



कोंकण रेलवे कॉर्पोरेशन लिमिटेड
Konkan Railway Corporation Limited
(भारत सरकार का उपक्रम) (A Government of India Undertaking)
www.konkanrailway.com

No. KRCL/CO/S/BONDS/NSE

13/11/2021

To,
The Manager (Compliance Section)
National Stock Exchange of India Ltd.,
Exchange Plaza
Bandra Kurla Complex,
Mumbai – 400 051.

Subject: Outcome of Board Meeting and submission of Unaudited Financial Results along with the Limited Review Report for the Quarter and Half year ended September 30, 2021

Reference: ISIN - INE139F07048, INE139F07055, INE139F07063, INE139F07071, INE139F07089, INE139F07097, INE139F07105, INE139F07113

Dear Sir / Madam,

Pursuant to the provisions of Regulation 52 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that Board of Directors of the Company at its meeting held on November 13, 2021 has, inter alia, approved the Unaudited Financial Results along with the Limited Review Report for the Quarter and Half year ended September 30, 2021 and, in this regard, please find enclosed herewith the following documents:

1. Unaudited Financial Results (Standalone and Consolidated) along with the Limited Review Report for the Quarter and Half year ended September 30, 2021 and
2. Disclosure under Regulation 52(4) of SEBI (LODR) Regulations, 2015

This is to inform that 168th Board Meeting commenced at 13:00 Hrs. and concluded at 13:45 Hrs.

It is kindly requested to take the above documents on record.

Thanking you,



Yours faithfully,
For Konkan Railway Corporation Ltd.


(Rajendra C Parab)
Company Secretary

Encl: As stated



V. K. SURANA & CO.

Chartered Accountants

Unit No. 202, Tower - A, Peninsula Business Park, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013.
Off : 91 - 22 - 41731000 Fax : 91 - 22 - 41731010

Independent Auditor's Limited Review Report on Unaudited Standalone Financial Results of Konkan Railway Corporation Limited for the quarter and half year ended 30 September 2021 pursuant to the Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of
Konkan Railway Corporation Limited,

1. We have reviewed the accompanying statement ("the Statement") of Unaudited Standalone Financial Results of Konkan Railway Corporation Limited ("the Company") for the quarter and half year ended 30th September, 2021 being submitted by the Company pursuant to the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. Attention is drawn to the fact that the standalone figures for the quarter ended 30th September'2021, as reported in this Statement have been approved by the Company's Board of Directors, but have not been subjected to review.
2. This Statement, which is the responsibility of the Company's management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion





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4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. We draw attention to the accompanying statement of Unaudited Standalone Financial Results:

A) We draw attention to Note No. 1 - the financial results for the quarter ended September'2021 is not subject to limited review from the Independent Auditor. The figures for the quarter ended 30th September'2021 are the balancing figure between the figures for the half year ended 30th September'2021 reviewed by the independent auditor and the figures for the quarter ended 30th June'2021 prepared & certified by the Management.

B) We draw attention to Note No. 11 - KRCL is holding 26% share in JDRL, a JV company with investment amounting to Rs.2600 Lakhs. Due to various technical and commercial reason the JDRL Project unviable and consequently as at 31st March'2021 JDRL has accounted for an impairment loss on its CWIP amounting to Rs.4531 Lakhs indicating the intention of the management of the company not to continue the project.

However, no provision is being done by KRCL considering the fact that it have already in possession amount of Rs. 2326 Lakhs, being amount of BG encashed as per the directives of Ministry of Railways, GOI and the offer given by M/s JSWJPL to recoup the loss of investment, if any.

C) We draw attention to Note No. 8 wherein the KRCL has posted total revenue from operations of Rs. 117084 Lakhs and loss before Tax of Rs. 19262 Lakhs during half year ended 30th September, 2021 as compared to Rs.48847 Lakhs (Rs.157634 Lakhs, March 2021) and Rs.25911 Lakhs (Rs.36753 Lakhs, March 2021) correspondingly during the same period of the previous year. The normal revenue from operations has still been affected due to remaining impact of COVID -19 pandemic. Considering the relief in travel restrictions, resuming of partial train service and earnings through other segments of operation and projects the company expects to overcome this impact and recover the financial position in the remaining period of the financial year.





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- D) We draw attention to Note No. 5 - As at 30th September, 2021 the claim under arbitration against the Corporation is Rs. 83503 Lakhs (Rs.88252 Lakhs, March 2021) relating to USBRL Project. However, it is the considered opinion of the Corporation that in case of any adverse outcome of case, the claim will be chargeable to the project as per MOU between Northern Railway (NR) and KRCL. Arbitration claim amounting to Rs Nil up to 30th September, 2021 (Rs.2325 Lakh up to 30th Sept 2020, Rs 5152 Lakh up to 31st March 2021,) are charged to and accepted by Northern Railway.
- E) We draw attention to Note No. 6 - In respect of contingencies of liabilities on account of maintenance/defects and arbitration/court award, where no provision is made in the books of accounts, the Corporation is of the opinion that the same would be made good by sub-contractor or would be charged to fixed asset. The interest not recoverable, if any, will be charged to revenue in the year of award, as the outcome of the same is not certain.
- F) We draw attention to Note No. 4 - Balances in receivable/payable from/to trade, government authorities, zonal railways and control accounts are subject to confirmation and reconciliation. The Corporation is in the process of review of such balances for carrying out necessary adjustment in the subsequent year.
- G) We draw attention to Note No. 7 - Liabilities related to all actuarial expenses and OCI, against employee benefits provided for quarter and half year ended 30th September, 2021 is 25% and 50% respectively of the corresponding actuarial Liability of FY 2020-21.
- H) We draw attention to the face of Balance Sheet related to Trade payables and Note No. 13, wherein Amount are not disclosed related to Micro and Small Enterprises as per the disclosure requirement of Schedule III of the Companies Act 2013. However, the amount is not material considering the fact that the Purchase orders to MSME parties are separately identified and processed for payment to avoid delay in payment. There is no demand/complain from MSME parties for non -receipt of payment or interest on delayed payment.





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- l) We draw attention to Note No. 12 - With effect from 1st April'2021, the Company has migrated from existing accounting system to Integrated Financial Accounting System (IFAS). However due to various technical glitches arises during the transition phase, the Company has not integrated the Bank reconciliation and Inventory Module in the IFAS. Due to which, all the process related to Bank reconciliation and Inventory Module were done manually and incorporated in IFAS through journal entries.

Our review report is not modified in respect of these matters.

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

CA. Sudhir Surana
Partner

Membership No. 043414
Nagpur, November 13, 2021
UDIN - 21043414AAAAFD7611





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Chartered Accountants

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Independent Auditor's Limited Review Report on Unaudited Consolidated Financial Results of Konkan Railway Corporation Limited for the quarter and half year ended 30 September 2021 pursuant to the Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

**To the Board of Directors of
Konkan Railway Corporation Limited,**

1. We have reviewed the accompanying statement ("the Statement") of Unaudited Consolidated Financial Results of Konkan Railway Corporation Limited ("the Company") and its share of the net loss after tax and total comprehensive loss of its associates for the quarter and half year ended 30th September, 2021, being submitted by the Company pursuant to the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. Attention is drawn to the fact that the consolidated figures for the quarter ended 30th September'2021 and corresponding quarter & half year ended 30th September'2020, as reported in this Statement have been approved by the Company's Board of Directors, but have not been subjected to review.
2. This Statement, which is the responsibility of the Company's management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion
4. The Statement includes the results of the following entities:
A) Konkan Railway Corporation Limited – Holding Company
B) Jaigarh Digni Rail Limited – Associate Company





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5. Based on our review conducted as above and based on the consideration of the review reports of the auditor of Associate Company, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. We draw attention to the accompanying statement of Unaudited Consolidated Financial Results:
 - A) We draw attention to Note No. 1 - the financial results for the quarter ended September'2021 is not subject to limited review from the Independent Auditor. The figures for the quarter ended 30th September'2021 are the balancing figure between the figures for the half year ended 30th September'2021 reviewed by the independent auditor and the figures for the quarter ended 30th June'2021 prepared & certified by the Management.
 - B) We draw attention to Note No. 8 wherein the KRCL has posted total revenue from operations of Rs. 117084 Lakhs and loss before Tax of Rs. 19262 Lakhs during half year ended 30th September, 2021 as compared to Rs.48847 Lakhs (Rs.157634 Lakhs, March 2021) and Rs.25911 Lakhs (Rs.36753 Lakhs, March 2021) correspondingly during the same period of the previous year. The normal revenue from operations has still been affected due to remaining impact of COVID -19 pandemic. Considering the relief in travel restrictions, resuming of partial train service and earnings through other segments of operation and projects the company expects to overcome this impact and recover the financial position in the remaining period of the financial year.
 - C) We draw attention to Note No. 5 - As at 30th September, 2021 the claim under arbitration against the Corporation is Rs. 83503 Lakhs (Rs.88252 Lakhs, March 2021) relating to USBRL Project. However, it is the considered opinion of the Corporation that in case of any adverse outcome of case, the claim will be chargeable to the project as per MOU between Northern Railway NR) and KRCL. Arbitration claim amounting to Rs Nil up to 30th September, 2021 (Rs.2325 Lakh up to 30th Sept 2020, Rs 5152 Lakh up to 31st March 2021,) are charged to and accepted by Northern Railway.





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- C) We draw attention to Note No. 6 - In respect of contingencies of liabilities on account of maintenance/defects and arbitration/court award, where no provision is made in the books of accounts, the Corporation is of the opinion that the same would be made good by sub-contractor or would be charged to fixed asset. The interest not recoverable, if any, will be charged to revenue in the year of award, as the outcome of the same is not certain.
- E) We draw attention to Note No. 4 - Balances in receivable/payable from/to trade, government authorities, zonal railways and control accounts are subject to confirmation and reconciliation. The Corporation is in the process of review of such balances for carrying out necessary adjustment in the subsequent year.
- F) We draw attention to Note No. 7 - Liabilities related to all actuarial expenses and OCI, against employee benefits provided for quarter and half year ended 30th September, 2021 is 25% and 50% respectively of the corresponding actuarial Liability of FY 2020-21.
- G) We draw attention to the face of Balance Sheet related to Trade payables and Note No. 13, wherein Amount are not disclosed related to Micro and Small Enterprises as per the disclosure requirement of Schedule III of the Companies Act 2013. However, the amount is not material considering the fact that the Purchase orders to MSME parties are separately identified and processed for payment to avoid delay in payment. There is no demand/complain from MSME parties for non -receipt of payment or interest on delayed payment.
- H) We draw attention to Note No. 12 - With effect from 1st April'2021, The Company has migrated from existing accounting system to Integrated Financial Accounting System (IFAS). However due to various technical glitches arises during the transition phase, the Company has not integrated the Bank reconciliation and Inventory Module in the IFAS. Due to which, all the process related to Bank reconciliation and Inventory Module were done manually and incorporated in IFAS through journal entries.



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- 1) We draw attention to Note No. 11 - The Company is exploring available alternative usage of the current infrastructure/built railway network. Accordingly, the statements have been prepared on a going concern basis for the reason stated in that note. The validity of the going concern assumption would depend upon the performance of the Company as per its future business plan.

Our review report is not modified in respect of these matters.

7. The consolidated unaudited financial results also includes the Group's share of net loss after tax of Rs. 4.51 Lakhs and Rs. 13.37 Lakhs and total comprehensive loss of Rs.4.47 Lakhs and Rs. 13.34 Lakhs for the quarter ended September'2021 and for the period from April'21 to September'2021, respectively, as considered in the consolidated unaudited financial results, in respect of one associates, whose interim financial results have not been reviewed by us.

These interim financial results have been reviewed by other auditor whose report have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this associate, is based solely on the reports of the other auditor.

Our review report is not modified in respect of these matters.

For V. K. Surana & Co.

Chartered Accountants

Firm Reg.No.110634W



CA. Sudhir Surana

Partner

Membership No. 043414

Nagpur, November 13, 2021

UDIN - 21043414AAAAFE7584

