls in tunnels to enhance safety of running trains.

- |  |   |                    |
|--|---|--------------------|
| a) Earthwork for flattening of slopes                                | : | 3.517 lac cum      |
| b) Catch water drain lining and RCC Retaining wall & Gabion wall etc | : | 5 nos. of cuttings |
| c) Shot creting  | : | 73414 Sq.m.        |
| d) Rock bolting  | : | 165.19 MT          |

## **6. SAFETY:**

A comprehensive Disaster Management Plan 2011 of Konkan Railway was prepared & distributed among all the concerned in Corporate Office & Regions for preparedness and same has been uploaded on Konkan Railway Web site also. Safety Calendar is released every year on Konkan Railway with laid down Safety Drives for each month on critical issues with depicting pictorial advice. A special course on Accident Investigation & Inquiries for 23 Senior Supervisors of various departments organized at KRIST/Mangalore. A road show-Public awareness event was organized jointly by Engineering; S&T & Operating Departments at the behest of Safety Department and, road users, school children and citizens were counseled about their role for safety passage at Railway Crossing gates. A Safety Seminar on "ensuring Safety in Engineering works" was organized at Ratnagiri and Madgaon on 18th and 20th January 2011, Special Workshop on Monsoon Patrolling Precautions for Patrolmen was organized.

However two accidents took place during the year under review.

- 1) Sudden falling of boulders from Amdalli Cutting between Honnavar-Karwar at Kms. 508/3-9 has hit 12620 Up Matsyagandha Express on run & caused one casualty, 7 grievous injuries & 15 simple injuries to passengers on 08/11/2010.
- 2) There was derailment of KR-50106 SAWANTWADI-DIWA Passenger at Km 139/6-7 between Savarda-Kamathe railway stations due to obstruction caused by boulders while the Geo-Safety work was in progress on 25/02/2011. No casualty or injuries were reported.

## **7. AFFORESTATION:**

KRCL has also planted Boganveilla, Gulmohar, Badam, Acacia, Papaya, Drumstick, Ashoka, Aracanut, Coconut, Mango, Guava, Flowering plants, Jatropha Suru/Rain trees along the Konkan Railway route by spending ₹ 4.68 Lacs during the year 2010-11.

## **8. INFORMATION TECHNOLOGY:**

Information Technology supports all aspects of KR's working, through 8 major & 12 minor modules, fully integrated in the "Railway Applications Package" (RAP, & now Java-RAP). Informix-4GL (and now J2EE) working over Informix RDBMS, based custom-built KR-ERP is maintained in-house, Porting of the 11-year old CUI Informix-4GL RAP (declared obsolete) to modern 3-tier platform of J2EE & browser-based Applications were completed. This has made the 'J'-RAP Applications (ERP), web-browser-enabled, full GUI, platform-independent and modular-maintainable.

## **9. (i) SPECIAL AWARDS:**

During the 21st Foundation Day function of KRCL, following 4 Special Awards were introduced apart from the awards at the level of Managing Director.

- 1) Dr.E.Sridharan – Best Engineer Award
- 2) B. Rajaram – The Most Innovative Idea Award
- 3) Dr. K.K.Gokhale – Community Activity Award
- 4) Anurag Mishra – Individual Significant Financial Impact Award

## **(ii) INDUSTRIAL RELATIONS:**

During the year 2010-11, cordial industrial relations have been maintained and in consultation with the National Railway Mazdoor Union (NRMU)- recognized union of the corporation implemented promotion policy for the employees.

**(iii) STAFF WELFARE:**

A monthly newsletter called "*Konkan Newsletter*" has been introduced to have better communication with the staff on various issues related to promotion, payments, welfare, policies, etc. To promote welfare activity and improved bonding in the Corporation, Inter-Regional Sports, various sports events, tournaments and cultural activities were organized during the year under review.

**(iv) KONKAN RAILWAY WELFARE ORGANIZATION:**

The corporation has formed Konkan Railway Welfare Organisation (KRWO) on 4th June, 2010 to promote social welfare schemes, such as providing all possible help to provide accommodation to railway personnel and all the activities of the society will be carried out on "No loss or no profit basis".

**(v) SPORTS COMPETITION FOR CHILDREN OF KONKAN RAILWAY EMPLOYEES:**

- i) Inter Regional Children's Camp & Cricket Tournament was organized from 25th to 26th December, 2010 at Ratnagiri. 84 children from Regions i.e. Belapur, Ratnagiri and Karwar participated in the event.
- ii) Inter-Regional Girls' Sports & Camp was organized on 28th and 29th January, 2011 at KRV, Nerul. A total of 55 girls from Belapur, Ratnagiri and Karwar Regions participated in various sports events.

**(vi) MANPOWER POSITION:**

**Position as on 01/04/2010:**

Group	General	SC	ST	OBC	Total	Ex-Serviceman	Physically Handi- capped	Minorities
A	129	24	06	27	186	-	01	16
C&D New Group	1834	447	138	1751	4170	34	45	374
Total	1963	471	144	1778	4356	34	46	390

**Recruited during the year:**

Group	General	SC	ST	OBC	Total	Ex-Serviceman	Physically Handi-capped	Minorities
A	-	-	-	-	-	-	-	-
C&D	49	145	72	73	339	-	-	13
Total	49	145	72	73	339	-	-	13

**Attrition during the year:**

Group	General	SC	ST	OBC	Total	Ex-Serviceman	Physically Handi-capped	Minorities
A	3	-	1	3	07	-	-	1
C&D	19	-	-	17	36	1	-	7
Total	22	-	1	20	43	1	-	8

**Position as on 31/03/2011:**

Group	General	SC	ST	OBC	Total	Ex-Serviceman	Physically Handi-capped	Minorities
A	126	24	5	24	179	-	1	15
C&D	1864	592	210	1807	4473	33	45	380
Total	1990	616	215	1831	4652	33	46	395

#### **10. (i) HUMAN RESOURCES DEVELOPMENT:**

26 different courses were conducted for training 306 staff at Konkan Railway Institute of Staff Training (KRIST) at Mangalore and 22 courses were conducted for training 369 staff at Konkan Railway Technical Training Centre (KRTTC) at Bhatkal. Apart from that 14 workshops were conducted at various places outside KRIST for training 687 staff and Special courses were conducted for 52 staff members at KRIST during the year 2010-11,

#### **(ii) FOUNDATION DAY:**

21st Foundation Day of KRCL was celebrated as Konkan Railway Week from 11/10/2010 to 15/10/2010 with a series of events / activities like Quiz and Essay Competition on the topic Konkan Railway Vision 2020-Challenges Ahead for Officers and Staff of Corporate Office and Regions at Ratnagiri and Karwar. Exhibition of Konkan Railway Photographs was also organized at Konkan Rail Vihar, Nerul from 11/10/2010 to 15/10/2010.

Apart from this, four prestigious Special awards were given comprising of Trophy, a certificate & cash award of ₹ 10,000/- for the employees recognizing their hard work and dedication towards the corporation in different fields.

#### **11. MOU BETWEEN KONKAN RAILWAY CORPORATION LTD(KRCL) AND INDIAN RAILWAYS:**

MD/KRCL and Secretary, Railway Board signed Memorandum of Understanding for the year 2011-12, on 24th March, 2011. MoU rating assigned by Department of Public Enterprises for the year 2010-11 is **"GOOD"** for the Corporation.

#### **12. MATERIAL MANAGEMENT:**

The material management system so followed meets the requirement of ISO 9001:2008 and it covers the procurement activities at corporate office and depot activities at regions Ratnagiri and Madgaon. Both procurement activities and depot activities are functioning through computerized on line Store Inventory(SI) Module which has helped in keeping the purchase cycle short and timely supply of materials; duly adopting the extant guidelines of public procurement and ensuring transparency. Quality of materials has been ensured by procuring mostly through approved sources and prior inspection. Rate contracts /price agreements have been entered for spares of track machines, rail maintenance vehicles and general consumable items to facilitate for arranging supplies at short notice. Scrap disposal has been organized through tendering process and disposed off the materials substantially.

#### **13. PARTICULARS OF CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION:**

Section 217(1) of the Companies Act, 1956 [as amended by the Companies (Amendment) Act. 1988] is not applicable to the company as far as conservation of energy and technology absorption is concerned. However, Corporation has taken several steps for Energy Conservation by adopting three pronged approach i.e. use of green technology, reduction in wastage and spreading of awareness.

This year there was large increase in connected load (501 KW) mainly due to KR-net revamp work. This has necessitated high amount of Air conditioning requirement spread over almost entire jurisdiction consuming significant energy. However, for saving on electrical energy, Corporation decided to use, in a first, the state of the art In-Row type precision Air Conditioning solution for Data Centre at Corporate Office. Besides this, use of LED lamps for street /Staircase and tunnel lighting, use of solar water heaters and solar panels, use of 3 star rated electrical equipments and other measures has helped corporation to off-set the effect of increased load on energy consumption. Though for the year 2010-11 energy consumption has marginally increased by 0.44% in absolute terms, however, if the effect of increased load due to KR-Net Revamp & other new works on their average working hours is excluded, saving in the electrical energy consumption has been achieved to the tune of 3.97 Lakh units which amounts to 5.08% reduction in the total energy consumed during this year

as compared to the year 2009-10. In monetary terms, it amounts to saving of ₹ 26.21 Lakh on account of energy consumption.

#### **14. VIGILANCE:**

In its endeavor to fight the menace of corruption, KRCL Vigilance has taken a holistic approach which includes not only punitive but also preventive measures with emphasis on increasing awareness of systems by sensitizing the employees and the rail users to adopt good and ethical practices in exercise of their day to day operations. During the year 2010-11, 73 preventive checks covering all areas of work including train checks were carried out. As a result, while 6 officials were taken up under major penalty, administrative actions were recommended against 5 for the irregularities / lapses detected. The aforesaid checks also yielded an earning of ₹ 7.82 lakh towards penalties / recoveries from the Contractors who failed to comply with the contractual obligations, fare and penalty through train checking. A total of 15 complaints accrued during the period under review including 10 nos. brought forward from last year, of which investigation into 6 cases were completed resulting into DAR action in 4 cases. Vigilance Awareness Period was observed from 25th Oct. to 1st Nov. 2010. To create awareness a bulletin titled "Sachetak" containing useful information with regard to Vigilance was issued in addition to printed leaflets. Essay and Slogan Writing both in Hindi and English; debate competitions were organized on vigilance and corruption related subjects.

#### **15. HEALTH CARE:**

The Mandays loss as a result of sickness in our lean human resource organization is only 0.98%. This results in greater availability of productive human resource to the Corporation. Total number of 117 specialty health check up camps have been held over Konkan Railway to screen for Hypertension, Diabetes Mellitus, Anemia, Osteoporosis, Cervical Cancer.

Konkan Railway has implemented Telemedicine in North East Frontier Railway where remote centres located at Badarpur in Lumbding Division and Rangapara in Rangia division are connected to Central Railway at Maligaon, Guwahati and further to Chennai. Konkan Railway has also implemented Telemedicine in East Central Railway connecting Hajipur (remote) & Danapur & Sonpur Railway Hospital with Chennai. Similarly Konkan Railway has introduced Telemedicine in Mumbai Central Division, Valsad, Nandurbar, Vadodara, Godhra, Dahod, Ratlam, Ahmedabad, Rajkot, Bhavnagarpara hospitals in Western Railway. Konkan Railway has also implemented Telemedicine in North Central Railway connecting Allahabad to Chennai and Mumbai. Last year implemented Telemedicine in Jaipur & Ajmer. With this we have installed telemedicine network at 20 divisions over Indian Railways. As a part of Corporate Social Responsibility, we have installed telemedicine at Gokharna for the benefit of villagers abutting the station.

#### **16. PROGRESS MADE IN USE OF HINDI IN THE CORPORATION:**

Annual Programme for the year 2010-11 was issued by Home Ministry (Department of Official Language), Government of India and Ministry of Railways (Railway Board) for the implementation of official language policy and to meet the targets of various items of annual programme, Konkan Railway's corporate office, Belapur, Regional Railway Managers Office, Ratnagiri and Karwar and all the stations, units and offices organized Rajbhasha Fortnight from 06.09.2010 to 17.09.2010. On this occasion, various competitions in Hindi viz. essay competition, noting and drafting & Speech competition were organized and 168 winners were awarded cash prizes and certificates. During the same year 11 Hindi Workshops were conducted and 191 employees were trained to work in Hindi. In addition to this three employees of Rajbhasha Department were trained by Central Translation Bureau, Ministry of Home Affairs. During 2010-11 brochures and questionnaires of the Parliamentary Petitions Committee, National Press Party, The Standing Labour Committee of casual contract workers with special reference to their safety, health and welfare plans, Study Tour Committee, Convention Committee, KRUC Committee and Standing Committee were prepared in Hindi and English.

Corporation website [www.konkanrailway.com](http://www.konkanrailway.com) was made bilingual. Under the guidance of Chief Official Language Officer and Chief Personnel Officer, first time 20th Annual Report 2009-10 of Konkan Railway Corporation Limited was translated in Hindi by Rajbhasha dept, Belapur. Ten Official Language Implementation Committees were constituted on Konkan Railway viz Headquarter Official Language Implementation committee at Belapur, Regional Official Language Implementation Committees at Ratnagiri and Karwar and Official Language Implementation Committees were set up at Chiplun, Ratnagiri, Kankavli, Verna, Madgaon, Karwar and Udupi Stations. Regular quarterly meetings of these Committees have been conducted and also Minutes of these meetings have been issued on time. All assurances given to Parliament on Official Language Committee were fulfilled by the Corporation. Corporation's Home magazine 'KONKAN GARIMA' in Hindi was published. Hindi books have been purchased for ₹ 25,000 for the year 2010-11 and Hindi magazines Hindi newspapers of ₹ 25,000- were also purchased for 13 libraries set up on Konkan Railway. All public contact material, brochures etc. were published in bilingual. As such, all efforts are being made to propagate progressive use of Hindi in official work.

## **17. (i) VISITS OF PARLIAMENTARY COMMITTEES:**

The following Parliamentary Committees visited Konkan Railway to discuss various issues pertaining to Konkan Railway, the details of which are as under:

1. Railway Convention Committee (2009) visited Goa on 17th July 2010 to discuss "Pending on-going Projects of the Ministry of Railways in the Konkan Region and its Time and Cost Overrun Effects".
2. Parliamentary Committee on Petitions visited Mumbai on 21st September 2010 to discuss "issues/ points raised in the representation received from Shri Atmaram Kate regarding jobs to the inhabitants and land oustees of Konkan area in Konkan Railway".
3. Standing Committee on Labour (LS) visited Goa on 28th December 2010 to discuss "Safety, Health and Welfare Schemes for Workers with particular reference to Contract / Casual Workers".
4. Committee on Petitions (RS) visited Mumbai & Goa on 22nd and 24th January 2011 to discuss Petition on "Praying for Development of Railway Networks in Uttarakhand, Himachal Pradesh and other Himalayan States"

All the Parliament Committees, consisting of Hon'ble Members of Parliament (both from Lok Sabha and Rajya Sabha) have appreciated the work done by the Konkan Railway.

## **(ii) NATIONAL PRESS PARTY:**

National Press Party comprising of 40 Media Persons belonging to both Electronic & Print Media including 10 Officials from Railway Board visited Madgaon from 12th to 17th December 2010 and gave wide publicity to the new initiatives & technologies of Konkan Railway through Electronic and Print Media.

## **18. DIVIDEND:**

The Directors do not propose to recommend payment of dividends during the year under review.

## **19. PARTICULARS OF EMPLOYEES:**

During the year under review, no employee of the Company was in receipt of salary of ₹ 2,00,000 per month or ₹ 24,00,000 per annum and hence the particulars of such employees to be disclosed under section 217(2A) of the Companies Act, 1956 and Companies (particulars of employees) Rules, 1975 and amendments thereof from time to time are not attached.

## **20. DIRECTORS' RESPONSIBILITY STATEMENT [u/s 217 (2AA)]:**

The Board of Directors of the Company confirms that,

In the preparation of the annual accounts, the applicable accounting standards has been followed generally and made proper explanation relating to material departures.

That the selected accounting policies were applied consistently and the directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2011 and of the profit of the company for the year ended on that date.

That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities.

The annual accounts have been prepared as a 'going concern' basis.

## **21. AUDITORS:**

The Comptroller & Auditor General of India has appointed M/S Jain & Jain as Statutory Auditors for the year 2010-11.

## **22. CORPORATE GOVERNANCE:**

Information required under the Listing Agreement entered with National Stock Exchange of India Ltd.

### **1. The Management philosophy:**

The Management philosophy is to provide excellent services to the Shareholders, Customers, and Investors ensuring safety to the passengers and improving the productivity through efficiency in all spheres of activities.

The logo of the Corporation is "Sadar Seva" Summarizing our attitude - We work to achieve our mission statement. Konkan Railway Corporation Ltd. lays special emphasis in conducting its affairs within the framework of policies, internal and external regulations in a transparent manner. Being a Government Company, its activities are monitored by several external agencies like the Statutory Auditors, the Comptroller & Auditor General of India, the Central Vigilance Commission (CVC), Parliamentary Committees, etc.

### **2. Board of Directors:**

The Board of Directors consists of Fourteen Directors, out of which four are functional Directors including Managing Director. Part time Chairman and one Nominee Director from Ministry of Railways and one Nominee Director from each participating State (Maharashtra, Karnataka, Goa and Kerala) are part-time official directors. There are four part-time non-official directors (Independent Directors) in the Board appointed by Public Enterprises Selection Board (PESB).

Being a Government Company under section 617 of the Companies Act, 1956, the functional Directors (executive) are appointed by the Public Enterprise Selection Board. The President of India appoints part-time chairman and one director representing Railway Board and the Governor of each participating state appoints the Chief Secretary as the director in the Corporation by virtue of Articles of association of the corporation. For participating states there is a provision for appointing Alternate Directors also.

During the year under review five (108 to 112) Board Meetings were held on 30/04/2010, 09/07/2010, 27/09/2010, 25/10/2010, 04/02/2011 respectively.



Attendance of Directors at the Board Meetings during the year and the Annual General Meeting is enclosed as annexure A.

Directorships held by directors is enclosed as annexure B

Being a railway administration under the Indian Railways Act, 1989, the Corporation 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.

#### **DIRECTORS:**

	<b>Name</b>	<b>Tenure</b>
1.	Shri A.P.Mishra	From 27/10/2010
2.	Shri Bhanu P. Tayal	From 07/05/2008
3.	Shri Shahzad Shah	From 17/09/2008
4.	Shri Rajesh Tripathi	From 13/12/2010
5.	Shri Pradeep Bhatnagar	From 13/07/2010
6.	Shri Ratnakar Y.Gaikwad	From 22/03/2011
7.	Shri S.V.Rangnath	From 01/10/2009
8.	Shri Sanjay K.Srivastava	From 10/08/2009
9.	Shri P.Prabhakaran	From 16/02/2011
10.	Shri N. Aravindan	From 13/08/2008
11.	Shri M. C. Deo	From 13/08/2008
12.	Shri S.M.Singla	From 18/08/2009
13.	Shri Rakesh Chopra	From 26/08/2009 to 1/10/2010
14.	Shri J.P.Dange	From 01/12/2009 to 21/3/2011

#### **Board Procedure:**

- The Board of directors meets at least once a quarter to review the quarterly performance and the financial results. The Board Meetings are generally scheduled well in advance and the notice of each Board Meeting is given in writing to each Director. All the items on the Agenda are accompanied by notes giving comprehensive information on the related subject and in certain matters such as financial/business plans, 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 meeting. The Board is also free to recommend the inclusion of any matter for discussion in consultation with the Chairman.
- The information as specified in Annexure I of the Listing Agreement is regularly made available to the Board.
- To enable the Board to discharge its responsibilities effectively, the members of the Board are briefed at every board meeting and senior management is invited to attend the board meetings so as to provide additional inputs to the items being discussed by the Board.
- The Board's role, functions, responsibility and accountability are clearly defined. In addition to matters statutorily requiring Board's approval, all major decisions involving policy formulation, strategy and business plans, annual operating and capital expenditure budgets, compliance with statutory/regulatory requirements, major accounting provisions are considered by the Board.
- The minutes of the board meetings are circulated in advance to all Directors and confirmed at subsequent Meeting.

### 3. Audit Committee:

#### Broad Terms of Reference:

The Audit Committee of the Board of Directors of the Company was constituted in 2001 pursuant to provisions contained in section 292 A of the Companies Act, 1956 and clause 2.18 of the listing agreement for debt securities.

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 be communicated such reasons to the shareholders.

In fulfilling the above role, the Audit Committee has powers to investigate any activity within its terms of reference, to seek information from employees and to obtain outside legal and professional advice.

The Board of Directors at 112th meeting held on 4th February, 2011 reconstituted the Audit Committee as follows:

1. Shri B. P. Tayal, Director (Operations & Commercial)
2. Shri Rajesh Tripathi, Director (Way & Works)
3. Shri N. Aravindan, Retd. AM (CE), Railway Board
4. Dr. M. C. Deo, Professor & Head, Dept. of Civil Engg., Indian Institute of Technology
5. Shri S.M.Singla, Director

Permanent Invitees would be as follows:

1. Director (Finance)
2. Statutory Auditor
3. Internal Auditors

The attendance of the Members of the Audit Committee at the meetings is as follows:

NAME OF DIRECTOR	STATUS	No. of Meetings attended / No. of Meetings held in 2010-11
Shri Bhanu P.Tayal	Director	5/5
Shri N. Aravindan	Director	4/5
Shri M.C.Deo	Director	5/5

Director (F) / FA&CAO, Statutory Auditors and Internal auditors attended the meetings.

39th to 43rd Audit Committee Meetings were held on 30/04/2010, 09/08/2010, 27/09/2010, 25/10/2010, 04/02/2011 respectively.

### 4. Remuneration Committee:

The Board of Directors on 14.01.2009 constituted Remuneration Committee headed by an Independent Director as per the recommendations of the 2nd Pay Revision Committee to decide the performance related pay and annual bonus/variable pay – pool and policy for its distribution across to the executives under IDA scheme.

The Remuneration Committee was reconstituted with the following members at 113th meeting of the Board of Directors held on 25th April, 2011.

1. Shri N. Aravindan, Chairman, Independent Director
2. Smt. Vandana Gurnani, Alternate Director to Chief Secretary, Government of Karnataka
3. Shri Shahzad Shah, Member, Director (Finance), KRCL

However, no meetings were held so far.

#### 5. The details of Directors' Remuneration for the year 2010-11

(₹ in Lakhs)

Director's Name	Designation	Pay	DA and Other Allow	Perks	Service Contribution Payable to Railways	Total
Shri Bhanu P. Tayal	Managing Director	10.43	6.09	-	-	<b>16.52*</b>
Shri Shahzad Shah	Director (Finance)	9.78	5.03	-	2.99	<b>17.80</b>
Shri Rajesh Tripathi	Director (Way & Works)	2.94	1.59	-	0.89	<b>5.34</b>
	<b>Total</b>	<b>23.15</b>	<b>12.71</b>	<b>-</b>	<b>3.8</b>	<b>39.66</b>

\* excluding employer's contribution to PF of ₹ 1.51 lakhs.

#### Note:

The Corporation has not paid any bonuses. No stock options have been issued to the Directors. There are no performance-linked incentives payable to the Directors. Since the Directors are appointed by PESB, there is no service contract & notice period. No severance fees is payable to any of the Directors.

#### 6. Shareholders' Committee:

Shareholders Committee consist of Managing Director and Prof. M. C. Deo, Independent Director for effecting Share Transfers held by Central Government and State Governments and no listing of shares is made in the stock exchange. Company Secretary is acting as a Compliance Officer to resolve the complaints received from Shareholders or Bondholders.

#### 7. General Body Meetings:

The last three Annual General Meetings were held in Delhi on 09/09/2008, 23/09/2009 and 27/09/2010. The attendance of the shareholders is enclosed as Annexure C.

#### 8. Means of Communication:

All quarterly results/half yearly results were published in Free Press Journal (English) & Rashtriya Sahara (Hindi). Audited Balance sheets and Profit & Loss accounts of the previous years are made available on Konkan Railway Web Site. The Corporation Web site is "www.konkanrailway.com"

#### 9. General Shareholder's information:

##### i) Share/Bond Transfer System:

All Shares issued on privately placed bonds were in dematerialized form.

##### Address of Registrars & Transfer Agents

Sharex (India) Pvt. Ltd.  
Branch office Unit 1, Luthra Industrial Premises,  
Safed Pool, Andheri – Kurla Road,  
Andheri (E), Mumbai – 400 072.

**ii) Dates of Book Closure:**

The Book closure for payment of Interest to the bondholders is 16th to 30th June & 16th to 31st December every year.

**iii) Listing of Bonds:**

The privately placed bonds were listed in National Stock Exchange of India Ltd.

**iv) Details of Dematerialization of bonds:**

Sr. No.	ISIN No. – Nature of Issue	Name of the Security
1.	INE139F09374 Private Placement	10E-III
2.	INE139F09382 "do"	11A-I
3.	INE139F09390 "do"	11A-II
4.	INE139F09408 "do"	11A-IV
5.	INE139F09416 "do"	11B
6.	INE139F09424 "do"	11C-I
7.	INE139F09440 "do"	11C-III
8.	INE139F09457 "do"	11D
9.	INE139F09465 "do"	11E
10.	INE139F09473 "do"	11F
11.	INE139F09481 "do"	12A-I
12.	INE139F09499 "do"	12A-II
13.	INE139F09507 "do"	12A-III
14.	INE139F09549 "do"	13B
15.	INE139F07022 "do"	13D
16.	INE139F09606 "do"	14B
17.	INE139F09614 "do"	15A
18.	INE139F09622 "do"	15B

**v) Capital:**

**a) Equity:**

51% of the Equity Share Capital is held by Government of India through Ministry of Railways, 22% Equity Share Capital is held by Govt. of Maharashtra, 15% Equity Share Capital is held by Govt. of Karnataka, 6% Equity Share Capital is held by Govt. of Goa & 6% Equity Share Capital is held by Govt. of Kerala.

**b) Preference:**

100% of the Non-Cumulative, Redeemable, Preference Share Capital of the Company is held by Government of India through Ministry of Railways.

**vi) Address for correspondence:**

The Company's Registered Office is situated at Konkan Railway Corporation Ltd. 334-C, 3rd Floor, Metro Station Building, Pragati Maidan, New Delhi – 110 001. The registered office of the company would be shifted to Konkan Railway Corporation Ltd. Belapur Bhavan, Plot No. 6,

Sector 11, CBD Belapur, Navi Mumbai 400 614 on receipt of confirmation from the Company Law Board during the year 2011-12.

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

**vii) Financial Calendar:**

Annual results of previous year	August
Annual General Meeting	September
First half yearly results	October
Second half yearly results	April
Market Price Data	The bonds are not actively traded in the stock exchanges.

**viii) Shareholding Pattern:**

	<b>As on 31.03.2011</b>	<b>Percentage of Shareholding</b>
Ministry of Railways	411,28,74,000	51
Government of Maharashtra	177,42,24,000	22
Government of Goa	48,38,79,000	6
Government of Karnataka	120,96,98,000	15
Government of Kerala	48,38,80,000	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	
<b>Total</b>	<b>806,45,62,000</b>	

**ix) Code of Conduct:**

The Board of Directors has adopted code of business conduct and ethics at its 82nd meeting held on 14th July 2005.

1. Code of Conduct for all the Members of the Board of Directors of KRCL.
2. Code of Conduct for Senior Management and whole-time Directors as Executives of KRCL.
3. Key values of KRCL

The above Code of conduct approved by the Board of Directors also displayed in the website of the Corporation.

Further the Board of Directors and Senior Management affirmed that they have complied the Code of Business Conduct and Ethics and have not violated any of the provisions of the code during the year ended 31st March, 2011.

**x) Accounting Standards:**

Replies to the auditor's qualifications on the deviations in Accounting Standards, if any, would be incorporated in this Annual Report separately for the year 2010-11.

**xi) Disclosures:**

**a) Disclosure on materially significant related party transactions that may have potential conflict with the interests of the Company at large**

There are no materially significant related party transactions made by the Company with its Promoters, Directors or Management, relatives, etc., that may have potential conflict with the interests of the Company at large.

**b) Disclosure of Accounting Treatment**

In the preparation of the financial statements, the company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India. The significant accounting policies, which are consistently applied, are set out in the 'notes to the accounts' including reasons for departure.

**c) Risk Management**

**Board of Directors constituted Risk Management Committee on 29th January 2010 consisting of the following members.**

1. Shri N. Aravindan, Director
2. Prof. M. C. Deo, Director
3. Shri Shahzad Shah, Director (Finance), KRCL

Two meetings were held during the year under review on 25.10.2010 and 04.02.2011 respectively.

**d) Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years**

The Company has complied with all India Ltd requirements of the Listing Agreement entered into with the National Stock Exchange of India Ltd as well as the regulations and guidelines of SEBI. Consequently, there were no strictures or penalties imposed by either SEBI or the National Stock Exchange of India Ltd or any statutory authority for non-compliance of any matter related to the capital markets during the last three years.

**Non-mandatory requirements:**

**i) Remuneration Committee:**

The Board of Directors constituted Remuneration Committee headed by an Independent Director as per the recommendations of the 2nd Pay Revision Committee to decide the performance related pay and annual bonus/variable pay – pool and policy for its distribution across to the executives under IDA scheme.

**ii) Shareholders Rights:**

As the financial performance of the Company is publicized and displayed unaudited financial results in the Konkan Railway web site [www.konkanrailway.com](http://www.konkanrailway.com).

**iii) Postal Ballot:**

The provisions of the Companies Act, 1956 in this regard will be followed.

**iv) Whistle Blower Policy:**

It is affirmed that no personnel have been denied access to the audit committee.

**v) Details of Investor Grievances:**

The Company has not received any complaints from Stock Exchanges or Securities & Exchange Board of India or Department of Company Affairs or any other governmental or non-governmental agencies since last eight years. Therefore the corporation has not constituted any Grievance Committee. However, the Company Secretary is nominated as Compliance Officer for looking after the grievances, if any of the bondholders.

**10. MANAGEMENT DISCUSSION & ANALYSIS:**

**A. Industry Structure:**

The core business activity of the Corporation is transportation of passengers and goods through Railways. The Railway transportation industries in India are reserved for the Public Sector.

**B. Strengths and weaknesses**

**i) Mega-project management skills:**

The corporation is able to handle mega Railway Projects and Construction projects because of past experience and special engineering, construction and management skills available in the corporation.

**ii) Technology Innovations:**

Since 1998, the corporation has developed innovative technologies to re-define the rail-guided systems in the world in terms of safety, efficiency and productivity. These technologies would be nurtured for generating revenues in the coming years.

**iii) Operation and efficiency factors:**

- a) Daily about 30 passenger carrying trains are run on the single line section and punctuality performance is excellent.
- b) Perhaps unique in the world, the lean staff strength coupled with IT enabled services through Railway Application Package, enable the Konkan Railway to generate operating surplus. World Bank praised this achievement to be considered as "benchmark" for others.

**C. Threats & Opportunities:**

Originating traffic is low. Passenger traffic on this line is very buoyant but the goods traffic is mainly cross traffic loaded from Indian Railways.

In order to improve the originated traffic the corporation proposes to undertake infrastructural project in the field of,

- 1. Rail Connectivity to Ports, Power Plants, Heavy Industries.
- 2. Development of Hospitality and Tourism Industry along West Coast.
- 3. Development of Urban Transportation Projects.

**D. Segment-wise performance**

The Corporation also undertakes execution of commercial construction projects especially for the Indian Railways. At present the Corporation has been given the task of executing a portion of the prestigious national Railway Project linking Jammu with Srinagar which is under progress.

The Corporation has successfully executed various projects including the installation and commissioning of Anti Collision devices in North-East Frontier Railway. Train Collision Avoidance System (TCAS) will be implemented on several railway zones in the next few years.

**E. Risks and concerns**

The Corporation is having debt liabilities of ₹ 1798 Crore as on 31st March, 2011. The corporation may be able to meet its debt obligations for the next two years. It is expected in future also the corporation will be able to meet its market borrowing obligations on its own, if the expected traffic & project revenues materialize.

**F. Outlook**

The Corporation has proposed to take up construction of railway line between Indapur-Mangaon to Dighi Port for generating originating traffic on Konkan Railway route. Once Dighi Port is established, there is a potential of moving 5MT of traffic every year. Similarly, Jaigarh Port near Ratnagiri is having potential of moving 3 MTs every year. Therefore, the Corporation is confident that the earnings from train operations & projects will improve in the years to come.

**G. Internal Control:**

The Corporation by and large follows the internal control systems as applicable under the Companies Act, 1956 and Indian Railways.

**H. Corporate Social Responsibility (CSR):**

As per the extant CSR guidelines, loss making PSEs are not required to undertake CSR activities. However, Konkan Railway has taken a lead and initiative, as a social obligation, to undertake the CSR activities on Konkan Railway Route with an estimated cost of ₹ 50 Lakhs in the MOU for the year 2010-11. Details are as under:

- (i) Adoption of Carambolim Lake in Karmali (Goa): Konkan Railway will be creating infrastructure around the lake along with the Forest Department of Goa.
- (ii) Telemedicine for Villagers on KR Route: Telemedicine will be extended to the villagers on Konkan Railway route.
- (iii) Energy Efficient Systems: Intelligent lighting system was introduced on Konkan Railway and passive infrared sensor motion detection were provided for saving energy. Intelligent Lighting System, Passive Infrared Sensor (PIR) motion detectors, Compact Fluorescent Lamps (CFLs) and energy efficient T5 fittings, solar lamps and solar water heater will be provided further to save energy.
- (iv) Imparting Computer Education to the villagers adjacent to the Railway Stations on Konkan Railway route.

**23. ACKNOWLEDGEMENT:**

The Board of Directors gratefully acknowledges the assistance, active support and guidance received from the Ministry of Railways as well as from the State Governments of Maharashtra, Goa, Karnataka and Kerala. The Board of Directors expresses their 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/-

**(BHANU P.TAYAL)**

Managing Director



## SCHEDULE "A"

Name of the Director	Category of Directorship	No. of Board Meetings attended	Attendance at last AGM
S/Shri Rakesh Chopra / A.P.Mishra	Part-time Chairman (Non-executive Director)	4/5	Yes
Shri Bhanu Prakash Tayal	Managing Director (Executive Director)	5/5	Yes
Shri Shahzad Shah	Director (Finance) (Executive Director)	5/5	Yes
Shri Rajesh Tripathi	Director (Way & Works) (Executive Director) Appointed on 13/12/2010 )	1/1	No
Shri Pradeep Bhatnagar	Part-time Official Director (Appointed on 13/07/2010)	2/4	Yes
S/Shri J.P.Dange / C.S.Sangitrao / Ratnakar Gaikwad / Ashwini Kumar	Part-time Official Director	2/5	Yes
S/Shri S.V.Ranganath / V.Madhu	Part-time Official Director	0/5	No
S/Shri Sanjay K.Srivastava / Narendra Kumar	Part-time Official Director	3/5	Yes
S/Shri/Smt. Neela Gangadharan/ P.Prabhakaran/V.P.Joy	Part-time Official Director	3/5	Yes
Shri N. Aravindan	Director (Independent)	4/5	Yes
Prof. M. C. Deo	Director (Independent)	5/5	Yes
Shri S.M.Singla	Director (Independent)	5/5	Yes

## SCHEDULE "B"

Name of the Directors Father's Name Date of Birth	Designation	Qualification (s)	Directorships held/ Memberships in Committees etc.	Bonds held in KRCL	Details of contract (s)/ Agreement (s) entered with the Corporation
Shri Aditya Prakash Mishra Late Shri Kailash Nath Mishra 3rd January, 1953	Chairman	B.Tech. (Civil Engg.)	Chairman, Rail Vikas Nigam Ltd. Chairman, Indian Railway Construction Company Ltd. Director, Delhi Metro Rail Corporation Ltd.	NIL	NIL
Shri Bhanu Prakash Tayal Late Shri R.P.Tayal 15th December, 1955	Managing Director	M.Sc (Zoology); MBA	NIL	NIL	NIL
Shri Shahzad Shah Late Shri Syed Enayat Hossain Shah 13th February, 1957	Director (Finance)	M.A. (History)	NIL	NIL	NIL
Shri Rajesh Tripathi Shri Sharad Bhushan Tripathi 07th February, 1961	Director (Way & Works)	M.E. (Structures)	NIL	NIL	NIL
Shri Pradeep Bhatnagar Late Shri S.P.Bhatnagar, 24th March, 1952	Addl.Member (Traffic Transportation) Ministry of Railways	M.A. (History)	Director-Kutch Railway Corporation Limited.	NIL	NIL

<b>Name of the Directors Father's Name Date of Birth</b>	<b>Designation</b>	<b>Qualification (s)</b>	<b>Directorships held/ Memberships in Committees etc.</b>	<b>Bonds held in KRCL</b>	<b>Details of contract (s)/ Agreement (s) entered with the Corporation</b>
Shri S.V.Ranganath S/o Late Shri Sakalespur Visweswaraya 25th April, 1953	Chief Secretary, Govt. of Karnataka	M.Sc	1) Krishna Bhagya Jala Nigam Ltd. 2) Karnataka Neeravari Nigam Ltd. 3) Cauvery Neeravari Nigam Ltd. 4) Bangalore International Airport Ltd. 5) Bangalore Airport Rail Link Ltd.	NIL	NIL
Shri Sanjay Kumar Srivastava S/o Shri Triloki Nath Srivastava, 20th April, 1957	Chief Secretary, Govt. of Goa	M.Sc; LLB; MBA	NIL	NIL	NIL
Dr.P.Prabhakaran S/o Shri Palaniappan 09th March, 1952	Chief Secretary, Govt. of Kerala	MSC; M.A; Ph.D	NIL	NIL	NIL
Shri Narayanan Aravindan S/o Shri Manikath Narayanan 16th June, 1946	Independent Director	B.E(Hons)	Sole Proprietor of Armada Technologies	NIL	NIL
Prof. Makarand Chintamani Deo S/o Shri Chintamani Gajanan Deo 14th January, 1954	Independent Director	B.E.; M.Tech; Ph.D	NIL	NIL	NIL
Shri Satish Mohan Singla S/o Shri Janardan Prakash Singla 10th October, 1944	Independent Director	B.Tech (Hons.)	NIL	NIL	NIL

## SCHEDULE "C"

Sr. No.	Name of the Shareholder	18th AGM Attended or Not
1.	Shri Rakesh Chopra, Chairman	Yes
2.	Representative of President of India	Yes
3.	Representative of Governor of Maharashtra	Yes
4.	Representative of Governor of Karnataka	No
5.	Representative of Governor of Goa	Yes
6.	Representative of Governor of Kerala	Yes
7.	Special Commissioner, Govt. of Maharashtra	No
8.	Resident Commissioner, Govt. of Karnataka	Yes
9.	Resident Commissioner, Govt. of Goa	No
10.	Resident Commissioner, Govt. of Kerala	Yes
11.	Shri A. K. Tiwari, A.M. (Planning), Railway Board	No
12.	Shri V. K. Singh, Executive Director (PSU), Railway Board	Yes

## **CFO & CEO CERTIFICATION**

We hereby certify to the Board that:

- (a) We have reviewed financial statements and the cash flow statement for the year 2010-11 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 company'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 company during the year, which are fraudulent, illegal or violative of the company'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 company 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 2010-11 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/-  
**SHAHZAD SHAH**  
Director(Finance)

Sd/-  
**BHANU PRAKASH TAYAL**  
Managing Director

Place : Navi Mumbai  
Date : 17th August, 2011

## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

### The Shareholders of Konkan Railway Corporation Limited

We have examined the compliance of conditions of corporate governance by Konkan Railway Corporation Limited, for the year ended on 31st March 2011, as stipulated in clause 2.18 of the listing Agreement of the Konkan Railway Corporation limited with Stock Exchanges.

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 Konkan Railway Corporation limited for ensuring the compliance of the condition of corporate governance. It is neither an audit nor an expression of opinion on the financial statement of the Konkan Railway Corporation limited.

In our opinion and to the best of our information and according to the explanation given to us, subject to the following:

- 1. Number of Independent Directors is less than 1/3rd of the total board of Directors.**
- 2. As per the present constitution, there are no Directors having financial and accounting expertise.**
- 3. Audit Committee Meeting No. 43 was conducted even when only 1 independent director was present, as against the minimum requirement of 2 independent directors to be present for quorum of the Audit Committee Meeting.**

we certify that the Konkan Railway Corporation limited has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement,

According to the information and explanation given to us, no investor grievances were pending against the Corporation as at the Year Ended March 31<sup>st</sup>, 2011.

We further state that such compliance is neither an assurance as to the future viability of the Konkan Railway Corporation Limited nor the efficiency or effectiveness with which the Management has conducted the affairs of Konkan Railway Corporation Limited.

For **JAIN & JAIN**  
Chartered Accountants

Sd/-  
**(NIRANJAN M. JAIN)**  
Partner  
Membership No.101360  
Firm Regn. No.103869W

Place : Navi Mumbai  
Date : 20th August, 2011

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF KONKAN RAILWAY CORPORATION LIMITED FOR THE YEAR ENDED 31ST MARCH, 2011**

The preparation of financial statements of Konkan Railway Corporation Limited for the year ended 31st March, 2011 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing assurance standards prescribed by their professional body the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 20th August, 2011.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 619(3)(b) of the Companies Act, 1956 of the financial statements of Konkan Railway Corporation Limited for the year ended 31st March, 2011. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' report under section 619(4) of the Companies Act, 1956.

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

**Sd/-  
P. N. Seshadri  
Principal Director of Commercial Audit  
& ex-officio Member Audit Board II, Mumbai**

Place : Mumbai  
Date : 28th September, 2011

## AUDITORS' REPORT

### To the Shareholders of Konkan Railway Corporation Limited:

- 1) We have audited the attached Balance Sheet of **Konkan Railway Corporation Limited** as at **31st March, 2011**, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on the accounts maintained and produced for our audit.
- 2) We conducted our audit in accordance with Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An Audit also includes assessing the accounting principles used, significant estimates made by the management as well as evaluating the overall financial statement presentation. We believe that our audit provided a reasonable basis for our opinion.
- 3) As required by the Companies (Auditors' Report) Order 2003 and Companies (Auditors' Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of Sub-section 4(A) of Section 227 of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and as per the information and explanations given to us, We annex hereto a statement on the matters specified in Paragraphs 4 and 5 of the said Order as are applicable to the Corporation.
- 4) We report, further to our comments in the Annexure referred to in Paragraph 3 supra, that:
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion, proper books of accounts as required by law have been kept by the Corporation so far as appears from our examination of those books;
  - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
  - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - (e) Being a Government Company, pursuant to the Notification No. GSR829(E) dated 21.10.2003 issued by Govt. of India, provisions of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956, are not applicable to the Corporation.
  - (f) We draw attention to:
    - (i) **Note no. 7 of 'Schedule-15 (II)' of the Accounts regarding balances in Sundry Debtors, Creditors, Zonal Railways and Control Accounts that are subject to confirmation & reconciliation and the corporation is in the process of review of such balances for carrying out necessary adjustment in subsequent year.**
    - (ii) **Note no. 4(iii) of 'Schedule-15 (II)' of the Accounts regarding works where there is no physical progress during the year and kept under Capital work in progress, where management has said that it will be capitalized or accounted with necessary adjustment in the subsequent year;**

- (iii) **Note no. 26 (iii) & (iv) of 'Schedule-15 (II)' of the Accounts regarding execution of USBRL Project:**
- Claims lodged against the Corporation and lying under arbitration for a sum of ₹. 88,167 Lakhs is not considered as contingent liability as it is the considered opinion of the Corporation that these claims will be charged to the Project.**
  - No provision for contingency on estimated basis has been made on award granted for ₹ 657 Lakhs as the Corporation is in the process of referring the said award to Railway arbitrator to clarify who would bear the cost of claims.**
- (iv) **Note No. 24 (a) & (b) of 'Schedule 15 (II)' of the Accounts regarding Sky Bus Project where the management has stated that the corporation is in the process of tying up with RDSO for safety certification, technology upgradation, followed by commercial exploitation of the project and has opined that there is no adverse change in technology, economic or legal environment or decrease in the rate of return on investment as anticipated initially and therefore there is no impairment as on the balance sheet date. It may be noted that the Corporation had invited Expression of interest where one party had shown interest however the same was withdrawn later on and the Project is yet to receive the safety certification, which is necessary to introduce Skybus in the market.**
- (v) **Note No.17 (ii) of Schedule 15 of the Accounts regarding non-provisioning of receivable from NFR as the Corporation is following-up for sanction of additional estimate from Railway Board pending which the amount is not being released by NFR.**
- (vi) **Note No. 28 of Schedule 15 of Accounts regarding Provision for Contingencies for maintenance / defects liability and arbitration/court award, where no provision is made in the books of accounts as Corporation is of the opinion that the same would be made good by sub-contractor or would be charged to fixed asset.**
- (vii) **Note No. 9 (a) & (b) of Schedule 15 of the Accounts regarding treatment on input CENVAT credit on ACDs for service tax and applicability of Works Contract Tax on projects handled by KRCL for which the Corporation is seeking opinion of the consultant. Precise liability of service tax also needs to be computed. The management has said that necessary adjustment would be carried out in due course.**
- (viii) **Note no.30 of Schedule 15 for change in accounting policies being made by the Corporation. The impact of such change on current year's financial figure is as under;**

<b>Sr.No.</b>	<b>Particulars</b>	<b>Impact</b>
<b>1</b>	<b>The corporation has started capitalizing the plant and equipment for openline work for each item costing less than ₹1 Lakhs as against charging the same to revenue.</b>	<b>Amount of such assets capitalized during the year was ₹ 231.42 Lakhs</b>
<b>2</b>	<b>The Corporation has decided to provide for ex-gratia liability for employees against accounting for ex-gratia as and when it was declared by the Board.</b>	<b>Current year expenditure has increased by ₹ 125.38 Lakhs.</b>



**(ix) Significant Accounting Policy No. E i) of Schedule 15 of the Accounts requires Pension provision to be made based on actuarial valuation. It may be noted that Corporation had made provision based on pre-final certificate as final certificate was awaited.**

(g) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Notes forming part of the Accounts including the Significant Accounting Policies appearing in Schedule-15, give the information required by the Companies Act, 1956 in the manner so required and give a true & fair view in conformity and in accordance with accounting principles generally accepted in India:

- (i) In the case of the Balance Sheet, of the State of Affairs of the Company as at 31st March, 2011;
- (ii) In the case of the Profit & Loss Account, of the Profit of the Company for the year ended on 31st March, 2011; and
- (iii) In the case of the Cash Flow Statement, of the Cash Flows for the year ended on 31st March, 2011.

For **JAIN & JAIN**  
Chartered Accountants

Sd/-  
**(NIRANJAN M. JAIN)**  
PARTNER  
M. NO. 101360  
Firm Reg. No. 103869 W

Place : Mumbai  
Date : 20th August, 2011

## **ANNEXURE TO THE AUDITORS' REPORT**

**Referred to in Paragraph 3 of our report of even date on the accounts of KONKAN RAILWAY CORPORATION LIMITED for the year ended March 31, 2011:**

(In this annexure, the matters specified in paragraphs (4) and (5) of the Companies (Auditor's Report) (Amendment) Order, 2004 to be dealt within the Auditors Report have been set in Bold Type which may be read in the context of comment and the opinion of the Auditors which have been set in the Normal Type.)

**1. (a) Whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;**

The Corporation has maintained proper records showing full particulars including quantitative details and brief description of location of fixed assets.

**(b) Whether these fixed assets have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account;**

As per the programme made by the management, the physical verification of fixed assets is to be carried out by internally formed Survey Committee of the Corporation in a phased periodical manner that all the assets are verified once in 3 years.

In our opinion, the frequency of verification is reasonable having regard to the size and operations of the Corporation and nature of its assets. No material discrepancies were noticed on physical verification, as confirmed by the management.

**(c) If a substantial part of fixed assets have been disposed off during the year, whether it has affected the going concern;**

No substantial parts of fixed assets have been disposed off during the year under audit and the going concern status of the Corporation is not affected.

**2. (a) Whether physical verification of inventory has been conducted at reasonable intervals by the management;**

As explained to us, stocks of stores, spares, diesel and other equipments held by the Corporation have been verified by the Stock Verification Cell under Perpetual Inventory System on annual basis. Further stocks of Rails are verified once in two years. The corporation had also carried out verification of sleepers during the year. There are no other inventories lying with the Company apart from items mentioned herein supra.

**(b) Are the procedures of physical verification of inventory followed by the management reasonable and adequate in relation to the size of the company and the nature of its business. If not, the inadequacies in such procedures should be reported;**

In our opinion, the procedures and frequency of physical verification of inventory are reasonable and adequate in relation to the size of the Corporation, nature of its business and volume of stock.

- (c) **Whether the Company is maintaining proper records of inventory and whether any material discrepancies were noticed on physical verification and if so, whether the same have been properly dealt with in the books of accounts;**

The Corporation has maintained proper records of inventories. It has been certified by the management that no material discrepancies were noticed on physical verification of inventories when compared with book records. Wherever the discrepancies were noticed, the same have been properly dealt with in the books of accounts after due reconciliation, confirmation and the approval of the proper authority.

3. (a) **Has the Company granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Act. If so, give the number of parties and amount involved in the transactions;**

No companies, firms or parties are listed in the register maintained by the Company under Section 301 of the Companies Act, 1956; hence information of this Para is not applicable.

- (b) **Whether the rate of interest and other terms and conditions of loans given by the Company, secured or unsecured, are prima facie prejudicial to the interest of the Company;**

Not applicable with reference to our remarks in Para 3(a) supra.

- (c) **Whether receipt of the principal amount and interest are also regular;**

Not applicable with reference to our remarks in Para 3(a) supra.

- (d) **If overdue amount is more than rupees one lakh, whether reasonable steps have been taken by the Company for recovery of the principal and interest;**

Not applicable with reference to our remarks in Para 3(a) supra.

- (e) **Has the Company taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Act. If so, give the number of parties and the amount involved in the transactions;**

The company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Act.

- (f) **Whether the rate of interest and other terms and conditions of loans taken by the Company, secured or unsecured, are prima facie prejudicial to the interest of the Company;**

Not applicable with reference to our remarks in Para 3(e) supra.

- (g) **Whether payment of the principal amount and interest are also regular.**

Not applicable with reference to our remarks in Para 3(e) supra.

4. **Is there an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. Whether there is a continuing failure to correct major weaknesses in internal control system.**

On the basis of checks carried out during the course of audit and according to the information and explanations given to us, there exists reasonable internal control system commensurate with the size of the

Company and the nature of its business, with regard to purchase of stores and spares, raw materials including components, plant and machinery, equipment and other assets and for the sale of goods and services. However, we suggest raising of invoices credit through system so that all sale of service/ goods, discount, tax etc can be correctly accounted for. Further the corporation needs to device a system of invoicing traffic income such that there is no manual adjustment required later on.

- 5. (a) Whether the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section;**

No companies, firms or parties are listed in the register maintained by the Company under Section 301 of the Companies Act, 1956 and hence the information sought vide the above para is not applicable.

- (b) Whether transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time;**

Not applicable with reference to our remarks in Para 5(a) supra.

- 6. In case the company has accepted deposits from the public, whether the directives issued by the Reserve Bank of India and the provisions of sections 58A and 58AA or any other relevant provisions of the Act and the rules framed there under, where applicable, have been complied with. If not, the nature of contraventions should be stated; If an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal, whether the same has been complied with or not?**

The Corporation has not accepted any deposits from the public.

- 7. In the case of listed companies and/or other companies having a paid-up capital and reserves exceeding ₹.50 lakhs as at the commencement of the financial year concerned, or having an average annual turnover exceeding five crore rupees for a period of three consecutive financial years immediately preceding the financial year concerned, whether the company has an internal audit system commensurate with its size and nature of its business;**

Majority of the works relating to verification of financial transactions have been outsourced by the management to a Firm of Chartered Accountants. There also exists a separate internal audit department covering areas other than the areas outsourced. In our opinion the internal audit procedures adopted were found to be commensurate with the size of the Corporation and nature of its business. However in respect of balance sheet items such as receivables payables and WIP, the frequency of review and extent of verification needs to be increased. We also suggest the scope to cover area of verification such as computation of correct tax liability, system audit etc.

- 8. Where maintenance of cost records has been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act, whether such accounts and records have been made and maintained;**

Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for any of the products of the Company.

- 9. (a) Is the company regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory**

**dues with the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated by the auditor.**

According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth-tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues have been generally deposited with the appropriate authorities in timely manner.

According to the information and explanations given to us, no other undisputed statutory dues as stated above have remained outstanding as at 31st March 2011 for a period of more than six months from the date they became payable except for Wealth tax of ₹ 1.14 lakhs.

- (b) In case dues of Income tax/Sales tax/Wealth tax/Service tax/Custom duty/Excise duty/cess have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned;**

According to the information and explanations given to us, there are no dues disputed in respect of sales tax/ income tax / custom duty / wealth tax / excise duty / cess etc., which have not been deposited with the respective authorities except for amount payable in respect of Non agriculture tax of ₹ 1055 lakhs for which the corporation has requested Supreme Court to appoint an arbitrator to settle the dispute as per the agreement.

- 10. Whether in case of a company which has been registered for a period not less than five years, its accumulated losses at the end of the financial year are not less than fifty per cent of its net worth and whether it has incurred cash losses in such financial year and in the immediately preceding financial year.**

The accumulated losses of the company are ₹ 3,32,910 lacs, which is more than its Net Worth of ₹ 1,55,687 lacs as at 31.03.2011. [Net Worth = Equity Share Capital + Preference Share Capital - Accumulated Losses]

The Company has made cash profit in the current financial year ended 31st March 2011 of ₹ 8,746 lakhs as against the cash profit of ₹ 8,010 lakhs in the previous year [Cash Loss = Net Loss- (Depreciation + Amortization of Expenses)], [Cash Profit = Net Profit +((Depreciation + Amortization of Expenses)]

- 11. Whether the company has defaulted in repayment of dues to a financial institution or bank or debenture holders? If yes, the period and amount of default to be reported;**

Based on our audit procedures and according to the information and explanations given to us, Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders during the financial year under review.

- 12. Whether adequate documents and records are maintained in cases where the company has granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities; If not, the deficiencies to be pointed out;**

The Corporation has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

**13. Whether the provisions of any special statute applicable to chit fund have been duly complied with? In respect of nidhi/ mutual benefit fund/societies;**

- (a) Whether the net-owned funds to deposit liability ratio is more than 1:20 as on the date of balance sheet;**
- (b) Whether the company has complied with the prudential norms on income recognition and provisioning against sub-standard/doubtful/loss assets;**
- (c) Whether the company has adequate procedures for appraisal of credit proposals/requests, assessment of credit needs and repayment capacity of the borrowers;**
- (d) Whether the repayment schedule of various loans granted by the nidhi is based on the repayment capacity of the borrower;**

The Corporation is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of any special statute applicable to chit fund, nidhi or mutual fund/societies are not applicable to the Company.

**14. If the company is dealing or trading in shares, securities, debentures and other investments, whether proper records have been maintained of the transactions and contracts and whether timely entries have been made therein; also whether the shares, securities, debentures and other investments have been held by the company, in its own name except to the extent of the exemption, if any, granted under section 49 of the Act;**

The Corporation is not dealing or trading in shares, securities, debentures and other investments. However, Company is investing its surplus funds in short- term deposits with banks/financial institutions in accordance with the Government guidelines in this regard.

**15. Whether the company has given any guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof are prejudicial to the interest of the company;**

According to the information and explanations given to us and the records examined by us, the Corporation has not given any guarantee for loans taken by others to any bank or financial institution.

**16. Whether term loans were applied for the purpose for which the loans were obtained;**

According to the records of the Corporation and information and explanation provided to us, Corporation has not taken any the term loans during the year.

**17. Whether the funds raised on short-term basis have been used for long-term investment; if yes, the nature and amount is to be indicated;**

According to the records of the Corporation and information and explanation provided to us, the company had not raised any funds on short term basis during the year.

**18. Whether the company has made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act and if so whether the price at which shares have been issued is prejudicial to the interest of the company;**

The Corporation had issued Preference Shares to Ministry of Railways as a part of a financial restructuring. There were no preferential allotment of shares to any parties or any companies covered under Section 301 of the Companies Act, 1956.

**19. Whether security or charge has been created in respect of debentures issued?**

The Corporation has not issued any Bonds/ Debentures during the year under audit.

**20. Whether the management has disclosed the end use of money raised by public issues and the same has been verified;**

The Corporation has not raised any money by way of public issue during the year.

**21. Whether any fraud on or by the company has been noticed or reported during the year; If yes, the nature and the amount involved is to be indicated;**

In our opinion and according to the information and explanations given to us, no fraud on or by the Corporation has been noticed or reported during the year under audit that causes the financial statements to be materially misstated.

For **JAIN & JAIN**  
Chartered Accountants

Sd/-  
**(NIRANJAN M. JAIN)**  
Partner  
M. No. 101360  
Firm Reg. No. 103869 W

Place : Mumbai  
Date : 20th August, 2011

## Management Replies to the Statutory Auditor's Remarks for the Financial Year ended 31/03/2011

Sr.No	Statutory Auditor's Remarks	Management replies
1	Note no.7 of 'schedule-15 (II) of the Accounts regarding balances in Sundry debtors,creditors, Zonal Railways and Control Accounts that are subject to confirmation & reconciliation and the corporation is in the process of review of such balances for carrying out necessary adjustment in subsequent year	The major amount of debit and credit balances lying under receivable/payable are related to Inter Railway accounts wherein, this practice of confirming receivable/payable to other Railways is not in existence. It may be noted that Inter Railway Reconciliation meeting is conducted periodically to ensure the balances reflected in the accounts are true. Reconciliation/adjustments of various debit/credit is a continuous process at any given point of time.
2	Note.no.4(iii) of 'schedule -15(II)' of the accounts regarding works where there is no physical progress during the year and kept under capital work in progress, where management has said that it will be capitalized or accounted with necessary adjustment in the subsequent year	Progress of capital works is regularly reviewed by the executive. Capitalization is done once the work is completed. Further, review by management is being carried out.
3	Note no.26(iii) &(iv) of 'schedule -15(II)' of the accounts regarding execution of USBRL Project: a) Claims lodged against the Corporation and lying under arbitration for a sum of ₹ 88,167 lakhs is not considered as contingent liability as it is considered opinion of the Corporation that these claims will be charged to the Project. b) No provision for contingency on estimated basis has been made on award granted for ₹ 657 lakhs as the Corporation is in the process of referring the said award to Railway arbitrator to clarify who would bear the cost of claims.	Railway Board has modified the arbitration clause of NR's agreement with KRCL to the extent that on the award, the liability is to be shared between KRCL and Railways. The liability of KRCL towards arbitration awards should be limited to 80% of the profit earned by KRCL in a particular year thus ensuring at least 20% profitability in that particular year. In view of the above, the considered opinion of the corporation that the arbitration award paid will be charged to the project.
4	Note no.24(a)&(b) of 'schedule-15(II)' of the accounts regarding sky bus project where the management has stated that the corporation is in the process of tying with RDSO for safety certification, technology upgradation, followed by commercial exploitation of the project and has opined that there is no adverse change in the technology, economic or legal environment or decrease in the rate of return on investment as anticipated initially and therefore there is no impairment as on the balance sheet date. It may be noted that the corporation had invited Expression of Interest where one party had shown interest however the same was withdrawn later on and the project is yet to receive the safety certification, which is necessary to introduce skybus in the market.	The Corporation had engaged ICRA Management Consulting Services Limited to value intellectual property rights of sky bus with the financial analysis and reviews the status of sky bus technology. The corporation is in the process of entering MOU with RDSO for further development and commercial usage of this technology.
5	Note no.17(ii) of schedule-15 of the accounts regarding non provisioning of receivable from NFR as the Corporation is following up for sanction of additional estimate from Railway board pending which the amount is not being released by NFR.	The corporation is continuously following-up with Railway Board for sanction of balance amount not released as against the original estimate. Therefore no provision in respect of receivables from NFR is considered necessary.



6	Note no.28 of schedule-15 of accounts regarding provision for contingencies for maintenance/defects liability and arbitration/court award, where no provision is made in the books of accounts as Corporation is of the opinion that the same would be made good by sub-contractor or would be charged to fixed assets.	The corporation retains the security deposits and the financial guarantees offered by subcontractors during the maintenance period to take care of any loss/damage for a defined period of time depends on the terms of the agreement.						
7	Note no.9(a)&(b) of schedule-15 of the accounts regarding treatment of input CENVAT Credit on ACDs for service tax and applicability of works contract tax on project handled by KRCL for which the corporation is seeking opinion of the consultant. Precise liability of service tax also needs to be computed. The management has said that necessary adjustment would be carried out in due course.	The corporation is already in the process of filing the service tax returns for the last 6 years to claim the CENVAT credit. The Corporation will carry out necessary adjustment in the books after completion of assessment by service tax. There is no likely liability on works contract tax on project handled by KRCL wherein the works contracts tax was recovered from the sub contractors and remitted.						
8	<p>Note no.30 of schedule-15 for change in accounting policies being made by the corporation. The impact of such change on current year's financial figures is as under;</p> <table border="1"> <tr> <td>1</td><td>The corporation has started capitalizing the plant &amp; equipment for openline work for each item costing less than ₹ 1 lakh as against charging same to revenue</td><td>Amount of such assets capitalized during the year was ₹ 231.42 lakhs</td></tr> <tr> <td>2</td><td>The corporation has decided to provide for ex-gratia liability for employees against accounting for ex-gratia as and when it was declared by the Board</td><td>Current year expenditure has increased by ₹ 125.38 lakhs</td></tr> </table>	1	The corporation has started capitalizing the plant & equipment for openline work for each item costing less than ₹ 1 lakh as against charging same to revenue	Amount of such assets capitalized during the year was ₹ 231.42 lakhs	2	The corporation has decided to provide for ex-gratia liability for employees against accounting for ex-gratia as and when it was declared by the Board	Current year expenditure has increased by ₹ 125.38 lakhs	<p>The corporation has decided to recognize purchase of miscellaneous plant and equipment less than ₹ 1 lakh in to capital if it is more than Rs.5000 per item as per Schedule XIV of the Companies Act.</p> <p>The Corporation was accounting exgratia as and when declared by the Board. During the current financial year [2010-11] the corporation made provision for ex-gratia.</p>
1	The corporation has started capitalizing the plant & equipment for openline work for each item costing less than ₹ 1 lakh as against charging same to revenue	Amount of such assets capitalized during the year was ₹ 231.42 lakhs						
2	The corporation has decided to provide for ex-gratia liability for employees against accounting for ex-gratia as and when it was declared by the Board	Current year expenditure has increased by ₹ 125.38 lakhs						
9	Significant Accounting Policy No.E i) of schedule-15 of the accounts requires pension provision to be made on actuarial valuation. It may be noted that corporation had made provision based on pre-final certificate as final certificate was awaited.	The actuarial calculation was made on the information provided by KRCL superannuation trust inadvertently added the interest earned by the trust under management contribution for the year required the revised calculation. The Corporation is actually provided more towards pension liability by about ₹ 6.96 lakhs and the adjustment will be carried out in the next financial year.						

## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2011

(Amount in ₹)

Particulars	Sch. No	As at 31st March, 2011		As at 31st March, 2010	
<b><u>SOURCES OF FUNDS</u></b>					
<b>Shareholders' Funds</b>	1				
(a) Equity Share Capital		8,064,562,000		8,064,562,000	-
(b) Preference Share Capital		40,795,100,000	48,859,662,000	37,713,400,000	45,777,962,000
<b>Loan Funds</b>					
Secured Loans	2		17,980,000,000		21,185,000,000
<b>TOTAL</b>			66,839,662,000		66,962,962,000
<b><u>APPLICATION OF FUNDS</u></b>					
<b>Fixed Assets (Tangible &amp; Intangible)</b>					
Gross Block	3	39,293,920,534		38,761,101,085	
Less : Depreciation/amortisation		9,451,043,389		8,617,524,951	
Net Block		29,842,877,145		30,143,576,134	
Add : Capital works in progress	4	687,767,016	30,530,644,161	587,386,502	30,730,962,636
<b>Current Assets, Loans and Advances</b>	5	11,912,986,940		9,782,884,562	
<b>Less: Current Liabilities and Provisions</b>	6	8,894,971,167		6,860,164,432	
<b>PROFIT AND LOSS ACCOUNT</b>			3,018,015,773		2,922,720,130
			33,291,002,066		33,309,279,234
<b>TOTAL</b>			66,839,662,000		66,962,962,000
Significant Accounting Policies and Notes Forming Part of Accounts	15				

Schedules referred to above and notes attached thereto form an integral part of the Balance Sheet

As per our report of even date appended hereto

**For JAIN & JAIN**  
Chartered Accountants

Sd/-  
**(NIRANJAN JAIN)**  
Partner  
M No. 101360  
Firm Reg. No. 103869 W

**Place : Mumbai**  
**Date : 20<sup>th</sup> August, 2011**

**For and on behalf of the Board**

Sd/-  
**(SHAHZAD SHAH)**  
Director (Finance)

Sd/-  
**(BHANU P. TAYAL)**  
Managing Director

Sd/-  
**(B. SATYANARAYANA)**  
Company Secretary

# PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011

(Amount in ₹)

Particulars	Sch. No	For the year ended 31st March, 2011		For the year ended 31st March, 2010	
<b>INCOME</b>					
Traffic Earnings	7		6,000,082,412		5,882,763,575
Project Revenue	8		2,880,940,889		1,449,762,409
Other Income	9		363,304,696		330,159,884
			<b>9,244,327,997</b>		<b>7,662,685,868</b>
<b>EXPENDITURE</b>					
Payment to & Provision for Employees	10		1,538,297,836		1,437,924,970
Hire charges for Rolling Stock & Motive Power			682,244,887		534,345,494
Fuel			1,343,898,216		1,243,891,218
Repairs and Maintenance					
a) Permanent Way		279,731,580		290,655,469	
b) Station and Other Buildings		65,470,209		48,169,086	
c) Plant & Equipment		106,687,318		101,626,628	
d) Bridges & Tunnels		24,707,595		22,987,187	
e) Rolling Stock		53,849,548	530,446,250	37,908,357	501,346,727
Loss / (Profit) on Sale/Scrap of Assets			(45,735)		74,541
Misc. & Other Operating Expenditure	11		235,217,539		129,420,634
Project Cost	12		2,640,234,669		1,354,940,059
			<b>6,970,293,662</b>		<b>5,201,943,643</b>
<b>OPERATING PROFIT/SURPLUS</b>			<b>2,274,034,335</b>		<b>2,460,742,225</b>
<b>LESS :</b>					
Depreciation	3	846,528,595		767,575,820	
Finance Charges	13	1,399,146,250	2,245,674,845	1,659,562,631	2,427,138,451
Profit/(Loss) Before Tax			28,359,490		33,603,774
Less : Provision for Wealth Tax			255,025		114,294
Net Profit/(Loss) for the Year			28,104,465		33,489,480
Less : Prior period adjustments	14		9,827,297		(82,767,606)
Add : Loss brought forward			(33,309,279,234)		(33,425,536,320)
Total loss transferred to Balance Sheet			(33,291,002,066)		(33,309,279,234)
Significant Accounting Policies and Notes Forming Part of Accounts	15				

Basic / Diluted Earnings per share.

3.48

4.15

Schedules referred to above and notes attached thereto form an integral part of the Profit & Loss Account.

**For and on behalf of the Board**

As per our report of even date appended hereto

**For JAIN & JAIN**  
Chartered Accountants

Sd/-  
**(SHAHZAD SHAH)**  
Director (Finance)

Sd/-  
**(BHANU P. TAYAL)**  
Managing Director

Sd/-  
**(NIRANJAN JAIN)**  
Partner  
M No. 101360  
Firm Reg. No. 103869 W

Sd/-  
**(B. SATYANARAYANA)**  
Company Secretary

**Place : Mumbai**  
**Date : 20<sup>th</sup> August, 2011**

## SCHEDULE 1 - SHARE CAPITAL

(Amount in ₹)

Sr. No.	Particulars	As at 31st March, 2011		As at 31st March, 2010	
<b>1</b>	<b>AUTHORISED CAPITAL</b>				
	8,064,661 Equity Shares of ₹ 1000/- each	<b>8,064,661,000</b>		8,064,661,000	
	40,795,100 Non-cumulative, Redeemable, Preference Shares of ₹ 1000/- each	<b>40,795,100,000</b>	<b>48,859,761,000</b>	40,795,100,000	48,859,761,000
<b>2</b>	<b>ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b>				
	8,064,661 Equity Shares of ₹ 1000/- each fully paid up (Previous year 8,064,661 shares)	<b>8,064,661,000</b>		8,064,661,000	
	Less : Calls in Arrears	<b>99,000</b>	<b>8,064,562,000</b>	99,000	8,064,562,000
@	322,24,600 Non Cumulative, Redeemable 20Yrs Preference Shares of ₹ 1000/- each (Previous year 322,24,600)	<b>32,224,600,000</b>		32,224,600,000	
@	8,570,500 Non-cumulative Redeemable 15Yrs Preference shares of ₹ 1000/- each (Previous year 5,488,800)	<b>8,570,500,000</b>	<b>40,795,100,000</b>	5,488,800,000	37,713,400,000
	<b>TOTAL</b>		<b>48,859,662,000</b>		45,777,962,000

@ The dividend payable will be non-cumulative and at the rate which Ministry of Railways pays to the Govt. of India

## SCHEDULE 2 - SECURED LOANS

(Amount in ₹)

Sr. No.	Particulars	As at 31st March, 2011	As at 31st March, 2010
	<b>PRIVATE PLACEMENT OF BONDS # \$</b>		
1	6.65% 3100 taxable bonds of ₹ 1 lakh each 10A -I series redeemable on 01.05.2013 Govt. Guarantee issued by MOR	<b>310,000,000</b>	310,000,000
2	6.65% 2000 taxable bonds of ₹ 1 lakh each 10E-III series redeemable on 01.05.2013 Govt. Guarantee issued by MOR	<b>200,000,000</b>	200,000,000
3	6.65% 800 taxable bonds of ₹ 1 lakh each 10E-IV series redeemable on 01.05.2013 Govt. Guarantee issued by MOR	<b>80,000,000</b>	80,000,000
4	5.75% 500 taxable bonds of ₹ 1 lakh each 11A-I series redeemable on 01.08.2015 LOC issued by MOR ( Put & call option available on 01/08/2011)	<b>50,000,000</b>	50,000,000
5	6% 1900 taxable bonds of ₹ 1 lakh each 11A-II series redeemable on 01.08.2015 LOC issued by MOR (Put & call option available on 01/08/2011)	<b>190,000,000</b>	190,000,000

## SCHEDULE 2 - Continued....

(Amount in ₹)

Sr. No.	Particulars	As at 31st March, 2011	As at 31st March, 2010
6	6.40% 4750 taxable bonds of ₹ 1 lakh each 11A-IV series redeemable on 01.08.2015 LOC issued by MOR	<b>475,000,000</b>	475,000,000
7	6.20% 2000 taxable bonds of ₹ 10 lakh each 11B series redeemable on 19.11.2015 LOC issued by MOR	<b>2,000,000,000</b>	2,000,000,000
8	5.55% 50 taxable bonds of ₹ 10 lakh each 11C-I series redeemable on 02.02.2016 LOC issued by MOR (Put & call option available on 02/02/2012)	<b>50,000,000</b>	50,000,000
9	5.80% 700 taxable bonds of ₹ 10 lakh each 11C-II series redeemable on 02.02.2016 LOC issued by MOR	-	700,000,000
10	6.00% 400 taxable bonds of ₹ 10 lakh each 11C-III series redeemable on 02.02.2016 LOC issued by MOR (Put & call option available on 02/02/2014)	<b>400,000,000</b>	400,000,000
11	6.25% 500 taxable bonds of ₹ 10 lakh each 11D series redeemable on 17.02.2014 LOC issued by MOR (Put & call option available on 17/02/2012)	<b>500,000,000</b>	500,000,000
12	6.24% 2915 taxable bonds of ₹ 10 lakh each 11E series redeemable on 01.03.2014 LOC issued by MOR	<b>2,915,000,000</b>	2,915,000,000
13	6.14% 500 taxable bonds of ₹ 10 lakh each 11F series redeemable on 02.04.2014 LOC issued by MOR	<b>500,000,000</b>	500,000,000
14	7.00% 2000 taxable bonds of ₹ 10 lakh each 12A-I series redeemable on 02.08.2014 LOC issued by MOR	<b>2,000,000,000</b>	2,000,000,000
15	7.57% 3000 taxable bonds of ₹ 10 lakh each 12A-II series redeemable on 19.08.2014 LOC issued by MOR	<b>3,000,000,000</b>	3,000,000,000
16	6.94% 880 taxable bonds of ₹ 10 lakh each 12A-III series redeemable on 15.09.2014 LOC issued by MOR	<b>880,000,000</b>	880,000,000
17	6.90% 100 taxable bonds of ₹ 10 lakh each 13B series redeemable on 30.03.2012 LOC issued by MOR	<b>100,000,000</b>	100,000,000
18	7.09% 97 taxable bonds of ₹ 10 lakh each 13D series redeemable on 20.04.2010 LOC issued by MOR	-	97,000,000
19	7.60% 500 taxable bonds of ₹ 10 lakh each 13F series redeemable on 01.06.2010 LOC issued by MOR	-	500,000,000

## SCHEDULE 2 - Continued....

(Amount in ₹)

Sr. No.	Particulars	As at 31st March, 2011	As at 31st March, 2010
20	7.60% 1250 taxable bonds of ₹ 10 lakh each 13G series redeemable on 06.05.2010 LOC issued by MOR	-	1,250,000,000
21	7.10% 658 taxable bonds of ₹ 10 lakh each 13H series redeemable on 01.09.2010 LOC issued by MOR	-	658,000,000
22	8.50% 480 taxable bonds of ₹ 10 lakh each 14A series redeemable on 01.09.2011 LOC issued by MOR	480,000,000	480,000,000
23	8.90% 3100 taxable bonds of ₹ 10 lakh each 14B series redeemable on 01.09.2016 LOC issued by MOR	<b>3,100,000,000</b>	3,100,000,000
24	9.30% 733 taxable bonds of ₹ 10 lakh each 15A series redeemable on 19.10.2012 LOC issued by MOR	<b>733,000,000</b>	733,000,000
25	9.30% 17 taxable bonds of ₹ 10 lakh each 15B series redeemable on 19.10.2017 LOC issued by MOR (Put & call option available on 19/10/2012)	<b>17,000,000</b>	17,000,000
	<b>TOTAL</b>	<b>17,980,000,000</b>	21,185,000,000

# The IDBI Trusteeship Services Limited has been appointed as Trustees to the Bond Holders w.e.f. 01.08.2006 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.

## SCHEDULE 3 - FIXED ASSETS (TANGIBLE AND INTANGIBLE)

(Amount in ₹)

Sr. No.	Description	GROSS BLOCK				DEPRECIATION/ AMORTISATION				NET BLOCK	
		BALANCE AS AT 01.04.2010	ADDITION 2010-11	DELETION/ ADJUST- MENTS 2010-11	BALANCE AS AT 31.03.11	UPTO 31.03.2010	FOR THE YEAR	DEDUCTION/ ADJUST- MENTS	UPTO 31.03.11	AS AT 31.03.11	AS AT 31.03.2010
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>12</b>
<b>A</b>	<b>TANGIBLE ASSETS</b>										
1	LAND										
i)	LEASE HOLD LAND	49,405,231	-	-	49,405,231	12,953,730	825,067	-	13,778,797	35,626,434	36,451,501
ii)	FREE HOLD LAND	1,204,110,029	14,587,559	(170,718)	1,218,526,870	-	-	-	-	1,218,526,870	1,204,110,029
iii)	EARTH WORK	9,379,014,632	187,634,551	-	9,566,649,183	-	-	-	-	9,566,649,183	9,379,014,632
2	BRIDGES & TUNNELS	16,111,363,222	165,179,630	-	16,276,542,852	3,101,534,641	266,152,888	6,878,567	3,374,566,096	12,901,976,756	13,009,828,581
3	P. WAY TRACK	6,160,117,349	92,522,929	-	6,252,640,278	3,409,478,886	292,953,194	1,870,093	3,704,302,173	2,548,338,105	2,750,638,463
4	PLANT & EQUIPMENTS	2,734,343,702	35,694,076	(19,089,777)	2,750,948,001	1,268,665,192	178,456,338	(13,290,187)	1,433,831,343	1,317,116,658	1,465,678,510
5	BUILDINGS	1,943,199,249	45,060,210	-	1,988,259,459	370,115,100	32,183,086	28,208	402,326,394	1,585,933,065	1,573,084,149
6	LOCOS & OTHER ROLLING STOCK	248,413,009	-	-	248,413,009	58,212,472	6,210,325	-	64,422,797	183,990,212	190,200,537
7	FURNITURE & FIXTURES	10,283,889	3,721,404	(677,769)	13,327,524	6,014,408	511,991	52	6,526,451	6,801,073	4,269,481
8	OFFICE EQPTS. & PERIPHERALS	216,540,259	4,115,906	-	220,656,165	186,477,135	5,374,071	9,166	191,860,372	28,795,793	30,063,124
9	VEHICLES	32,508,124	4,241,448	-	36,749,572	18,078,731	2,654,426	(583,700)	20,149,457	16,600,115	14,429,393
10	SKY BUS METRO	523,059,049	-	-	523,059,049	132,766,861	52,305,905	-	185,072,767	337,986,282	390,292,188
	<b>TOTAL</b>	38,612,357,744	552,757,713	(19,938,264)	39,145,177,193	8,564,297,157	837,627,291	(5,087,800)	9,396,836,647	29,748,340,547	30,048,060,588
<b>B</b>	<b>INTANGIBLE ASSETS</b>										
1	PATENT - ANTI COLLISION DEVICE	4,268,725	-	-	4,268,725	2,261,950	426,873	-	2,688,823	1,579,902	2,006,775
2	PATENT - SKY BUS METRO	5,520,742	-	-	5,520,742	3,746,337	552,075	-	4,298,412	1,222,330	1,774,405
3	ACD - KNOWHOW	138,953,873	-	-	138,953,873	47,219,507	-	-	47,219,507	91,734,366	91,734,366
	<b>TOTAL</b>	148,743,340	-	-	148,743,340	53,227,794	978,948	-	54,206,742	94,536,598	95,515,546
<b>C</b>	<b>GRAND TOTAL</b>	38,761,101,084	552,757,713	(19,938,264)	39,293,920,533	8,617,524,951	838,606,239	(5,087,800)	9,451,043,389	29,842,877,145	30,143,576,134
	Previous Year	37,924,372,742	819,918,360	16,809,982	38,761,101,085	7,849,070,182	766,943,579	1,511,191	8,617,524,951	30,143,576,134	

@@

@

- \$ The value of Permanent Way Track excludes an amount of ₹ 131.66 crores, the same being sold and leased back to the Corporation.
- @ The adjustment of ₹ 1,99,38,264/- in gross block includes addition for earlier year ₹ Nil (Previous year ₹ 2,95,32,122/-), deletion ₹ 1,99,38,264/- (Previous year ₹ 1,27,22,140/-)
- @@ The adjustment of ₹ -50,87,800/- in depreciation includes depreciation for earlier year ₹ 89,01,303/- (Previous year ₹ 16,17,453/- (Net), depreciation written back ₹ Nil/- (Previous year ₹ 6,253/-) and deletion for depreciation ₹ 1,39,89,103/- (Previous year ₹ 99,999/-)
- \* Amortisation of expenses on patent of ACD & Sky bus is included in sundry expenses in schedule 11 (6 (b))
- # Includes concessional supply of material for construction of SkyBus Metro, otherwise valued at ₹ 444.14 lakhs.
- # Skybus metro consists of various class of assets like Pway, Bridge, Building, Plant & Equipment, Rolling Stock, etc. During the financial year 2008-09 useful life of Sky Bus has been reviewed and it was decided to charge the unamortised depreciable amount as at 01.04.2008 over 10 years starting from financial year 2008-09.

## SCHEDULE 4 - CAPITAL WORKS-IN-PROGRESS

(Amount in ₹)

Sr. No.	Particulars	As at 31st March, 2011	As at 31st March, 2010
1	Structural Engg Works	<b>347,285,152</b>	375,340,730
2	Other Capital Works	<b>340,481,864</b>	212,045,772
<b>TOTAL</b>		<b>687,767,016</b>	587,386,502



## Schedule 5 - Current Assets, Loans & Advances

(Amount in ₹)

Sr. No.	Particulars	As at 31st March, 2011		As at 31st March, 2010	
<b>A</b>	<b>CURRENT ASSETS</b>				
i	Interest Accrued		<b>60,927,090</b>		134,026,661
ii	Stores & Spares (Schedule - 5A)		<b>243,303,549</b>		140,396,294
iii	Apportioned Traffic Earnings receivable				
a)	More than 6 months	—		—	
b)	Less than 6 months	<b>1,737,176,038</b>	<b>1,737,176,038</b>	1,949,141,972	1,949,141,972
iv	Sundry Receivables (unsecured, considered good)				
a)	More than 6 months	<b>471,773,781</b>		511,730,789	
b)	Less than 6 months	<b>554,192,252</b>	<b>1,025,966,033</b>	475,687,168	987,417,957
v	Receivables - Project				
a)	More than 6 months	<b>121,854,269</b>		207,060,304	
b)	Less than 6 months	<b>108,387,729</b>	<b>230,241,998</b>	8,946,595	216,006,899
vi	Cash in Hand		<b>13,594,708</b>		11,397,189
vii	Balance with				
a)	Scheduled Banks				
-	Current Account	<b>1,195,307,150</b>		1,459,047,714	
-	Term Deposit	<b>5,732,501,702</b>	<b>6,927,808,852</b>	3,445,724,523	4,904,772,237
	Total (A)		<b>10,239,018,269</b>		8,343,159,208
<b>B</b>	<b>LOANS &amp; ADVANCES</b>				
	[Unsecured, considered good unless otherwise stated]				
i	Advances recoverable in cash or in kind or for value to be received		<b>182,432,176</b>		17,001,326
ii	Recoverable from contractors / others				
-	considered good	<b>44,469,577</b>		57,053,433	
-	considered doubtful	<b>46,224,207</b>		44,507,197	
		<b>90,693,784</b>		101,560,630	
	<b>Less: Prov for Doubtful debts</b>	<b>46,224,207</b>	<b>44,469,577</b>	44,507,197	57,053,433
iii	Advances to employees		<b>4,477,897</b>		3,798,566
iv	Deposits with Others		<b>49,567,221</b>		48,107,740
v	Deposit with Govt. authorities / judiciary		<b>252,189,105</b>		181,597,656
vi	Prepaid Taxes (TDS)		<b>67,042,102</b>		68,623,768
vii	Advances and deposits for Capital Works Contractors & Suppliers				
-	considered good	<b>6,705,025</b>		7,710,094	
-	considered doubtful	<b>9,835,833</b>		9,815,000	
		<b>16,540,858</b>		17,525,094	
	<b>Less: Prov for Doubtful debts</b>	<b>9,835,833</b>	<b>6,705,025</b>	9,815,000	7,710,094
viii	Project Division-Advances		<b>1,067,085,568</b>		1,055,832,770
	Total (B)		<b>1,673,968,671</b>		1,439,725,354
	<b>Grand Total [ A + B ]</b>		<b>11,912,986,940</b>		9,782,884,562

## SCHEDULE 5A - STORES AND SPARES

(Amount in ₹)

Sr. No.	Particulars	As at 31st March, 2011	As at 31st March, 2010
1	Rails	100,394,167	57,928,125
2	Sleepers	38,908,149	35,652,681
3	Steel	409,648	666,436
4	Diesel	47,654,900	30,396,979
5	Others	55,936,685	15,752,073
	<b>TOTAL</b>	<b>243,303,549</b>	140,396,294

## SCHEDULE 6 - CURRENT LIABILITIES AND PROVISIONS

(Amount in ₹)

Sr. No.	Particulars	As at 31st March, 2011		As at 31st March, 2010	
<b>A.</b>	<b>CURRENT LIABILITIES</b>				
1	<b>Sundry Creditors &amp; Other Liabilities</b>				
	i. Contractors		422,635,950		262,878,867
	ii. Expenses		50,131,200		28,130,604
	iii. Deposits from Contractors & Others		400,962,468		420,538,935
	iv. Deposits for Projects		3,607,204,188		2,225,049,287
	v. Project Payables (including Provision for Employee benefits)		785,824,312		620,669,716
	vi. Payable to Railways				
	a) Train operating expenses	1,915,615,021		1,619,698,100	
	b) Apportioned share of earnings	30,000	1,915,645,021	-	1,619,698,100
	vii. Other Liabilities		162,279,889		146,858,587
2	<b>Interest accrued but not due on Bonds</b>		562,773,906		686,011,460
<b>B.</b>	<b>PROVISIONS</b>				
	i. Provisions for employees		170,276,408		149,867,296
	ii. Gratuity Payable		161,040,769		172,697,267
	iii. Pension Payable		240,721,003		263,627,357
	iv. Leave Salary Payable		415,106,734		264,022,662
	v. Wealth Tax Payable		369,319		114,294
	<b>TOTAL</b>		<b>8,894,971,167</b>		6,860,164,432

## SCHEDULE 7 - TRAFFIC EARNINGS

(Amount in ₹)

Sr. No.	Particulars	For the year ended 31st March, 2011	For the year ended 31 st March, 2010
1	Passenger	2,926,466,874	2,762,084,915
2	Other Coaching	64,494,222	68,551,594
3	Goods	2,974,513,745	3,021,279,849
4	Sundry	34,607,571	30,847,217
<b>TOTAL</b>		<b>6,000,082,412</b>	<b>5,882,763,575</b>

## SCHEDULE 8 - PROJECT REVENUE

(Amount in ₹)

Sr. No.	Particulars	For the year ended 31st March, 2011	For the year ended 31st March, 2010
<b>A</b>	<b><u>Contracts of Project Division</u></b>		
1	USBRL Project	2,607,376,546	1,021,692,958
2	Jharkhand ROBs	-	87,770,716
3	Sky Bus DPR - Pune	3,000,000	-
4	Sky Bus DPR - Hyderabad	3,000,000	-
<b>B</b>	<b><u>Open Line Deposit Works</u></b>		
1	ACD on N F Railway Route	134,441,010	13,662,727
2	RCC Box Culvert/ FOB II	10,180,360	7,469,582
3	UPCL Project	116,397,242	296,287,708
4	Freight Miser Project (N.Rly)	-	17,392,251
5	Survey-Marmagoa Port Trust	46,041	521,874
6	Survey-Kudremukh Iron Ore Co.Ltd	50,881	915,762
7	Survey Integrated Steel Plant	559,328	1,095,410
8	Survey - Rail Connectivity Kolhapur	5,004,883	2,953,421
9	Survey Asnoti-Honkan Village	400,805	-
10	Survey Rail Conn. SISA-Goa	483,793	-
<b>TOTAL</b>		<b>2,880,940,889</b>	<b>1,449,762,409</b>

## SCHEDULE 9 - OTHER INCOME

(Amount in ₹)

Sr. No.	Particulars	For the year ended 31st March, 2011	For the year ended 31 st March, 2010
1	Interest on Deposits [(Current year TDS ₹ 13,51,656/-) (Previous Year TDS ₹ 15437/-)]	<b>295,452,055</b>	286,270,254
2	Other Earnings	<b>67,852,641</b>	43,889,630
	<b>TOTAL</b>	<b>363,304,696</b>	330,159,884

## SCHEDULE 10 - PAYMENT TO AND PROVISION FOR EMPLOYEES

(Amount in ₹)

Sr. No.	Particulars	For the year ended 31st March, 2011	For the year ended 31 st March, 2010
1	Salary, Wages and Allowances, etc.	<b>1,410,794,278</b>	1,146,347,816
2	Cash Awards	<b>810,050</b>	972,290
3	Contribution to Provident and other funds	<b>12,018,568</b>	51,362,869
4	Foreign Service Contribution	<b>6,130,849</b>	19,196,297
5	Staff Welfare Expenses	<b>90,686,171</b>	70,242,420
6	Gratuity	<b>15,997,737</b>	146,526,139
7	Training Expenses	<b>1,860,183</b>	3,277,139
	<b>TOTAL</b>	<b>1,538,297,836</b>	1,437,924,970

## SCHEDULE 11 - MISCELLANEOUS & OTHER OPERATING EXPENSES

(Amount in ₹)

Sr. No.	Particulars	For the year ended 31st March, 2011	For the year ended 31st March, 2010
1	Electricity and Water Charges	53,917,983	53,437,873
2	Telephone and Communications	9,157,520	9,972,052
3	Vehicle Expenses	7,828,478	7,404,304
4	Rent for Residential buildings	956,686	995,255
5	Rent for Office buildings	3,842,800	3,210,669
6	Other Sundry Expenses		
	a) Other Sundry Expenses	71,637,326	33,078,155
	b) Sundry debit/credit balances written off	(41,101,135)	(66,110,567)
7	Provision for Doubtful debts	3,992,425	5,393,823
8	Legal Expenses	4,593,181	4,960,806
9	Advertisement & publicity	1,611,413	1,677,234
10	Travelling expenses	103,106,280	61,105,011
11	Commission	490,200	429,665
12	Insurance	2,141,670	823,642
13	Lease Rental	13,042,712	13,042,712
	<b>TOTAL</b>	<b>235,217,539</b>	129,420,634

## SCHEDULE 12 - PROJECT COST

(Amount in ₹)

Sr. No.	Particulars	For the year ended 31st March, 2011		For the year ended 31st March, 2010	
<b>A</b>	<b>Contracts of Project Division</b>				
<b>1</b>	<b>USBRL PROJECT</b>				
	Payment to contractors	<b>2,171,762,815</b>	<b>2,381,135,838</b>	760,233,538	942,608,097
	Establishment charges	<b>122,912,660</b>		123,795,791	
	Other than Establishment charges	<b>86,460,363</b>		58,578,768	
<b>2</b>	<b>JHARKHAND ROB</b>		<b>-</b>		81,096,975
	Payment to contractors	-		75,421,572	
	Establishment charges	-		1,986,391	
	Other than Establishment charges	-		3,689,012	
<b>3</b>	<b>SKY BUS DPR - PUNE</b>		<b>1,048,064</b>		-
	Payment to contractors	<b>931,230</b>		-	
	Establishment charges	-		-	
	Other than Establishment charges	<b>116,834</b>		-	
<b>4</b>	<b>SKY BUS DPR - HYDERABAD</b>		<b>2,152,388</b>		-
	Payment to contractors	<b>2,097,988</b>		-	
	Establishment charges	-		-	
	Other than Establishment charges	<b>54,400</b>		-	
<b>B</b>	<b>Open Line Deposit Works</b>				
<b>1</b>	<b>ACD-N F RLY</b>		<b>129,482,016</b>		13,662,727
	Payment to contractors	<b>111,431,532</b>		13,662,727	
	Establishment charges	<b>15,336,214</b>		-	
	Other than Establishment charges	<b>2,714,270</b>		-	
<b>2</b>	<b>RCC BOX CULVERT / FOB II</b>		<b>7,891,301</b>		7,254,084
	Payment to contractors	<b>6,728,345</b>		5,745,600	
	Establishment charges	<b>581,478</b>		754,242	
	Other than Establishment charges	<b>581,478</b>		754,242	
<b>3</b>	<b>UPCL PROJECT</b>		<b>111,886,845</b>		287,773,797
	Payment to contractors	<b>89,288,219</b>		228,176,417	
	Establishment charges	<b>11,299,313</b>		29,798,690	
	Other than Establishment charges	<b>11,299,313</b>		29,798,690	
<b>4</b>	<b>FREIGHT MISER PROJECT-N.RLY</b>		<b>-</b>		17,392,251
	Payment to contractors	-		15,665,179	
	Establishment charges	-		863,536	
	Other than Establishment charges	-		863,536	

## SCHEDULE 12 - PROJECT COST (Contd...)

(Amount in ₹)

Sr. No.	Particulars	For the year ended 31st March, 2011		For the year ended 31st March, 2010	
<b>5</b>	<b>SURVEY-MARMAGOA PORT TRUST</b>				
	Payment to contractors	<b>20,932</b>		216,056	
	Establishment charges	<b>13,890</b>		139,405	
	Other than Establishment charges	<b>13,890</b>	<b>48,712</b>	139,405	494,866
<b>6</b>	<b>SURVEY-KUDREMU KH IRON ORE CO LTD</b>				
	Payment to contractors	<b>27,380</b>		490,762	
	Establishment charges	<b>12,568</b>		193,000	
	Other than Establishment charges	<b>13,569</b>	<b>53,517</b>	192,000	875,762
<b>7</b>	<b>SURVEY-INTEGRATED STEEL PLANT</b>				
	Payment to contractors	<b>539,414</b>		485,739	
	Establishment charges	-		274,477	
	Other than Establishment charges	-	<b>539,414</b>	274,477	1,034,693
<b>8</b>	<b>SURVEY KOLHAPUR-VAIBAWADI</b>				
	Payment to contractors	<b>3,856,793</b>		1,652,911	
	Establishment charges	<b>620,344</b>		546,948	
	Other than Establishment charges	<b>620,344</b>	<b>5,097,481</b>	546,948	2,746,807
<b>9</b>	<b>SURVEY ASNOTI-HONKAN VILLAGE</b>				
	Payment to contractors	<b>391,457</b>		-	
	Establishment charges	<b>2,662</b>		-	
	Other than Establishment charges	<b>2,662</b>	<b>396,781</b>	-	-
<b>10</b>	<b>SURVEY RAIL CONN. SISA-GOA</b>				
	Payment to contractors	<b>305,172</b>		-	
	Establishment charges	<b>98,570</b>		-	
	Other than Establishment charges	<b>98,570</b>	<b>502,312</b>	-	-
	<b>TOTAL</b>		<b>2,640,234,669</b>		1,354,940,059

## SCHEDULE 13 - FINANCE CHARGES

(Amount in ₹)

Sr. No.	Particulars	For the year ended 31st March, 2011	For the year ended 31st March, 2010
1	Interest on Bonds	1,306,782,837	1,634,936,986
2	Management Fees on Bonds Issued	6,517,073	6,797,732
3	Guarantee Fees - Ministry of Railways	5,900,000	13,400,000
4	Interest on Arbitration Awards	79,946,340	4,427,913
	<b>TOTAL</b>	<b>1,399,146,250</b>	1,659,562,631

## SCHEDULE 14 - PRIOR PERIOD ADJUSTMENTS

(Amount in ₹)

Sr. No.	Particulars	For the year ended 31 st March, 2011	For the year ended 31 st March, 2010
1	Salary /consultancy charges	1,275,104	193,208
2	Projects including openline	(29,756,705)	-
3	Other Earnings	(5,306,541)	(2,536,004)
4	Miscellaneous Expenses	9,591,384	33,231,645
5	Repairs & Maintenance	1,743,829	8,057,511
6	Pension	1,413,131	(139,391,352)
7	Train Operating Expenses	30,867,095	17,677,386
	<b>TOTAL</b>	<b>9,827,297</b>	(82,767,606)



## **SCHEDULE 15 : SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS**

### **I. SIGNIFICANT ACCOUNTING POLICIES**

#### **A. Basis of Preparation of Financial Statements**

- i. The accompanying financial statements are prepared and presented under the historical cost convention, on the accrual basis of accounting and comply with the Accounting Standards prescribed by the Companies (Accounting Standard) Rules 2006 and the relevant provisions of the Companies Act, 1956 along with the rules of allocation, classification/recognition of revenues and expenditure adopted by Indian Railways as are relevant and applicable.
- ii. The Corporation submitted capital restructuring proposal to BRPSE (Board for Reconstruction of Public Sector Enterprises) for converting unsecured loans of Ministry of Railways (MoR) into Share Capital. On the recommendation of BRPSE, Cabinet Committee on Economic Affairs approved the proposal of restructuring and in supercession of earlier Memorandum of Understanding (MOU) with MoR allowed the Corporation to continue as a Central PSU even after discharge of its debt liabilities.
- iii. The Accounting policies involved in the Guidance Note on "Treatment of expenditure during construction period" published by the Institute of Chartered Accountants of India (ICAI) as are relevant and applicable have been followed.
- iv. The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

#### **B. Fixed Assets and Depreciation**

- i. In classifying the nature of "Fixed Assets" and "Capital Works In Progress" the requirements of Schedule VI of the Companies Act, 1956 and the format of disclosure followed by the Indian Railways have been kept in view.
- ii. The Fixed Assets in use are shown at cost less accumulated depreciation. 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.
- iii. The Broad Gauge line between Roha and Thokur was completed and opened for traffic on 26.1.1998. The entire expenditure net of income in the 'Development Account' had been apportioned to the various Fixed Assets on pro-rata basis.
- iv. The Corporation has been charging small items of Plant, Equipments, etc. valuing up to ₹. 1 lakh each procured for 'Open Line Working including administrative offices' to Revenue Account on materiality basis, except, plant and equipment procured for implementation of individual project which is charged to the project account irrespective of the cost as per the terms of contract. From the current year, the corporation has decided to capitalize, such items as fixed assets in line with the provisions of Schedule XIV of the Companies Act, 1956.

- v. Depreciation is charged at the rates prescribed in Schedule XIV of the Companies Act, 1956 under Straight-Line Method. Depreciation on assets added/disposed during the years charged from/upto the month of addition/disposal. In case of assets where Schedule XIV of the Companies Act is silent, the rate of depreciation has been worked out with reference to effective life of the respective assets as given in Indian Railway Financial Code. The rates of depreciation followed in the case of such assets are mentioned below:

Loco/Other Rolling Stock/Cranes	2.50%
---------------------------------	-------

- vi. The cost of furniture and fixtures lying at offices, stations and rest houses procured and used during construction period have been added to the respective building cost at the time of initial capitalization. Furniture & Fixtures acquired subsequently after commissioning of entire line, have been shown separately under the head "Furniture & Fixtures".
- vii. Temporary structure / fixtures which does not have long life is charged 100% depreciation in the year of addition.
- viii. Lease hold land is amortized over the period of lease.
- ix. The useful life of 'Test Track Sky Bus Metro' has been technically assessed as 10 years and accordingly the un-amortized depreciable amount as at 01.04.2008 is to be charged over 10 years starting from Financial year 2008-09.
- x. Interest on arbitration awards payable after 26.01.98 (the date of commissioning of the entire line) is charged to the Profit & Loss A/c in accordance with AS-10 issued by ICAI.
- xi. Interest on court award payable in respect of additional compensation towards Land acquisition is added to the cost of land as interest is also considered as part of land compensation as the corporation had paid the original compensation based on the value determined and provided by SLAO.

### **C. Inventories**

- i. The inventories are valued at cost or net realizable value whichever is lower. Stores for repairs and maintenance are charged off to revenue in the year of purchase. Used material is also valued at Nil.
- ii. Project and construction related Works in Progress are valued at cost till the major portion of the job is completed and thereafter valued at realizable value.

### **D. Foreign Exchange Transactions**

- i. The transactions denominated in foreign currencies are recorded at the foreign exchange rate prevailing at the time of transaction.
- ii. Assets and Liabilities related to foreign currency transactions remaining unsettled at the end of the year are converted in rupees at the rate prevailing at the end of the year.
- iii. Any income or expense on account of foreign exchange difference either on settlement or on translation is recognized in the Profit & Loss Account 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.

- iv. 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.

## **E. Employees Retirement Benefits**

### **i) Pension**

'Konkan Railway Employees Superannuation Scheme' is a 'defined benefit scheme' and is applicable for those employees who have joined service prior to 01-01-2004. Liability under the said scheme is recognized on the basis of actuarial valuation and charged to Profit and Loss account.

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

### **ii) Gratuity & Leave Encashment**

Gratuity & Leave Encashment benefits are 'defined benefit plans'. Liability towards the same are recognized on the basis of actuarial valuation and charged to Profit and Loss Account accordingly.

## **F. Leased Assets**

Lease rentals and other charges payable thereon are accounted for with reference to terms and other conditions of the lease.

## **G. Income Recognition**

- i. Revenues from Construction and Project related activities are recognized as follows:-

Cost plus Contract :

Revenue is determined by adding the aggregate cost plus proportionate margin as agreed with the Principal (Customers).

Fixed Price Contract :

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.

- ii. Revenue from service related activities is recognized using proportionate completion method.

In case the amount received is less than the project cost incurred, the income is accounted for when the revised estimate is submitted, and there is no uncertainty to receipt of income or objection to revised estimate.

- iii. Coaching and Goods earnings are accounted on Accrual basis in accordance with AS-9 issued by ICAI.

- iv. Sale of scrap, salvage or waste materials is deemed to be completed at the time of realization and is accounted for accordingly.
- v. Commission received on encashment of warrants issued by Defence / Police is recognized on accrual basis.

#### **H. Contractor's claims**

- i. Claims for escalation by contractors are accounted for only when such claims are accepted after due verification.
- ii. Recovery on account of risk and cost transactions is effected at the time of completion of works after due determination and the same is accounted for at the time of its realization in accordance with AS-9 issued by ICAI.
- iii. Penalty for delay in completion / defective work is accounted as and when recovered from the contractors.

#### **I. Liabilities**

Provision is made for all known liabilities existing on the date of balance sheet.

#### **J. Intangible Assets and Amortization**

- i. Intangible assets are recognized in accordance with criteria specified in AS-26 issued by the ICAI.
- ii. Amortization/Depreciation of Intangible Assets and other Miscellaneous Expenditure is made as under:
  - a) Discount/Other Expenses on issue of bonds upto 31.03.2002 - over the tenure of the bonds or 10 years, whichever is lower.
  - b) Preliminary expenses - over a period of 10 years
  - c) Patents, designs, R&D expenses considered as intangible assets - over their useful life or 10 years whichever is lower.
  - d) Specialized computer software - over a period of 3 years.
  - e) Anti Collision Device(ACD) Development expenditure incurred on current version (ACD implementation on Indian Railways considered as part of Corporate Safety Plan of Indian Railways) – Over a period of Ten years or 6000 ACDs whichever is earlier.
  - f) The corporation had procured software license in 2004 for the manufacture of 5000 ACDs at ₹ 56.65 Lakhs and ₹ 1133 is being charged per ACD. The balance amount of ₹ 28 Lakhs will be charged for the manufacture of ACD as when the ACDs are manufactured or 31.3.2013 whichever is earlier.

#### **K. Financial Derivatives**

Financial Derivatives are accounted on the date of settlement and realized gain / loss in respect of settled contracts are recognized in the profit and loss account.

Derivative transactions are considered as Off Balance sheet items and cash flows arising there from are accounted for in the books of account as and when the settlement takes place in accordance with the terms of respective contracts over the tenure thereof.

#### **L. Provisions, Contingent liabilities and Contingent assets**

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.

No provision for contingency is made in respect of court/ arbitration cases for additional compensation for Land or Contract charges, as the same pertains to fixed assets acquired prior to opening up of Traffic on 26.01.1998. In case of additional payment is required to be made on account of Order, the same would be added to the cost of fixed assets only, except interest which would be accounted in accordance with policy as disclosed separately under para B (x) and (xi)

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. No contingent liability is disclosed for defects or maintenance liability when corporation has 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.

Contingent Assets are neither recognized, nor disclosed.

#### **M. Taxes on Income**

- i. Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961.
- ii. Deferred Tax is recognized on timing difference between the accounting income and the taxable income for the year and quantified using the tax rates and laws enacted or subsequently enacted as on the Balance Sheet date.

Deferred Tax Assets are recognized and carried forward to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such Deferred Tax Assets can be realized.

- iii. Liability for Wealth Tax recognized in accordance with the provisions of Wealth Tax Act, 1957.

#### **N. Impairment of Assets**

The carrying amounts of assets are reviewed at each Balance Sheet date and if there is any indication of impairment based on Internal / External factors, an impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount.

## **O. Segment Accounting**

- i. Segment revenue includes the revenues directly identifiable / allocable to the segment. Expenses that are directly identifiable with/allocable to segments are considered for determining the segment results.
- ii. For the purpose of allocating common expenses to different projects, they are divided in the ratio of estimated cost of the projects. Segment assets and liabilities include those directly identifiable with the respective segments.

## **II. NOTES TO THE ACCOUNTS**

- 1 The Corporation was incorporated as a joint venture between the Government of India (Indian Railways) and the beneficiary 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 as and when its loan liabilities are fully discharged. 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.

According to the initial Memorandum of Understanding (MOU), the Government of India, on the Corporation liquidating the loans obtained for completing the KR Route, would pay the contributions made by the State Governments towards equity at par.

- 2 The salient features of Capital Restructuring proposal as approved by 'Cabinet Committee on Economic Affairs' and given effect to, are as follows:
  - a. The Loans provided by the Ministry of Railways along with accrued interest thereon as at 31st March, 2008 amounting to ₹ 322245 Lakhs have been converted into Non-Cumulative Preferential Shares redeemable at the end of 20 years.
  - b. The Ministry of Railways will provide financial assistance amounting to ₹ 85705 Lakhs for full debt servicing and 50% of the redemption of the Bonds for three financial years, i.e. from 2008-09 to 2010-2011. The Corporation has received an amount of ₹ 25150 Lakhs during 2008-09, ₹ 29738 Lakhs during 2009-10 and ₹ 30817 Lakhs during 2010-11 towards the same.
  - c. The dividend payable will be non-cumulative and at the rate which Ministry of Railways pays to Government of India.
- 3
  - i. Revenues from passenger services received by the Corporation during the year are recognized as per AS-9.
  - ii. Revenue for transportation services rendered by the Railways is collected by the Station from which the traffic originates. For the service that is rendered across more than one Zonal Railway, the revenue received by the originating Zone is apportioned between all the Zones that are involved in rendering the services. This is done by apportioning the revenue on straight-line method in proportion to distance traveled on each Zonal Railway. As per the MOU with the Ministry of Railways (MOR), the corporation is at par with other Zonal Railways for the purpose of apportionment of revenue. Accordingly, the corporation receives a part of its total revenue from other Zonal Railways whose originating traffic either passed through or terminated on the KR Route. Similarly, the corporation has to pay a part of its originating earnings to other Zonal Railways, where traffic terminated on other than KR Route.

The apportionment of revenue is done on the basis of standard junction tables giving zone-wise division of distances between any given pairs of stations. Each station prepares a statement of tickets sold and freight booked to all other stations on a monthly basis. This statement is used as input to the computerized Apportionment Master to produce the share of each Zonal Railway. The task of maintaining masters and processing the data for apportionment is entrusted to M/S.RITES by Railway Board. Railways system of checks and balances to ensure correctness of the monthly earnings prepared by each station is also followed by the corporation and mutually accepted as correct. The corporation does a detailed check of list of pairs of stations and the junction distance table. Whenever the apportioned earnings appear to be less than the expected share as per the statistical and current trends, the corporation does a complete check of detailed earnings statements in addition. This ensures the correctness of our apportioned revenue.

- iii. The arrangements existing for the Inter Railway Financial Adjustments have been adopted for the purpose of providing for the liability for services provided by other Zonal Railways. Operating expenses like hire charges for coaches, wagons and engines, fuel charges, salary of crew have been provided for in the Corporation's accounts based on formula adopted by Indian Railways and statement of account received from Zonal Railways on periodical basis.
- iv. In accordance with AS-9 issued by ICAI, the Corporation has not provided for interest on calls in arrears on the basis of principle of Prudence i.e. wherever there is uncertainty attached to the future events, profits are not anticipated but recognized only when realized.

- 4 i. The assets under different heads have been capitalized based on figures appearing in the Books of Accounts. Fixed asset is capitalized after final measurement/certification by the concerned department. In cases where works have not been completed and some portion remain to be executed, the value of same have been taken based on the technical assessment and capitalized accordingly.

Though on different dates various assets have been put to use, the entire line was opened for traffic on 26.1.1998. Accordingly, Interest & other Finance charges prior to 26.1.1998 were capitalized.

Depreciation on such assets has been charged from the date of opening of entire line, i.e. 26.1.1998.

- ii. The Corporation continued to charge 7.2% towards 'Direction & General (D & G) Charges' on all capital works in accordance with the Railway Board guidelines.
- iii. Works where there is no physical progress during the previous years and kept under Capital works-in-progress will be capitalized after due verification in the subsequent years. There is no material impact on non capitalization of such assets due to low rate of depreciation.
- iv. In accordance with AS-26 issued by ICAI, the Corporation had capitalized the Research & Development expenditure on ACD as Intangible Assets.
- v. The Corporation is having the regular program for physical verification of Stores and fixtures. Adjustment on account of discrepancy if any will be carried out subsequently after due reconciliation. The impact of the same is not considered to be material in nature. Reused material received back is added in stock register for control purpose and is not considered for valuation purpose.

- 5
  - i. Land cost includes indirect expenses incurred in the process of acquisition of land and provisional advance payments consequent to awards based on certificates of Special Land Acquisition officer (SLAO) which will be reconciled and finally adjusted as and when final awards and acquittance details certified by the SLAOs are received.
  - ii. An aggregate amount of ₹ 131 Lakhs (Previous Year ₹ 140 Lakhs), lying in advance account and yet to be disbursed by Special Land Acquisition Officer is not transferred to land account as the acquittance details certified by the SLAOs are yet to be received.
- 6
  - i. Construction materials issued during the year from stores have been charged to the 'Works'.
  - ii. Construction material like cement, steel etc., issued to the contractors are debited to Capital-Work in Progress Account and actual consumption can be determined only after final measurement of the work. Hence excess material, if any issued to the contractors will be accounted for by crediting to Capital-Work in Progress Account as and when finally settled. Due to this, Capital-Works in Progress Account and Advances/Recoverable are overstated and understated to that extent.

- 7 Balances in debit and credit accounts of Contractors, Government Authorities, Zonal Railways, Suppliers and Control Accounts etc. pertaining to receivable and payable accounts 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.

- 8
  - i. The finance charges include an income of ₹ 630 Lakhs (Previous Year income of ₹ 261 Lakhs) on account of income from interest rate swap transaction.
  - ii. Debenture Redemption Reserve has not been created as it is not mandatory for Infrastructure Company.
- 9
  - (a) The corporation has computed liability of service tax and has shown net input credit receivable of ₹ 218 Lakhs. The Net input credit taken includes CENVAT credit of Excise duty of ₹ 438 Lakhs paid to M/s.KMIL for ACDs supplied and installed at NFR. The Corporation is in the process of obtaining legal opinion on admissibility of CENVAT credit on ACDs installed. The corporation is also in the process of reconciling input credit and taxable service, under miscellaneous receipts. The consequential adjustments, if any, would be made in the subsequent years.
  - (b) The corporation has been handling various projects including construction projects. The same are also subcontracted. As the constructed asset is transferred by sub contractor to the corporation and in turn to main customer, no separate works contract tax is collected and paid by the corporation. The management has relied on the judgment of Hon. Supreme Court in the case of Larson and Tubro Ltd and another V/s State of Andhra Pradesh & Other (2006) 146 STC616. The management is in the process of obtaining legal opinion to confirm the present status of applicability of the said view for corporation. The consequential adjustment if any on account of contrary view will be made in the subsequent year.
  - (c) The corporation has filed an appeal with Central Excise Tribunal towards non/short granting of refund of ₹. 392 Lakhs on excise paid on purchase of sleepers during the period from 2003 to 2005. Out of the total refund claimed only ₹. 83.43 Lakhs has been shown as refund receivable



in the books and the balance has already been absorbed in the cost. The granting of refund would require reversal of cost.

- (d) Payable others includes estimated liability on account of Wealth Tax of ₹ 2.55 Lakhs (Previous year ₹ 1.14 Lakhs).
  - (e) The Project Revenue on account of survey works is shown net of service tax liability.
- 10 Loans and Advances due from Directors are ₹ Nil (Previous Year ₹ Nil) Maximum balance outstanding on any day during the year was ₹ Nil (Previous Year ₹ Nil).
  - 11 The amount receivable from Indian Railways on account of Fuel and Rolling Stock hire charges are ₹ 9594 Lakhs (Previous Year ₹ 7454 Lakhs) and ₹ 556 Lakhs (Previous Year ₹ 2281 Lakhs) respectively.
  - 12 Fixed assets exclude Track measuring 185.275 Kms (of book value ₹ 13166 Lakhs) which had been sold and subsequently leased back to Corporation in earlier years with the approval of President of India.
  - 13 The Corporation has to receive an amount of ₹ 383 Lakhs from Punwire Communication Ltd. Chandigarh pursuant to their cheques being dishonored. Punjab and Haryana High court has appointed a provisional liquidator to take charge of the assets of Punwire to prevent them from withering away. The Corporation has initiated criminal proceeding under sec.138 of the Negotiable Instruments Act and has also filed a summary suit for the recovery of the amount. The Corporation has made full provision of ₹ 383 Lakhs against the same.
  - 14 (a) There are no dues to suppliers outstanding as at the year-end under the Small Scale and Ancillary Undertaking Act, 1993.
  - (b) In the absence of any information from suppliers regarding the status under Micro, Small and Medium Enterprises Development Act, 2006, amounts due to such enterprises have not been disclosed separately under Sundry Creditors.
  - 15 The Corporation has an unabsorbed brought forward business loss and depreciation of ₹ 283545 Lakhs as computed under Income Tax Act, 1961 and the current year profit of ₹ 184 Lakhs (including prior period adjustments) as per the profit and loss account. Considering the past trend of income and payment towards servicing of interest, provision for deferred income tax assets is not made, in conformity with Para 17 of AS-22 on "Accounting for taxes on Income" issued by ICAI.
  - 16 In accordance with the Accounting Policy B (x), interest on arbitration awards payable after 26/01/1998 is being charged to Profit and Loss A/c w.e.f. FY 2005-06 onwards.
  - 17 (i) Sanctioned cost towards implementation of ACD Project on North Frontier Railway does not provide for management fees as Ministry of Railways has not yet approved the inclusion of the same in the estimate.
  - (ii) The Corporation has submitted the estimate of ₹ 100.64 Cr. and has incurred cost accordingly on ACD project of NFR. The Railway Board has granted sanction of ₹ 82.87 Cr. Only. Pending sanction of Board, the amount continues to remain outstanding from NFR since 2007. For sanction of balance amount, the corporation is continuously following-up with Railway Board and therefore no provision in respect of receivables from NFR is considered necessary.
  - 18 The geo-tech safety works executed as a planned work are treated as Capital expenditure and shown accordingly w.e.f. 2005-06.

- 19 The Corporation has taken Permanent Way Track on non-cancelable operating lease from Ministry of Railways for an amount of ₹ 1863 Lakhs. Formal lease agreement for the same is yet to be signed. The future minimum lease payments in respect of the said lease, as at 31st March, 2011 are as follows

Minimum Lease payments:

	(₹. In Lakhs)
I. Payable not later than one year	130
II. Payable later than one year and not later than five years	520
III. Payable later than five years	@ 7% p.a.

- 20 The accounting treatment of Construction Contracts executed by the Corporation is exhibited in accordance with AS-7 Revised issued by ICAI.

- 21 (a) Common general expenses of the Corporation's Project Division are allocated to various on-going projects in proportion to the management's estimates of the costs incurred/ to be incurred on the respective projects.
- (b) As per the terms of contract for the Jharkhand project, the corporation can recover 9.65% of the contractor's cost towards employee and other costs charged on actual basis. The corporation has been able to make savings of ₹ 3.83 Cr. towards employee cost and in the opinion of management the same is an income of the corporation. The Corporation has shown recovery as a liability and the same will be recognized as income on settlement of final bill of sub contractor and completion of maintenance period of the contract.
- (c) The corporation had incurred very nominal expense in survey / consultancy project for Tata Steel and Dighi port project. Income on the same will be accounted when there is reasonable progress.

- 22 **Disclosures pursuant to Accounting Standard 7 (Revised) issued by ICAI are as under:-**

	(₹ in Lakhs)
a) Contract revenue recognized for the year ended March 31, 2011	28809
b) Aggregate amount of contract costs incurred for the year ended March 31, 2011	26402
c) Recognized profits (less losses) for the year ended March 31, 2011	2407
d) Amount of advances outstanding for contracts in progress as at March 31, 2011	12118
e) Retention amounts due from customers for contracts in progress as at March 31, 2011	Nil
f) Aggregate amount of costs incurred up to the reporting date:	
USBRL Project	108363
Jharkhand ROBs	15226
Skybus –DPR (Hyderabad & Pune)	32
Openline Projects	7224
g) Aggregate amount of recognized profits [less recognized losses] up to the reporting date:	
USBRL Project	9943

	Jharkhand ROBs	1375
	Skybus –DPR (Hyderabad & Pune)	28
	Openline Projects	256
h)	Aggregate Amount of advances received:-	
	USBRL Project	152700
	Jharkhand ROBs	15018
	Skybus –DPR (Hyderabad & Pune)	60
	Tata Steel	37
	Openline Projects	9178
i)	Amount of retentions: -	
	USBRL Project	Nil
	Jharkhand ROBs	Nil
	Skybus –DPR (Hyderabad & Pune)	Nil
	Openline Projects	Nil

**Note:** Disclosure had been made in respect of progress in project from 01.04.2005

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

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.

- 24 In accordance with the AS-28 issued by the ICAI on 'Impairment of Assets', the Management has carried out a review of its assets with respect to economic performance. On the basis of review, the Management is of the opinion that economic performance of the Fixed Assets of the Corporation is not worse than expected and therefore there is no impairment as on the date of the Balance Sheet.

#### **Sky Bus Metro:**

- (a) Technical Advisory Committee was constituted during F. Y. 2006-07 to advise steps to be taken for certification of the Sky Bus Technology. A tentative estimate of ₹ 8000 Lakhs for conducting further research and trials was proposed by the Committee. Railway Ministry accordingly sanctioned ₹ 2500 Lakhs for the said purpose during F. Y. 2006-07. Management had also invited global expression of interest to take up the certification of Sky Bus Metro by making suitable investments in the technology. The interest shown by one party during this process was withdrawn after. The Management is confident of getting project started with entering MOU with RDSO. The Management had also engaged ICRA Management Consulting Services Limited to value intellectual property rights of Sky Bus with the financial analysis and reviews the status of Sky Bus technology.
- (b) The corporation is of the opinion that there is no adverse change in the technology, economic or legal environment or decrease in the rate of return on investment as anticipated initially and therefore there is no impairment as on the balance sheet date.

- (c) The amount of ₹ 2500 Lakhs received for further development of Sky Bus Project could not be fully utilized and interest earned on the same has been grouped under "Other Income".
- (d) In accordance with the definition / explanation given in relevant Accounting Standards as issued by Institute of Chartered Accountants of India, the remaining useful life of the test track of Sky Bus Metro has been assessed as 10 years at the beginning of 1.4.2008. Accordingly, the unamortized depreciable amount of 'Sky Bus Metro' as at 1.4.2008 is to be charged over the period of 10 years uniformly.

- 25 The Corporation recognizes the operation of passenger and goods traffic as one business segment and income generated out of the projects executed for other agencies and Zonal Railways as another Reportable Segment as per AS-17 on "Segment Reporting" issued by ICAI. There is no secondary reportable segment as per AS-17 as Corporation operates only in domestic segment. Segment reporting information in accordance with the said AS-17 is as under:

Information in accordance with Accounting Standard 17 on Segment Reporting for the Year ending 31.03.2011

(₹ in Lakhs)

Primary Segments ->	Traffic		Projects		Consolidated Total	
Particulars	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
<b>REVENUE</b>						
External Revenue	60001	58828	28809	14498	88811	73326
Inter Segment Revenue	0	0	0	0	0	0
Total Revenue	60001	58828	28809	14498	88811	73326
<b>RESULT</b>						
Segment result	16700	20358	2407	949	19107	21306
Unallocated Expenses	0	0	0	0	0	0
Operating Profit	16700	20358	2407	947	19107	21305
Income from Investment	2516	2863	438	0	2955	2863
Other Income	212	439	467	0	679	439
Finance charges	13991	16596	0	0	13991	16596
Depreciation/Amortisation	8464	7675	1	1	8465	7676
Taxes (Wealth Tax)	3	1	0	0	3	1
Profit from ordinary activities	-3029	-612	3311	946	282	335
Extraordinary items/Prior period Adjustment	396	-828	-298	0	98	-828
Net Profit	-3425	215	3609	946	183	1163
<b>OTHER INFORMATION</b>						
Segment Assets	378237	377333	46199	27805	424436	405138
Unallocated Corporate Assets	0	0	0	0	0	0
Total Assets	378237	377333	46199	27805	424436	405138
Segment Liabilities	224499	253000	44250	26952	268750	280452
Unallocated Corporate Liabilities	0	0	0	0	0	0
Total Liabilities	224499	253000	44250	26952	268750	280452
Depreciation/Amortisation	8464	7675	1	1	8465	7676

- 26 (i) In terms of the Contract Agreement between the Corporation and Northern Railway for execution of Udhampur Srinagar Baramulla Rail Line Project, monthly account statements are being submitted by the Corporation in the mutually agreed proforma incorporating all the expenses and 10% profit. So far Northern Railway has not disallowed any item of expenditure claimed by the Corporation. However, in case any item of expenditure is disallowed in future, such disallowance will be incorporated in the accounts of the period in which it has been disallowed.
- (ii) The Contract agreement between the Corporation and Northern Railway for the execution of Udhampur Srinagar Baramulla Rail Line Project expired on 15.08.07 and further extended the validity of contract upto 31.12.2015.
- (iii) Claims under arbitration against the Corporation as certified by the management is ₹ 88167 Lakhs (Previous Year ₹ 87071 Lakhs) for the USBRL Project. It is the considered opinion of the Corporation that these claims as decided by the arbitrators will be chargeable to the project.
- (iv) Beside above, the claim worth ₹ 6.57 Cr. has been awarded during the current year. As communicated by Railway Board, the corporation has either to absorb arbitration cost in the ratio of 80:20 against the profit of that year or go for Arbitration. The management has decided to go for arbitration and charge the amount of claim to project cost. If the corporation has to bear the claim as per the arbitration award, the same would be charged against the profit of that year.
27. The Konkan Railway Corporation Limited enjoys working capital facility from its bankers, which has not been utilized at any point during the year.
28. Provision for Contingencies:
- (i) As per the project terms the corporation is required to maintain or make good, the defects in the project assets for a defined period of time depending on the terms specified in the MOU / Agreement.
- The Corporation stipulates the similar conditions to the subcontractor. The corporation retains the security deposits and the financial guarantees offered by subcontractors during the maintenance period. Management is of the view that there would not be any financial impact on account of making good the defects or providing maintenance. Management is of the view that for all cases, no provision is required to be made in accordance with the AS 29 on "Provision, Contingent Liabilities and Contingent Assets".
- (ii) In respect of various claims against the corporation (Court / Arbitration cases) provision for contingency has not been recognized in the books of accounts as management is of the view that
- (a) In respect of land cases, entire amount would be charged to the land
- (b) in respect of arbitration entire amount would be charged to relevant fixed asset as all the cases pertains to construction period. Interest, if any, post 26.01.98 will have to be charged to revenue.
29. **Contingent liabilities/Capital Commitments:**
- Claims/Disputed liabilities not acknowledged as debt:
- (i) Estimated amount of contracts remaining to be executed on capital account and not provided for, as certified by management were ₹ 2589 Lakhs (net of advances) (Previous Year ₹ 2286 Lakhs)

- (ii) An amount of ₹ 840 Lakhs relating Letter of Credit on account of capital contracts is yet to be discharged. Term Deposits with Banks/Financial Institutions includes an amount of ₹. 2210 Lakhs against margin money for Letter of Credit.
- (iii) Contract and other claims against the Corporation not acknowledged as debt, as certified by the management, is ₹ 9365 Lakhs (Previous Year ₹ 3908 Lakhs).
- (iv) Besides, the corporation has challenged in Court, arbitration awards to the tune of ₹ 758 Lakhs (Previous Year ₹ 1335 Lakhs).
- (v) The Corporation has disputed the levy of ₹ 1055 Lakhs (Previous Year ₹ 673 Lakhs) as non-agricultural tax by the State Government of Maharashtra.
- (vi) The Maharashtra State Labour Fund has levied of ₹ 10.72 Lakhs. The corporation has preferred appeal against the said demand. The amount paid against said demand is ₹ 10.72 Lakhs.
- (vii) Various cases have been filed by the landowners in several Courts for revision of amount of the award passed by the respective State Governments. The amount of likely liability on these accounts is ₹ 4853 Lakhs in 513 cases (Previous Year ₹ 4655 Lakhs in 702 cases) (approx.). Corporation has deposited ₹ 2436 Lakhs (Previous Year ₹ 1374 Lakhs) with the Court.
- (viii) Arbitration award was received in respect of USBRL project of ₹ 6.57 Cr. The corporation is referring the matter to Railway Arbitrator to decide whether the claim has to be borne by NR or corporation. In case it is decided that the claim will have to be borne by the corporation, the liability of the corporation will be restricted to 80% of the profit of that year.
- (ix) Financial and Derivative instruments:  
  
The Corporation has entered in Interest Rate Swaps (being a derivative instrument) on nominal amount of ₹ 20000 Lakhs (Previous year ₹ 20000 Lakhs) outstanding as on 31.03.2011. The contingent liability on account of interest on these transactions is ₹ 188.79 Lakhs. (Previous year ₹ NIL Lakhs approximately).

30. Impact of change of policy:-

With financial Implications:

- (i) The Corporation has started capitalising small items of plant and equipments etc. valuing up to ₹ 1 Lakh each, procured for "Open line working including administrative offices". During the current year such items capitalized amounted to ₹ 231.42 Lakhs as against the ₹ 44.38 Lakhs being charged to revenue during the previous year.
- (ii) The Corporation was accounting ex-gratia as and when it was declared by the Board. During the year the Corporation made provision for ex-gratia on estimated basis. The change in the accounting policy has increased the expenditure for the year by ₹ 125.38 Lakhs.

31 The amount transferred to the Investor Education and Protection Fund during the year is ₹ 41.82 Lakhs and up to the financial year 2010-11 is ₹ 189 Lakhs.

32 **Earnings per Share (EPS) is calculated as under:**

	Current year	Previous year
A) Numerator-		
Net Profit/(Loss) for the current year as (₹ in Units) disclosed in Profit & Loss Account	<b>28104465</b>	33489480
	<b>No. of shares</b>	No. of shares
B) Denominator-		
Weighted average no. of Equity shares of ₹ 1000/- each	<b>8064661</b>	8064661
Earnings Per Share (₹)	<b>3.48</b>	4.15

33 (i) **Disclosure requirements under Accounting Standard-15 (Revised) on Employee Benefits:**

**Gratuity :** 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.

**Leave Encashment :** Represents un-availed leave to the credit of the employee and carried forward in accordance with leave rules of the Corporation.

**Pension :** Represents benefits to employees joined prior to 1.1.2004 on the basis of rules framed in the Employees Superannuation Scheme. Those who have joined after 1.1.2004 are governed by the Contributory Pension Scheme introduced by Government of India.

**ACCOUNTING STANDARDS (AS): 15 (Revised) – Employee Benefits**

The following table sets out the status of the defined benefit Pension Plan, Gratuity Plan and Leave Salary Plan as required under AS 15:

(₹ in Lakhs)

Particulars	Funded Pension	Funded Gratuity	Unfunded Leave Salary
<b>Change in the present value of the defined benefit obligation</b>			
Opening defined benefit obligation at 1.04.2010	8622	4899	2640
Current Service Cost	2091	403	285
Interest Cost	683	311	210
Actuarial losses (gains)	(1798)	[167.81]	1041
Past Service Cost (Non Vested Benefit)	--	--	--
Past Service Cost (Vested Benefit)	--	--	--
Benefits paid	(179)	(29.19)	(25)
Closing defined benefit obligation at 31.03.2011	9419	5416	4151
<b>Change in Plan Assets</b>			
Opening fair value of plan assets at 1.04.2010	6005	3172	--
Expected Return on Plan assets	761	311	--
Contributions by employer	446	345	--
Benefit Paid	(179)	(29)	--
Actuarial Gains (Losses)	6	6	--
Closing fair value of plan assets at 31.03.2011	7044	3805	--

Particulars	Funded Pension	Funded Gratuity	Unfunded Leave Salary
<b>Reconciliation of present value of the obligation and fair value of the plan assets</b>			
Present Value of Funded obligation at 31.03.2011	9419	5416	--
Fair Value of Plan assets at 31.03.2011	7044	3805	--
Deficit/(Surplus)	2374	1611	--
Experience adjustment on plan assets	--	--	--
Experience adjustment on plan liabilities	--	--	--
Unrecognised Past Service Cost	--	--	--
Net Liability/(Asset )	--	--	--
<b>Amount Recognised in the Balance Sheet</b>			
Liabilities	2374	1611	4151
Assets	--	--	--
Net Liability / (Asset) recognised in Balance Sheet as at 31.03.2010	--	--	--
<b>Net Cost recognised in the profit and loss account</b>			
Current Service Cost	2091	403	285
Interest Cost	683	311	210
Expected return on plan assets	766	(311)	--
Net actuarial losses (Gain) recognized during the quarter	(1804)	172	1041
Past Service Cost (Non Vested Benefit ) Recognised	--	--	--
Past Service Cost (Vested Benefit ) Recognised	--	---	--
Total costs of defined benefit plans included in current year P&L under Sch. 10 'Payments to and provisions for employees'			
a) Project Division	256	71	54
b) Open Line	(52)	504	1482
<b>Reconciliation of expected return and actual return on Plan Assets</b>			
Expected Return on Plan Assets	(591)	(311)	--
Actuarial Gain/ (loss) on Plan Assets	(1804)	--	--
Actual Return on Plan Assets	597	(311)	--
<b>Reconciliation of opening and closing net liability recognized in Balance Sheet</b>			
Opening Net Liability as at 1.04.2010	2616	1727	2640
Expenses as recognized in profit and loss account	204	575	1536
Employers Contribution	(446)	(345)	(25)
Net liability/(Asset) recognized in Balance Sheet as at 31.03.2011	2374	1611	4151
Expected Contribution in the next Financial Year (2011-12)	--	--	--

All the actuarial gains and losses have been fully recognized in the statement of profit and loss.



The expected return on plan assets over the accounting period is based on an assumed rate of return. The assumed rate of return is 8% per annum.

Principal actuarial assumptions: -

Particulars	Pension	Gratuity *	Leave Salary
Discount Rate as at 1.4.2010	8%	--	8%
Expected Rate of return on Plan Asset as at 1.4.2010	9.5%	--	--
Salary Escalation as at 1.4.2010	6%	6%	6%
Discount Rate as at 31.03.2011	8%	8%	8.3%
Expected Rate of return on Plan Asset as at 31.03.2011	8%	8%	--
Salary Escalation as at 31.03.2011	6%	6%	6%

\* There is no detailed break-up available for Rate of return, etc. managed by LIC.

(ii) ACCOUNTING STANDARDS – AS 18 (Related Party Disclosures)

Related Party Disclosures: The Key Managerial Personnel of the Corporation and their remuneration (including Superannuation benefits) are as below:

- a) Shri B P Tayal, Managing Director (Period 01/04/10 to 31/03/11)  
Salary & Allowances: ₹ 18,03,007/- Perks: Nil.
- b) Shri Shahzad Shah, Director (Finance) (Period 01/04/10 to 31/03/11)  
Salary & Allowances: ₹ 17,81,000/-; Perquisites: Nil.
- c) Shri Rajesh Tripathi, Director [Way & works] (Period 13/12/10 to 31/03/11)  
Salary & Allowances: ₹ 5,34,028/- Perks: Nil.

(iii) Disclosure requirements under Accounting Standard - 29 – Provisions payable.

(₹ In Lakhs)

Particulars	As on 1/4/10	Additions	Utilization	As on 31/3/11
Provision for Employees	1498.67	14594.90	14390.81	1702.76
Gratuity Payable	1726.97	2126.65	2243.22	1610.41
Wealth Tax	1.14	2.55	--	3.69
Leave Salary	2640.23	1922.80	411.95	4151.07
Pension payable Pre 01.01.2004	2616.47	1700.00	1942.30	2374.18
Pension payable Post 01.01.2004	19.80	334.95	321.71	33.03

34 **Additional information pursuant to the provisions of Part II of Sch. VI of the Companies Act, 1956.**

(₹ in Lakhs)

	<b>Current year</b>	Previous year
(a) Directors Remuneration is as under:		
Salary and Allowances	<b>39.67</b>	58.25
PF/Pension Contribution	<b>1.51</b>	3.97
	<b>41.18</b>	62.22
(b) Auditors Remuneration is as under:		
For Audit Fees	<b>4.25</b>	3.00
For Tax Audit	<b>0.75</b>	0.75
For Limited Review	<b>2.00</b>	2.00
Corporate Governance Certificate	<b>0.50</b>	Nil
	<b>7.50</b>	5.75
(c) Earnings in Foreign Exchange:	<b>NIL</b>	NIL
(d) Foreign Currency expenditure:		
I. Traveling	<b>NIL</b>	Nil
II. Component and spare parts	<b>NIL</b>	Nil
III. Capital Goods	<b>NIL</b>	Nil
IV. Trials for traction power	<b>40.31</b>	136.96

35 Previous year's figures have been regrouped / reclassified wherever necessary to make them comparable with those of current year.

**For and on behalf of the Board**

Sd/-  
**(SHAHZAD SHAH)**  
Director (Finance)

Sd/-  
**(BHANU P TAYAL)**  
Managing Director

**Place : Mumbai**  
**Date : 20th August, 2011**

Sd/-  
**(B. SATYANARAYANA)**  
Company Secretary

# CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011

(₹ in Lakhs)

	PARTICULARS	2010-2011	2009-2010
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
1	Net profit before tax and Extra-ordinary items	284	336
	<b>Adjustments for:</b>		
2	Depreciation	8335	7685
3	Interest & Other Income	-2955	-2863
4	Interest Expenses	13991	16551
5	Prior Period Adjustments	-98	828
6	<b>Operating Profit before Working Capital changes</b>	19557	22537
7	Taxes Paid : Wealth Tax	0	0
8	<b>Operating Profit (after tax) before working capital changes</b>	19557	22537
9	Increase/Decrease in Sundry Debtors	-751	-1336
10	Increase/Decrease in Inventories	-1029	201
11	Increase/Decrease in Sundry Creditors	21578	8638
12	Cash Flow After Extra-Ordinary items	0	0
	<b>NET CASH FLOW FROM OPERATING ACTIVITIES (A)</b>	<b>39356</b>	<b>30040</b>
<b>B</b>	<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
1	Purchase of fixed Assets	-6332	-5072
2	Interest received	3686	2367
	<b>NET CASH USED IN INVESTMENT ACTIVITIES (B)</b>	<b>-2646</b>	<b>-2705</b>
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
1	Proceeds towards calls in arrears (Equity Share Capital)	0	0
2	Proceeds from issuance of Preference Share Capital	30817	29738
3	Proceeds from Long Term Borrowings	0	0
4	Repayment of Long Term Borrowings	-32050	-25000
5	Interest Paid	-15224	-16994
6	Adjustment of Lease	0	0
	<b>NET CASH USED IN FINANCING ACTIVITIES (C)</b>	<b>-16457</b>	<b>-12256</b>
<b>D</b>	<b>Net increase in Cash &amp; Cash equivalents (A+B+C)</b>	<b>20252</b>	<b>15079</b>
<b>E</b>	<b>Cash &amp; Cash equivalents at beginning of period</b>	<b>49162</b>	<b>34083</b>
<b>F</b>	<b>Cash &amp; Cash equivalents at end of the period (D+E)</b>	<b>69414</b>	<b>49162</b>

**Notes:**

- Cash flow statement has been prepared under the 'Indirect Method' as set out in the AS-3 'Cash Flow Statement' issued by ICAI.
- Purchase of Fixed Assets includes movement of Capital Works-in-Progress during the year.
- Item No.C(2) and C(4) in the table stated above, includes an amount of ₹ 30817 Lakhs representing the loan of MOR and accrued interest thereon (read along with Note No.2 of Schedule 15 of the Balance Sheet) which have been converted into Non-cumulative Preference Shares and does not involve actual inflow/outflow of cash/cash equivalent.
- Previous year's figures have been regrouped/reclassified wherever necessary to make them comparable with those of current year.

**For and on behalf of the Board**

As per our report of even date appended hereto

**For JAIN & JAIN**  
Chartered Accountants

Sd/-  
**(SHAHZAD SHAH)**  
Director (Finance)

Sd/-  
**(BHANU P TAYAL)**  
Managing Director

Sd/-  
**(NIRANJAN JAIN)**  
Partner  
M.No.101360  
Firm Regn. No.103869 W

Sd/-  
**(B. SATYANARAYANA)**  
Company Secretary

**Place : Mumbai**  
**Date : 20th August, 2011**

## Balance Sheet Abstract and a Company's General Business Profile as per Schedule VI Part IV of the Companies Act, 1956:

### I. Registration Details

Registration No.:	55-40891
State Code No.:	55
Balance Sheet Date	31/03/2011

### II. Capital raised during the year

(₹ In Lakhs)

Public Issue	NIL
Rights Issue	NIL
Bonus Issue	NIL
Private placement (Firm allotment to the promoters and their associates)	NIL
Share capital received during the year (Preference shares)	30817

### III. Position of Mobilization and Deployment

(₹ in Lakhs)

Total Liabilities	668396
Total Assets	668396

#### SOURCES OF FUNDS

Paid-up Capital	488596
Reserves & Surplus	Nil
Secured Loan	179800
Unsecured Loan	NIL

#### APPLICATION OF FUNDS

Net Fixed assets including WIP	305306
Net Current Assets	30180
Accumulated Losses	332910

### IV. Performance of Company

Turnover	92443
Total Expenditure	92160
Profit/Loss before Tax	283
Profit/Loss after Tax	281
Earnings per Share (₹)	3.48
Dividend Rate %	Nil

### V Generic Name of Principal Product of Company (As per monetary terms)

Item code No.700 as per Industrial  
Classification of Joint Stock Companies

**Product Description**

**Railway Transportation**

## STATISTICAL SUMMARY OF TRAIN OPERATIONS

	Unit	Year 20010-11	Year 2009-10
<b>GENERAL INFORMATION</b>			
Guage		<b>Broad Guage</b>	Broad Guage
Route Length	KMs	<b>739 Kms</b>	739 Kms
Number of Stations	Nos	<b>54</b>	53
<b>PERSONNEL</b>			
Number of Employees	Nos	<b>4652</b>	4353
Wage Bill (₹)	Creore ₹	<b>153.83</b>	143.79
<b>OPERATING STATISTICS</b>			
NTKMs(in millions)(on actual distance)	MLN NTKM	<b>3411.48</b>	3419.72
Wagon turn round	Days	<b>2.17</b>	2.14
Daily Average Wagon interchange	Wagons	<b>791.00</b>	821.00
Average Speed of Goods train	KMPH	<b>30.00</b>	30.00
Average LOCO outage per Day on Freight	Outage	<b>18.75</b>	17.73
Turn round of RO-RO trains	Days	<b>1.90</b>	1.90
<b>PASSENGER TRAFFIC</b>			
No.of passengers carried	MLN	<b>23.47</b>	17.92
Passenger Kms (in millions)	MKM	<b>4396.00</b>	3835.00
Passenger earnings (₹ in crores)	Creore ₹	<b>292.65</b>	276.21
Average lead	KMs	<b>447.87</b>	435.75
<b>FREIGHT TRAFFIC</b>			
<b>Tonnes originating (in millions)</b>			
Revenue earning traffic	MT	<b>1.499</b>	1.568
<b>NET TONNE KMS (IN MILLIONS)</b>			
Revenue earning traffic	NTKM	<b>5117.22</b>	5129.58
Non revenue earning traffic	NTKM	—	—
Total Traffic	NTKM	<b>5117.22</b>	5129.58
Earnings from freight carried (excl. demmorage and wharfage chs)	Creore ₹	<b>293.27</b>	300.12
Average lead-Revenue traffic	KMs	<b>689.00</b>	693.00
<b>REVENUE AND EXPENDITURE (RS.IN CRORES)</b>			
Total Income (Excl. Project)	Creore ₹	<b>636.41</b>	621.29
Total Expenditure (Excl. Project)	Creore ₹	<b>441.00</b>	383.84

**Note:**

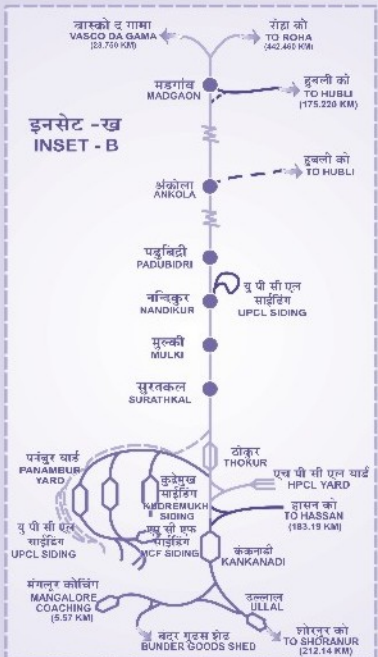
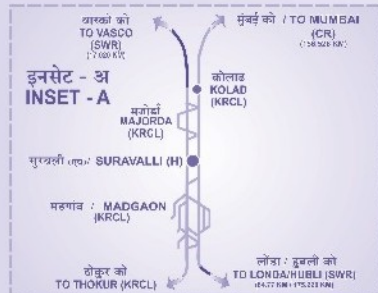
- Operating statistics and General Information are based on actual distances whereas, statistics on passenger and freight traffic are based on chargeable distance.
- The tonnes originating freight traffic excludes booking from HPCL siding Thokur towards Southern Railway.
- The information related to Passenger Traffic for the last year is modified based on the statistics information furnished by Centralised Apportionment System (RITES) (excluding earnings).

# कोंकण रेलवे का मानचित्र KONKAN RAILWAY System Map

31 मार्च 2011 तक संशोधित किया गया है । / Connected upto 31st March 2011



महाराष्ट्र  
MAHARASHTRA



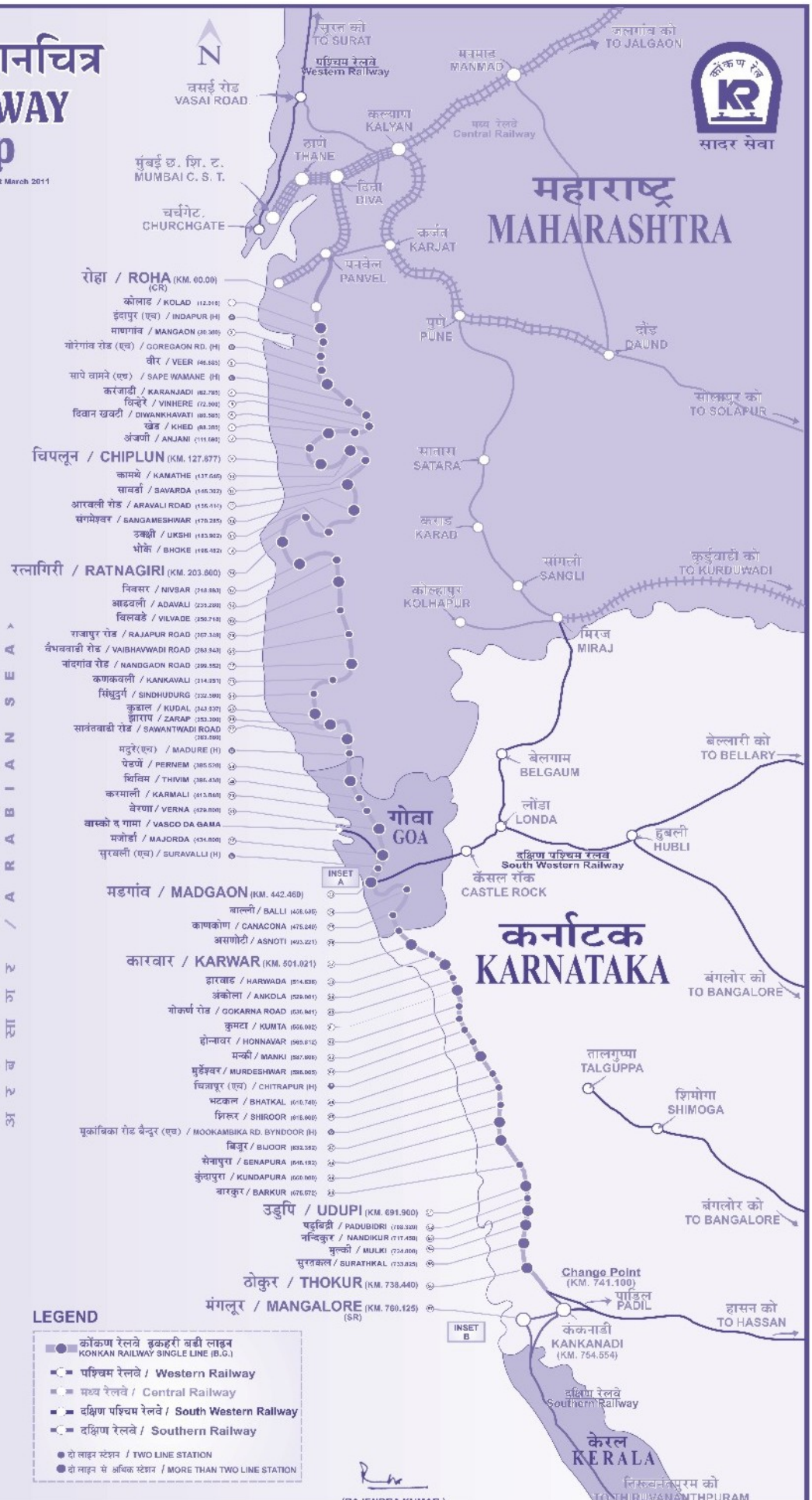
**हॉल्ट (एच) स्टेशन / HALT (H) STATIONS**

● इंदपुर / INDAPUR	- KM. 23.860
● गोरेगांव रोड / GOREGAON ROAD	- KM. 40.785
● सापे वामने / SAPE WAMANE	- KM. 55.000
● मडुरे / MADURE	- KM. 371.450
● सुरवली / SURAVALLI	- KM. 437.800
● चित्रापुर / CHITRAPUR	- KM. 604.580
● मुकांबिका रोड बेंदूर (एच) / MOKAMBIKA RD. BYNDOOR (H)	- KM. 626.475

अ र ब सा ग र / A R B S A G R

## LEGEND

- कोंकण रेलवे इकहरी बड़ी लाइन  
KONKAN RAILWAY SINGLE LINE (B.G.)
- पश्चिम रेलवे / Western Railway
- मध्य रेलवे / Central Railway
- दक्षिण पश्चिम रेलवे / South Western Railway
- दक्षिण रेलवे / Southern Railway
- दो लाइन स्टेशन / TWO LINE STATION
- दो लाइन से अधिक स्टेशन / MORE THAN TWO LINE STATION







सादर सेवा

**कोंकण रेलवे कॉर्पोरेशन लिमिटेड**  
**Konkan Railway Corporation Limited.**

Redg. Office:

334-C, 3rd Floor, Metro Station Building,  
Pragati Maidan, New Delhi - 110 001.

[www.konkanrailway.com](http://www.konkanrailway.com)