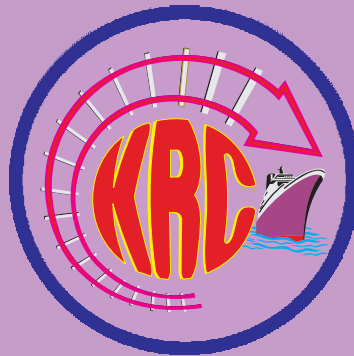


21st Annual Report 2024-25



KUTCH RAILWAY COMPANY LIMITED

Regd. Office: 2nd Floor, Indra Palace Building, H- Block, Connaught Circus
New Delhi- 110001



Board of Directors

Shri Devendra Kumar

Shri R. K. Yadav

Shri Ajit Singh

Shri Deepak Arora

Shri Sumit Sardana

Shri Chandan Kr. Verma

Shri Vikas Chandra

Smt. Kalpana Dubey

Capt. Unmesh Abhyankar

Shri Shailendra Kumar

Shri B. Ratna Sekhar Rao

Shri Pranab Nanda

Chairman/Nominee/Ministry of Railways (MoR)

Managing Director

Director/ Nominee/ Rail Vikas Nigam Limited

Director/ Nominee/ Rail Vikas Nigam Limited

Director/ Nominee/ Rail Vikas Nigam Limited

Director/ Nominee/ Rail Vikas Nigam Limited

Director/ Nominee/ Rail Vikas Nigam Limited

Director/ Nominee/ Rail Vikas Nigam Limited

Director/ Nominee/ Adani Ports and SEZ Limited

Director/ Nominee/ Adani Ports and SEZ Limited

Director/ Nominee/ Deendayal Port Authority

Director/ Nominee/ Government of Gujarat

Company Secretary

Shri Sanjeev Sharma

Chief Financial Officer

Shri Gyanendra Kumar Srivastava

Statutory Auditors

M/s SPMG & CO.

Chartered Accountants

New Delhi

C & AG

Principal Director of Audit

Railway Commercial

New Delhi

Bankers

Punjab National Bank

Registered Office

2nd Floor, Indra Palace Building

H-Block, Connaught Circus

New Delhi – 110 001

Project Office

Abhishek Complex-3,

5/325, 3rd Floor, Haripura, Civil Hospital Road

Asarwa, Ahmedabad – 380 016

Control Office

Area Manager's Office (New Building)

Ground Floor, Railway Colony

Gandhidham – 370 201



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NOTICE

Notice is hereby given that the **21st ANNUAL GENERAL MEETING** of the Shareholders of **KUTCH RAILWAY COMPANY LIMITED** will be held on **Tuesday, 23rd September 2025 at 4.00 PM** at the registered office of the Company at 2nd Floor, Indra Palace Building, H- Block, Connaught Circus, New Delhi - 110001 and/ or through **Video Conference ("VC") / Other Audio Visual Means ("OAVM")** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements for the Financial Year ended 31st March 2025 together with the Reports of the Board of Directors' and Auditors' thereon.
2. To appoint a Director in place of Shri Shailendra Kumar (DIN 06990949) who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri Ajit Singh (DIN 08076926) who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Capt. Unmesh Abhyankar (DIN 03040812) who retires by rotation and being eligible, offers himself for reappointment.
5. To consider fixation of remuneration for the year ending 31st March, 2026 payable to the Statutory Auditors to be appointed by Comptroller & Auditor General of India (C&AG) and to authorize Board of Directors to fix such remuneration for the financial year 2025-26. Pursuant to the provisions of Section 139 of the Companies Act, 2013, the appointment of Statutory Auditors, for the year 2025-26 will be made by C&AG. Section 142 of the Companies Act, 2013 provides that general meeting of the Company is empowered to fix the remuneration in such manner as it may determine. The following resolution is placed before the shareholders for their approval:
To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT appointment of Statutory Auditors will be made by Comptroller & Auditor General of India (C&AG) under Section 139 of the Companies Act, 2013 for the financial year 2025-26 be noted and the Board of Directors of the Company be and are hereby authorized to fix the remuneration payable to them as per Section 142 of the Companies Act, 2013."

SPECIAL BUSINESS:

6. **To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:**
"RESOLVED THAT Shri Ram Karan Yadav (DIN: 11055654), who was appointed as an Additional Director pursuant to Article 115 of the Articles of Association of the Company read with Section 161 (1) of the Companies Act, 2013 w.e.f. 08.04.2025 to hold Office upto the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing, from the Director himself pursuant to the provisions of Section 160 (1) of the Companies Act, 2013, be and is hereby appointed as a Director of the Company in line with applicable statutory provisions of the Companies Act, 2013 not liable to retire by rotation."
7. **To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**
"RESOLVED THAT pursuant to the provisions under Section 196, 197, 198, Schedule V as applicable and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as "the Act") including any statutory amendments, modifications or re-enactment thereof and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time and subject to such other requisite approvals, as may be required in this regard, the consent of the Shareholders be and is hereby accorded to the appointment of Shri Ram Karan Yadav (DIN-11055654) as Managing Director of the Company w.e.f. 08.04.2025 for a period of three years extendable to five years subject to a maximum age of 65 years on the following terms and conditions as brought out as 1 to 4:



Kutch Railway Company Limited

CIN: U45202DL2004PLC124267

1. Basic pay is fixed at Rs. 2,45,220/- in IDA scale of pay (3 % annual increment). DA, EPF and NPS to be as per IDA rules, applicable from time to time.
2. Perks & Benefits
 - a) The perks and benefits to be paid shall be as per the Director of Schedule A CPSE. The perks and benefits as availed by Director of RVNL from time to time. The present perks and benefits are brought out as under:

Sl. No	Description	
1.	Scale of Pay	Rs. 180000-340000Fixed at Rs. 245,220/- in IDA scale of pay (3% Annual Increment)
2.	(a)Third Party Lease ceiling (b)Self lease : 30% of the basic(3% increase in July every year)	80,000 (X city rate)The officers posted in Delhi and Mumbai can avail lease facility in Delhi and Mumbai at the enhanced rate i.e. 25% higher than the above ceiling, after approval of Board.
3.	Driver	Provided by Company
4.	Provision of TADK in person or reimbursement of expenses on TADK	Provision of TADK in person or reimbursement of expenses on TADK Rs. 32,900/-
5.	Cafeteria Allowance (35% to be chosen from the following allowance:Prof. Updation- 15%Elec. Allowance 6%Recreation Allowance – 6%Special Personal Allowance – 4%House Upkeep Allowance – 4%Fitness Allowance – 6%Medical Allowance for Outdoor Treatment – 7%	35% of basic
6.	Hard & Soft furnishing (two times in the entire period of employment with a gap of 5 year after the first purchase)	5 Lakhs
7.	Daily Allowance	Rs. 3500/- or actual supported by bill
8.	Lodging (i) For X class cities (ii) In Y class Cities (iii) In other Cities	Limited to a suite in Hotel Ashok New Delhi Y class – 90% of (i) above Z class – 80% of (i) above
9.	Journey:InternationalDomestic	Business/Club class1 st AC by train or Executive J class by Flight
10.	LTC	As above for domestic Travel once in four years for All India with Home Town LTC once in two years or two Home Town LTC in a block of 2 years each
11.	Medical for self, Spouse and dependent family Room rent Suite: as applicable to Director of RVNL Indoor Treatment – Full Reimbursement outdoor – 7% as included in the Cafeteria of Allowance (35%) Health checkup : No Limit specified	Upto Rs. 12,000/-
12.	Brief Case	Rs. 18,000/-
13.	Birthday Gift	Rs. 11,000/-
14.	Lap Top	As per actual (on submission of bill)
15.	Mobile Handset	As per actual (on submission of bill)
16.	Tablet PC	As per actual (on submission of bill)
17.	Hospitality	No Limit
18.	One AC with Stabilizer	Rs. 45,000/-
19.	One Inverter with battery	Rs. 25,000/-
20.	Club Membership	For Two clubs

- Deductions: 1. Rs. 2000/- P.M. deducted for private use of official car.
2 2.5 % deduction for furnishing of house
3. 1 % deduction of lease accommodation provided

b) Leave entitlement, Leave encashment and Gratuity as per applicable to Director of RVNL.

3. Performance Related Pay

Upto 125% of the Basic Pay provided the company rating and individual rating are outstanding and payment affordable.

To be decided by the Board of Directors of the Company on year-to-year basis.

4. Pension

From the gross salary the monthly pension received by Shri Ram Karan Yadav to be deducted.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits of the company during the tenure of Shri Ram Karan Yadav, Managing Director, the above mentioned remuneration will be regarded as minimum remuneration in accordance with Section 197 and other applicable provisions of the Companies Act, 2013 and that the company be and is hereby authorized to take such approvals as may be required, for payment of such remuneration, in case of such eventuality.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as the 'Board') which term shall be deemed to include any committee which the Board constitute to execute its powers, including powers conferred by this resolution be and is hereby authorized to further vary and / increase the remuneration including salary, perquisites, allowances etc. within such prescribed ceiling limits of the managerial remuneration as prescribed under the Companies Act, 2013 read with Schedule V thereto and/or any guidelines prescribed by the Government from time to time be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members of the Company in General Meeting."

RESOLVED FURTHER THAT Shri Ram Karan Yadav shall continue to hold the office of Director, without being subjected to retire by rotation, so far as he continues to be the Managing Director of the Company.

"RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) and / or Company Secretary of the Company, be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

BY ORDER OF THE BOARD OF DIRECTORS

Registered office:

**2nd Floor, Indra Palace Building
H-Block, Connaught Circus
New Delhi – 110001
18th August, 2025**

Sd/-

**(Sanjeev Sharma)
Company Secretary**

NOTES:

1. The Ministry of Corporate Affairs ("MCA") has vide its General Circular Nos. 14/2020 dated April 8, 2020 and 17/2020 dated April 13, 2020, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid-19", General Circular Nos. 20/2020 dated May 5, 2020, and subsequent circulars issued in this regard, the latest being 10/2022 dated December 28, 2022 in relation to "Clarification on holding of annual general meeting (AGM) through Video Conferencing (VC) or Other Audio Visual Means (OAVM)", (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars, the 21st AGM of the Company is being held through VC /OAVM. The registered office of the Company shall be deemed to be the venue for AGM.
2. As per the Companies Act, 2013, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf. Since the 21st AGM is being held through VC as per the MCA Circulars,



Kutch Railway Company Limited

CIN: U45202DL2004PLC124267

physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be made available for the 21st AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

3. Corporate Members are required send at email id: info@kutchrail.org a certified copy of the Board resolution authorizing their representative to attend the AGM through VC and vote on their behalf.
4. In line with the MCA Circulars, the notice of the 21st AGM along with the Annual Report 2024-25 are being sent only by electronic mode to the Members. Members may please note that this Notice and Annual Report 2024-25 will also be available on the Company's website at www.kutchrail.org.
5. Relevant documents referred to in the accompanying Notice are available for inspection electronically by the members at the Registered Office of the Company on all working days except Saturdays and Sundays Between 11.00 AM and 1.00 PM upto the date of the meeting. Members seeking to inspect such documents can send an email to info@kutchrail.org.
6. Relevant Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of Special Business, as set out above is annexed hereto.
7. The members are requested to follow the following instructions in order to participate in the meeting through VC:
 - a) The link to attend the meeting will be send through email separately.
 - b) In case of any queries regarding the Annual Report or the businesses covered under the notice of the meeting, the Members may write to Company Secretary at: info@kutchrail.org to receive an email response.
 - c) In the case of any technical assistance required at the time of meeting w.r.t. joining/accessing/voting at the meeting the members may contact at info@kutchrail.org or call at 011- 23724143, 23724144.

BY ORDER OF THE BOARD OF DIRECTORS

Registered office:

2nd Floor, Indra Palace Building

H-Block, Connaught Circus

New Delhi – 110001

18th August, 2025

Sd/-

(Sanjeev Sharma)
Company Secretary

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 6 & 7

To approve the appointment of Shri Ram Karan Yadav as the Managing Director of the Company & remuneration payable to the Managing Director.

The Board of Directors of the Company appointed Shri Ram Karan Yadav as Managing Director of the Company w.e.f. 08.04.2025 for an initial tenure of three years extendable to five years. Shri Ram Karan Yadav (DIN-11055654) joined his duties and took charge as Managing Director of the Company on 08.04.2025 (F/N). He was appointed as an Additional Director of the Company with effect from 08.04.2025 by the Board of Directors under Section 161 of the Act and Article 129 of the Articles of Association of the Company. In terms of Section 161(1) of the Act, Shri Ram Karan Yadav holds office only upto the date of the forthcoming Annual General Meeting but is eligible for appointment as a Director. The Company has received from Shri Ram Karan Yadav (i) consent in writing to act as a Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014; (ii) intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013, he is not debarred from holding the office of a Director. Shri Ram Karan Yadav is not a director or a committee member of any other Company or body corporate in India nor was he a Director in any other listed Company / Unlisted Company in India during past three years.

Shri Ram Karan Yadav is an Indian Railway Service of Engineers (IRSE) officer of 1986 exam. He has done his BE(Civil) with Honors from IIT, Roorkee. He is retired General Manager of Central Railway/CSMT/Mumbai. He possesses more than 35 years of experience in planning, design, execution and commissioning of multi-disciplinary Railway Infrastructure Projects. During his tenure in Railways, he has held various positions in the Ministry of Railways. The Board of Directors hope that the Company will be greatly benefited by his services for the Company's day to day operation and smooth running of the business. His experience and expertise in the field of the business of the Company not only add to the enhancement of the business opportunities of your Company but will also enhance the profits of the Company.

In terms of the advertisement, the appointment of Managing Director is in the scale of pay of a Director of Schedule-'A' CPSE and the perks and benefits payable to Managing Director were decided by the Company's Board minus pension, if any. The Board of Directors of the Company in its 113th Board Meeting held 16.04.2025 approved the remuneration, perks and incentives payable to Shri Ram Karan Yadav.

In accordance with the provisions of Sections 196, 197 & other applicable provisions of the Act, read with Schedule V to the said Act, the appointment and the terms of remuneration payable to Shri Ram Karan Yadav requires the approval of members of the Company by passing Ordinary Resolution in their meeting.

Hence, the members are requested to pass the Resolutions accordingly. The Board recommends the Resolutions at item No. 6 & 7 for approval of the shareholders.

None of the Directors, Key Managerial Personnel of the Company or their relatives are deemed to be interested or concerned in the said resolutions except Shri Ram Karan Yadav.

BY ORDER OF THE BOARD OF DIRECTORS

Registered office:

2nd Floor, Indra Palace Building

H-Block, Connaught Circus

New Delhi – 110001

18th August, 2025

Sd/-

(Sanjeev Sharma)
Company Secretary



DIRECTORS' REPORT

To
The Shareholders
Kutch Railway Company Limited

Your directors have pleasure in presenting the 21st Annual Report on the working of Company together with the Audited Statement of Accounts and the Auditors Report for the financial year ending March 31, 2025. It also has an addendum containing Management replies to the observations made in the Auditor's report.

FINANCIAL RESULTS

(Rs. in lakhs)

	Year 2024-25	Year 2023-24
Income from Operations	133445.56	166659.68
Other Income	4523.68	4304.31
Total Income	137969.24	170963.99
Total expenditure (excluding interest depreciation & taxes)	99044.57	131929.61
Exceptional items	(3345.12)	(2377.19)
Profit/ (Loss) before interest & depreciation	42269.79	41411.57
Less: Financial Cost	11499.44	12387.00
Depreciation	28471.79	26047.84
Total for tax Exp	904.55	1184.27
Profit / (Loss) after tax	1394.01	1792.46
Other Comprehensive Income	(7.84)	(344)
Total Comprehensive Income	1386.17	1789.02
Profit /(Loss) brought forward from earlier year	1762224.76	174838.59
Profit Available for appropriation	1762224.76	174838.59
Appropriations:		
Interim Dividend	0.00	0.00
Dividend	0.00	0.00
Dividend Tax	0.00	0.00
Surplus profit carried to Balance Sheet	176224.76	174838.59

DIVIDEND

To conserve the resources for future prospect and growth of the Company, keeping in view the huge investments made in the execution of the doubling and railway electrification of the section and servicing of the term loan of Rs. 1275 Crs taken for the implementation of the above projects, your directors have not recommended dividend for the Financial Year 2024-25.

OPERATIONS OF THE COMPANY

Income from freight traffic and operating revenue of your company has decreased from Rs.117934.83 lakh in 2023-24 to Rs. 113234.77 lakhs in 2024-25, The operations and maintenance cost has also reduced from Rs. 81686 lakhs in 2023-24 to Rs. 77272 lakhs in 2024-25 and Income from operations has decreased from Rs.166659.68 lakhs in the Financial Year 2023-24 to Rs. 133445.56 lakh in Financial Year 2024-25. The break-up of the Income from operations is as follow:

(Rs.in Lakhs)

Particulars	2023-24	2024-25
Income from Freight Traffic & operating revenue	113234.77	117934.83
Construction contract Revenue	20210.79	48724.85
Total	133445.56	166659.68

During the year 2024-25, a total of 27961 goods trains (23595 loaded & 4366 empty) had run on the section carrying total cargo of 44.96 MT which earned revenue of Rs.113234.77 lakhs as compared to year 2023-24 in which a total of 28351 goods trains 23167 loaded & 5184 empty) had run on the section by carrying total cargo of 47.11 MT which earned revenue of Rs.117934.83 lakhs.

OPERATIONS OF THE COMPANY

The net profit after tax has decreased from Rs.1792.46 Lakhs in 2023-24 to Rs.1394.01 in 2024-25. The decrease in the net Profit is due to interest on term loan, interest expenses on construction agencies and due to capitalization of Doubling & RE.

COST OF IMPLEMENTATION OF DOUBLING AND ELECTRIFICATION PROJECTS

As you are aware, Company had completed the following projects Doubling and RE Projects during the financial year 2023-24. To part finance these projects a term loan of Rs. 1275 Crs was obtained from Punjab National Bank and contribution of Rs. 571 Crs from shareholders through equity contribution, in proportion to their existing shareholding in the Company.

The cost of these projects was increased due to Covid pandemic and other related factors. The following was the revised cost of doubling and RE of the Palanpur - Samakhiali – 247.73 KM section and the RE of single line 53 KM between Samakhiali – Gandhidham executed by CORE as approved by the Board of Directors of the Company in FY 2022-23:

Sl. No.	Project	Executing agency	Cost of the project (Rs. In Crs)
1.	Doubling of Palanpur – Samakhiali Section 248 KM	RVNL	3189.44*
2.	RE of Palanpur – Samakhiali Section 248	RVNL	754.33
3.	Single line of the double line between Samakhiali – Gandhidham section measuring 53 KM length	CORE	97.67
	TOTAL		4051.44

*The Board of Directors in their meeting dated 23rd August 2024 have approved the completion estimate amounting to Gross Rs.3230.73 Crs, CRRM Rs.41.29 Crs & net cost Rs.3189.44 Crs.

ELECTRIFICATION OF THE SECTION

The RE of the double line between Palanpur (Excluding) to Samakhiali (247 KM) and UP line between Samakhiali and Gandhidham (53 KM) was successfully commissioned.

- Rail Vikas Nigam Limited was the executing agency of the RE project along with the doubling between Palanpur – Samakhiali (247KM) the RE of this was commissioned in March 2023.
- The electrification of the single line between Samakhiali - Gandhidham (53 KM) was executed by Central Organization for Railway Electrification (CORE). The work of this section has been commissioned on 8th May 2023. With the commissioning of the RE and shifting on electric traction, KRC section had saved fuel costs which have brought down the O&M cost.

After successful completion & commissioning of RE works on entire KRC project line, KRC has been monitoring number of freight trains operated on electric traction & it's impact on operational cost. In this regard, a summary is tabulated below:



Kutch Railway Company Limited

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Month	Total Freight trains over SPV line	No. of freight trains that run on Electric traction	% of Trains that run on Electric Loco
FY 2023 – 24			
April – June'2023	6817	209	3 %
July – Sept'2023	7518	602	8 %
Oct – Dec'2023	7520	1019	14 %
Jan – Mar'2024	6496	1645	25 %
Total	28351	3475	Avg. 12 %

Month	Total Freight trains over SPV line	No. of freight trains that run on Electric traction	% of Trains that run on Electric Loco
FY 2024 - 25			
April – June'2024	6734	2084	31 %
July – Sept'2024	4057	2706	38 %
Oct – Dec'2024	7401	3248	44 %
Jan – Mar'2025	6869	2599	38%
Total	28061	10637	Avg. 38%

FY 2025 - 26			
April – June'2025	6721	2732	Avg. 41 %

A comparative data of Fuel cost incurred by KRCL during previous 03 years is indicated below:

	FY 2022-23	FY 2023-24	FY 2024-25
Fuel diesel cost	Rs. 359.64 crore	Rs. 298.73 crore (reduced due to avg. 12% rakes were moved on OHE)	Rs. 205.97 crore (reduced due to avg 38% rakes were moved on OHE).

The cost of fuel for operation of freight train shall further reduce significantly when there will be reduction in Diesel traction train.

RECOVERY OF THE AMOUNT SPENT ON PASSENGERS' AMENITIES

During doubling of Palanpur- Samakhya section, Kutch Railway Company Limited (KRC) has provided various passengers amenities assets and has incurred cost in construction of washing pits, platform walls, platform coverings, platform protection works, platform benches, water booths, SS railings for protection of passenger's platforms, circulating areas works, DG shed at stations, FOB's and other passenger amenities works at various stations. Further the expenditure incurred on manning of UMLCs that existed on project line as on 23.11.2017 are to debited to Railways. The cost incurred during doubling for manning of these Level Crossings by construction of duty huts, construction of roads or connecting roads, lifting barriers etc is in terms of concession agreement are to be borne by Railways. The total cost incurred during doubling on passengers' amenities and manning of UMLC that existed as on 23/11/2017 on Palanpur- Gandhidham section is amounting to Rs. 250.00 Crs (approximately). The matter for reimbursement of the cost incurred on passengers' amenities was taken up with MoR. MoR had agreed in principle for reimbursement of the cost of passenger's amenities to Kutch Railway Company Limited subject to verification of passenger's amenities works, executed by KRC, by DRM/ADI, who should forward it to Railway Board through WR/HQ. The verification of the actual quantum of the work carried out is under process and is in advance stage of completion. KRC management had expedited the issue in order to resolve the matter at the earliest. Your directors are confident for getting the reimbursement during the current year.

CTR WORKS IN KRC (GIMB-SIOB-PNU) PROJECT LINE

Presently, two CTR works have been sanctioned by the Company as proposed by W. Rly due to GMT of existing sleepers & rail were almost surpassed its codal service life and it is essential in order to ensure safe trains operations on KRC project line over GIMB-SIOB & SIOB-PNU section costing Gross Rs. 377 crore, as tabulated below: -

S. No.	Name of work	Cost of work	Present Stratus
1.	Complete Track Renewal (CTR) works on GIM-SIOB up line (53 RKM)	Rs. 143 crore	Works in progress
2.	Complete Track Renewal (CTR) works on PNU-SIOB section (80 RKM)	Rs. 234 crore	Works in progress
	Total for 133 RKM		

For the execution your company is providing funds of Rs. 6 crore per month. Currently KRC has funded CTR works to the tune of Rs. 96.13 crore up to June' 2025.

In addition to above, during the current year proposal for one more CTR work of 105.09 Tkm in Palanpur-Samakhiali (DN line), has been submitted by W. Rly vide Sr. DEN(Co.)/ADI letter dated 21st April' 2025 and has sought KRC approval due to surpass of its service life in March' 2025. KRC has examined the proposal & it is expected that the proposed CTR work may be costing approximately Rs. 300 crore.

CREDIT RATING

Your Company has adequate liquidity and a strong balance sheet. ICRA Limited has affirmed their credit rating as "[ICRA] A" Stable. The instruments with this rating indicate adequate degree of safety regarding timely servicing of financial obligation. Such instruments are low credit risk.

SHARE CAPITAL

The authorised capital of the Company is Rs. 1000 crores and the paid-up share capital of the company is Rs. 821,00,00,000 comprising of 82,10,00,000 equity shares of Rs. 10/- each.

TRANSFER TO RESERVE

Your directors have proposed not to transfer any sum to the general reserve.

FIXED DEPOSITS

The Company has not accepted any fixed deposits from the public. Therefore, it is not required to furnish information in respect of outstanding deposits under Non-banking, Non-Financial Companies (Reserve Bank) Directions, 1966 and Companies (Accounts) Rules, 2014.

BOARD MEETINGS

Nine (9) Board meetings were held during the financial year ended 31st March, 2025. The dates of the meetings were 5th July 2024, 18th July 2024, 26th July 2024, 23rd August 2024, 5th September 2024, 2nd December 2024, 12th December 2024, 15th January 2025 and 18th March 2025.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company Shri Shailendra Kumar, Shri Ajit Singh and Capt. Unmesh Abhyankar directors of the Company shall retire by rotation at the ensuing Annual General Meeting and being eligible, have offered themselves for reappointment.

Pursuant to the provisions of section 203 of the Companies Act, 2013 Act, as on date, the key managerial personnel of the Company are – Shri R. K. Yadav, who took over as Managing Director of the Company on 08.04.2025, Shri Gyanendra Kr. Srivastava, Chief Financial Officer and Shri Sanjeev Sharma, Company Secretary. The Board places on record its appreciation for the services rendered by Shri Vijay Aanad, as Managing Director of the Company upto 20th August 2024 and as Chief Executive Officer of the Company from 21st August 2024 to 16th April 2025.

During the year Shri Raveen Kr. Reddy, Chairman, Smt. Kalpana Dubey, Shri Vikas Chandra, Shri Ratna Sekhar Rao, and Shri Bhagyanath Balakrishnan were appointed as Directors of the Company. The appointment of these Directors is of immense benefit to the Company.

During the year, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than the expenses incurred by them for the purpose of attending meetings of the Company.



During the period Chhatrasal Singh, Shri M. P. Singh, Shri B. N. Singh, Shri Santosh Kumar and Shri GRV Prasada Rao, Directors vacated the office of Directorship of the Company. Shri Bhagyanath Balakrishna vacated the office of Directorship on 2.12.2024 and was again nominated on 18.03.2025 by Deendayal Port Authority as their nominee of the Board of the Company, Your Board places on record its deep appreciation for the valuable services and contributions made by them during their tenure as Director of the Company.

INDEPENDENT DIRECTORS

The management is of the view that the Company is a Joint Venture therefore, in terms of the provisions of Section 149(4) & 149(5) of the Companies Act, 2013 read with rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014, company is not required to appoint Independent Directors.

AUDIT COMMITTEE

The Board of Directors of the company considers that in view of the notification dated 13th July, 2017, amendment in Companies (Meeting of the Board and its Powers) Rules 2014 by Ministry of Corporate Affairs, the Company is not required to constitute an Audit Committee of the Directors. Therefore, Board of Directors of the Company in its meeting held on 18th August 2017 disbanded the Audit Committee.

NOMINATION AND REMUNERATION COMMITTEE

The nominations and Remuneration Committee of the Board was disbanded by the Board in its meeting held on 18th August 2017. The Board of the company considers that in view of the notification dated 13th July, 2017, amendment in Companies (Meeting of the Board and its Powers) Rules 2014 by Ministry of Corporate Affairs the Company is not required to constitute a Nomination and remuneration committee.

DIRECTOR'S RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the Internal, Statutory, and Secretarial Auditors, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2024-25.

Accordingly, pursuant to Sections 134(3)(c) and 134(5) of the Act, the Board of Directors, to the best of their knowledge and ability, confirm that for the year ended March 31, 2025:

- i) That in the preparation of the annual accounts, all the applicable accounting standards have been followed and there has been no material departure.
- ii) That such accounting policies were selected and applied consistently and such judgments and estimates were made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the period ended on 31st March 2025.
- iii) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) That the Annual Accounts have been prepared on a going concern basis.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The company has no subsidiaries or associate Companies. The Company also does not have any joint ventures.

EXTRACTS OF ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2024 is available on the Company's website at www.kutchrail.org.

AUDITORS

M/s M/s SPMG & Company, Chartered Accountants were appointed by the C&AG as Statutory Auditors of the Company for the year 2024-25.

AUDITORS OBSERVATIONS

The remarks on the observations of the Statutory Auditors for the period under review with management remarks are placed at Annexure - A and appropriate disclosures in regard thereof are contained in the accounting policies and notes on accounts forming integral part of the Accounts.

SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT

Pursuant to section 204 of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your company had appointed M/s Vinod Kumar & Co., Practicing Company Secretaries, Delhi as its Secretarial Auditor to conduct the Secretarial Audit of the Company for the

Financial Year 2024-25. The Company provided all assistance and facilities to the Secretarial Auditor for conducting their audit. The Report of Secretarial Auditor for the Financial Year 2024-25 is annexed to this report as Annexure – B.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED IMPACTING THE COMPANY'S OPERATIONS

There is no significant material orders passed by the regulator/ courts which would impact the going concern status of the Company and its future operations.

INTERNAL FINANCIAL CONTROL SYSTEMS

The Company has an established system of internal Financial Control to ensure that all assets are safeguarded and protected against losses that may arise from unauthorized / incorrect use.

Further, it strives to ensure that all transactions are evaluated, authorised, recorded and reported accurately. The internal control system is designed to adequately ensure that financial and other records maintained are accurate and are reliable for preparing financial information and other data. The internal control procedures are augmented by an internal and external audit and periodic review by the management.

PARTICULARS OF LOANS GIVEN, INVESTMENT MADE, GUARANTEE GIVEN AND SECURITIES PROVIDED

During the year under review, the company has not given any loan or has made investment or has given guarantees under section 186 of the Companies Act, 2013.

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

Section 134 of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 are not applicable to the Company.

RISK MANAGEMENT

Your Board is of the opinion that, there are no elements of risk which may threaten the existence of the Company hence it was not required to implement a risk management.

CORPORATE GOVERNANCE

The Company will continue to uphold the true spirit of Corporate Governance and implement the best governance practices. It lays emphasis on transparency, accountability and professional management.

CORPORATE SOCIAL RESPONSIBILITY

The Company has a duly constituted CSR Committee, which is responsible for fulfilling the CSR Objectives of the Company. As on March 2025, the Committee comprised Shri Vijay Anand, Managing Director, Shri Shailendra Kumar, and Shri M. P. Singh Directors as its members. The CSR Committee was reconstituted and as on date of this report the CSR Committee comprised of Shri R. K. Yadav, Managing Director, Shri Shailendra Kumar, and Shri Ajit Singh Directors as its members.

The Company is committed to conduct its business in a socially responsible, ethical and environmentally friendly manner and to continuously work towards improving quality of life of the communities. The Company has in place CSR Policy with lays down the philosophy and approach towards CSR commitment. The Annual Report on the CSR initiatives undertaken by the Company as per the Companies (Corporate Social Responsibilities Policy) Rules, 2014 is annexed as Annexure-C.

REPORTING UNDER THE SECTION 21 OF THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The following is a summary of sexual harassment complaints received and disposed off during the calendar year.

Number of Complaints received : NIL

Number of Complaints disposed off : NIL

Closing balance of the complaints : NIL

MATERIAL CHANGES AFFECTING THE FINANCIAL POSITION OF THE COMPANY

No material change and commitment affecting the financial position of the Company have occurred between the financial year ended on 31st March 2024 and the date of the report.

CONTINGENT LIABILITY OF SERVICE TAX

A show cause notice issued to the Company by Director General of Central Excise Intelligence (DGCEI), raising a demand of Rs. 213.59 Crores relating to financial years 2009-10 to 2013-14. The reply to the show cause notice was



Kutch Railway Company Limited

CIN: U45202DL2004PLC124267

given on 06.01.2015 and personal hearing before Principal Commissioner was held on 21.09.2015. No further communication has been received from DGCEI on the matter. Further for the year 2014-15 a demand notice for Rs. 82.07 Crores has also been received from Principal Commissioner of Service Tax, Delhi – I for which reply has been given on 24.05.2016. No further communication is received from DGCEI.

M/s Baruch Dahej Railway Company Limited and M/s Krishnapatnam Railway Company Limited had also received the similar Show Cause notices. These companies had also filled their replies to the show cause notices. After considering the detailed reply and subsequent personal hearing, the respective Adjudicating Authorities had dropped the demand of service tax for M/s Baruch Dahej Railway Company Limited and M/s Krishnapatnam Railway Company Limited. KRC had intimated vide letter dated 17.02.2016 to the Adjudicating Authority to consider the above orders, while finalising the Order in the Show Cause Notice issued to Kutch Railway Company Limited. The order of the Adjudicating Authority is awaited. No further communication is received from DGCEI.

During the year 2017-18 a Show Cause notice was received from the department for the periods 2015-16, 2016-17 and 2017-18 (upto 30.06.2017) to which the reply was submitted to the department on 18.05.2018. No further query is received from DGCEI.

Your Directors had thoroughly examined the matter and obtained suitable legal and expert advice and accordingly perusing the matter appropriately with the DGCEI.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION

The information pertaining to conservation of energy, technology absorption, foreign exchange Earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 shall be treated as NIL as the Company is presently neither energy intensive nor technology intensive.

FOREIGN EXCHANGE EARNINGS AND OUTGO ETC.

The Company has neither earned nor spent any foreign exchange during the period under review.

PARTICULARS OF EMPLOYEES

The statement containing particulars of employees as required under section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable to the Company.

STATEMENT OF ASSOCIATION

Kutch Railway Company Limited is a joint venture special purpose vehicle of Rail Vikas Nigam Limited, Adani Ports & SEZ Limited, Deendayal Port Authority and Government of Gujarat. Their shareholding is as 50%, 20%, 26% and 4% respectively of the paid-up share capital of the Company.

ADEQUACY OF INTERNAL FINANCIAL CONTROL WITH REFERENCE TO FINANCIAL STATEMENT

The Company has in place adequate internal financial controls with reference to financial Statement during the year under review, such controls were tested and no reportable material weakness in the design or operation were observed.

ACKNOWLEDGEMENT

Your Directors place on record their appreciation of the assistance, active support and guidance received from Ministry of Railways, Western Railways Head office at Mumbai & its Ahmedabad Division, Rail Vikas Nigam Limited, Government of Gujarat, Deendayal Port Authority and Adani Ports and SEZ Limited. Your directors also acknowledge the valuable co-operation and support from Punjab National Bank with whom the Company had dealing. Your Directors also acknowledge their deep appreciation for the unstinted support and contribution made by the management and employees in the working of the Company to achieve the performance during the year under review and the Board look forward to the same in the time ahead.

For and on behalf of the Board of Directors

Sd/-

Sd/-

(R. K. Yadav)

Ajit Singh

Managing Director

Director

DIN : 11055654

DIN 8076926

Place: New Delhi

Date : 18th August, 2025

ANNEXURE A
Annexure to Director's Report 2024.25...

S. No.	Ref. No. of Audit Report	Extracts from Auditors' Report 2024-25	Management reply
1.	Main Audit Report	As explained in Note 44 of the Financial Statements, the project of Gauge Conversion work completed by Western Railway in earlier years had been duly capitalized under different heads of Property, Plant and Equipment and intangible assets on the basis of advices received from Western Railway on year-to-year basis which is subject to verification and reconciliation with Western Railway. Overall impact of the matter and the consequential effects on Statement of Profit and Loss and Other Comprehensive Income for the year ended 31st March, 2025, Retained Earnings as at 31st March, 2025 and on Property, Plant and Equipment and intangible assets as at 31st March, 2025 are not ascertainable and cannot be commented upon.	Based on the advices by the western railway, Company has capitalized the expenditure under different heads of Property, Plant and Equipment and Intangible Assets. The treatment was done on the basis of the principle of prudence in order to show true & fair vie of the accounts. As per letter dt. 14.08.2020 received from the Western Railway (WR), intimating about deletion on GC Project assets amounting Rs. 60,38,016/- during FY 2019-20. The Company had also supplied material to WR amounting to Rs. 11997.00 lakhs during Gauge Conversion (GC) Project and balance to WR amounting to Rs. 442.18 lakhs is outstanding as on 31.03.2025.
2.	Main Audit Report	As explained in Note 44 of the Financial Statements, in earlier years, the Company had supplied material to Western Railway to the tune of Rs.11,997.00 Lakhs for completion of project of Gauge Conversion work which was capitalized under other intangible assets. The amount is subject to verification and reconciliation with Western Railway. Overall impact of the matter and the consequential effects on Statement of Profit and Loss and Other Comprehensive Income for the year ended 31 st March, 2025, Retained Earnings as at 31st March, 2025 and on trade payables as at 31st March, 2025 are not ascertainable and cannot be commented upon	During the financial year 2024-25, in its 107th Board Meeting, of Kutch railway Company Limited (KRCL) reviewed an outstanding amount of ₹ 442.18 lakhs, recorded as payable to WR as on 31st March 2024, pertaining to the GC project initiated in 2006. The Board noted that no demand for the said amount has been raised by WR over the years, and a written communication from the Chief Engineer, WR confirms that no dues are pending from KRCL with respect to the said project. In light of this, and based on the Board's deliberations, it was resolved to write off the outstanding amount of Rs. 442.18 lakhs during the current financial year. The said write-off has accordingly been accounted for in the financial statements for the year ended 31st March 2025. With regard to finalization of construction accounts, the matter has been raised at various administrative levels in Western Railway and the matter is being further pursued.
3.	Main Audit Report	As explained in Note No. 5 of the Financial Statements, the capitalization during the year of Rs. 16,091.62 Lakhs in the other intangible assets "Freight Sharing Right" are accounted for in the year of advice by RVNL/western railway and accounted with the value as advised by executing agency, based on the	Major portion of the capitalisation includes doubling & railway electrification projects which are done based on the completion & commissioning certificates issued by Commissioner of Railway Safety (CRS)/ Western Zone. As per IND AS, Assets is to be capitalised when it is available for use. Accordingly, company has rightly capitalised the



S. No.	Ref. No. of Audit Report	Extracts from Auditors' Report	Management reply
		estimated project expenditure. It constitutes a departure from the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 which requires capitalization of actual expenditure when the freight sharing right is received i.e. the asset is ready to use. Overall impact of the matter and the consequential effects on Statement of Profit and Loss and Other Comprehensive Income for the year ended 31st March, 2025, Retained Earnings as at 31st March, 2025 and on other intangible assets as at 31st March, 2025 are not ascertainable and cannot be commented upon.	Assets & there is no departure of IND As under section 133 of the Companies.
4.	Main Audit Report	As explained in Note No. 39 of the Financial Statements, Receivables including advances to Western railways and/or RVNL, payables to Western railways and/or RVNL and the project balances with Western Railways reflected under intangible assets under development are subject to confirmation, reconciliation and consequential adjustments. Overall impact of the matter and the consequential effects on Statement of Profit and Loss and Other Comprehensive Income for the year ended 31st March, 2025, Retained Earnings as at 31st March, 2025, on trade receivables as at 31st March, 2025, other non-current assets as at 31st March, 2025, on trade payables as at 31st March, 2025, on other current financial liabilities as at 31st March, 2025, and Intangible Assets Under Development as at 31st March, 2025 are not ascertainable and cannot be commented upon.	Recently Sr. DFM/ W. Rly/Ahmedabad vide letter dated 25.06.2025 has furnished the Reconciliation details of advances deposited & its utilization towards various works being executed by W. Rly. on KRCL project line. Western Railway is gradually providing all the expenditure details from time. KRCL is in process of obtaining all the actual details & "Completion Certificates" of executed works as per funds deposited by the company. KRCL is carrying out regular follow ups & reconciliation meetings with Engg., S&T, Accounts and Electrical dept. of Western Railway.
5.	Main Audit Report	As explained in Note No. 52 of the Financial Statements, expenses incurred by Rail Vikas Nigam Limited on behalf of the Company on Samakhiali-Palanpur doubling projects are being accounted for based on advice of Rail Vikas Nigam Limited without verification thereof for the year ending 31st March 2025. Any discrepancies pointed out by consultant on verification of the same will be subject to confirmation from Rail Vikas Nigam	KRCL is carrying out regular follow up & is vigorously chasing towards discrepancies being pointed out. In this regard, company has written two letters to CMD/RVNL and Director/ Finance/RVNL dated 08.04.2024 and 08.07.2024 respectively followed by letters dated 9 th May 2025 to Director (Finance) / RVNL and letter dated 7 th August 2025 to Director (Operations)/ RVNL,

S. No.	Ref. No. of Audit Report	Extracts from Auditors' Report	Management reply
		Limited and adjustment in Books accordingly. Overall impact of the matter and the consequential effects on Statement of Profit and Loss and Other Comprehensive Income for the year ended 31 st March, 2025, Retained Earnings as at 31 st March, 2025, on trade payables as at 31 st March, 2025 and other intangible assets under development as at 31 st March, 2025 are not ascertainable and cannot be commented upon.	for providing details of all expenditures incurred including bills/ invoices to KRCL. Subsequently, Director (Finance)/RVNL has directed to its department for providing pending invoices & supporting documents to KRCL at the earliest. The same will be available on receipt of record from RVNL
6.	Main Audit Report	As explained in Note No. 22 of the Financial Statements, The Company has not accounted for the inventory of scrap available with Western Railway in the absence of details of quantity and value from western railway. Further, the Company has recognised amount of Rs.1,004.78 lakh during the year from sale of scrap on the basis of advice received from western railway but no details are provided with advice regarding period, quantity and value. Overall impact of the matter and the consequential effects on Statement of Profit and Loss and Other Comprehensive Income for the year ended 31 st March, 2025, Retained Earnings as at 31 st March, 2025 and on Inventory as at 31 st March, 2025 are not ascertainable and cannot be commented upon.	During the year 2024-25, an amount of Rs.1,004.78 lakh has been recognized as income from scrap sale based on the advice received from Western Railway (WR). However, it is respectfully submitted that the advice received from WR did not include specific details such as the period to which the scrap sale pertains, quantity sold, or valuation methodology adopted. Accordingly, the Company has disclosed the scrap income of Rs. 1,004.78 lakh to the extent of information made available by WR. Inventory of scrap as on 31 st March 2025 is not maintained or reported to the Company separately by WR, and hence, is not available for disclosure/accounting.
7.	Main Audit Report	As explained in Note No. 23.1 of the Financial Statements, the Company has recognized the operational and maintenance cost as the provisional figures advised by the western railways for the share of operational and maintenance cost due to the Company from the operations of the goods train. Operation & Maintenance cost of earlier years in respect of operation of goods trains are accounted for in the year of advice of provisional figure by the Western railway. Further as explained in Note 28 of the Financial Statements, during the F.Y 2024-25, western railway has refunded excess indirect cost of Rs. 2,902.94 Lakhs charged during the FY	The Operation & Maintenance Cost of the company is recognized as per the provisional figures advised by Western Railways for the share of Operation & Maintenance Cost due to the company from the operations of goods trains. Operation & Maintenance Cost of earlier years in respect of operation of goods trains are accounted for in the year of advice of provisional figures by the Western railway. Operation & Maintenance Cost of earlier years is accounted in the year of the advice by the Western railways as per the requirement of the Ind AS-8, since information about the cost was not available at the time of the approval of the financial statements of the previous periods.



S. No.	Ref. No. of Audit Report	Extracts from Auditors' Report	Management reply
		2022-23 and FY2023-24. This refund of excess indirect cost by Western Railway has been recognised as exceptional item in the statement of Profit & Loss. In our opinion, it constitutes a departure from the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 which requires recognition on income and expenses on accrual basis. Overall impact of the matter and the consequential effects on Statement of Profit and Loss and Other Comprehensive Income for the year ended 31st March, 2025, Retained Earnings as at 31st March, 2025 and on trade payables as at 31st March, 2025 are not ascertainable and cannot be commented upon.	
8.	Main Audit Report	As explained in Note No. 21.2 of the Financial Statements, the company has recognized the "Income from bulk and container traffic" amounting to Rs. 1,13,234.77 Lakhs as per the provisional figures advised by Western Railways for the share of revenue due to the company from the operations of goods trains. Operation revenue of earlier years in respect of operation of goods trains is accounted for in the year of advice of provisional figure by the Western railway. It constitutes a departure from the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 which requires recognition on income and expenses on accrual basis. Overall impact of the matter and the consequential effects on Statement of Profit and Loss and Other Comprehensive Income for the year ended 31st March, 2025, Retained Earnings as at 31st March, 2025 and on trade payables/receivables as at 31st March, 2025 are not ascertainable and cannot be commented upon.	The operating income of the company is recognized as per the provisional figures advised by Western Railways for the share of revenue due to the company from the operations of goods trains. Operating revenue of earlier years in respect of operation of goods trains are accounted for in the year of advice of provisional figures by the Western railway. Operating revenue of earlier years is accounted in the year of the advice by the Western railways as per the requirement of the Ind AS-8, since information about the revenue was not available at the time of the approval of the financial statements of the previous periods.
9.	Main Audit Report	We draw attention to Note 21.1 of the financial statements. The Company has recognized operating income (Construction Contract Revenue under SCA) of Rs. 20,210.79 Lakhs in the current year based on provisional figures advised by Western Railways. The amount so calculated and recognized as revenue is on an adhoc basis and, in our opinion, this is not in accordance with the accrual basis of accounting as required by the Companies Act, 2013, and the revenue recognition principles prescribed under Ind AS 115. The impact of	In accordance with Paragraph 13 of Appendix D to Ind AS 115, the standard mandates: "The operator shall recognise and measure revenue in accordance with Ind AS 115 for the services it performs. The nature of the consideration determines its subsequent accounting. If the operator provides construction or upgrade services, the consideration received or receivable by the operator is recognised in accordance with Ind AS 115."

S. No.	Ref. No. of Audit Report	Extracts from Auditors' Report	Management reply
		this departure on the financial results of current and prior periods has not been determined.	Accordingly, The Company is performing construction services during the project execution phase.- Even though the consideration is not in cash, the right to charge users is a measurable and valuable intangible asset. - Revenue is therefore recognized under Ind AS 115, as the construction services are performed. • The fair value of construction services is recognized as construction revenue under Ind AS 115. • An equal amount is capitalized as an intangible asset representing the right to collect user fees. • Costs related to construction are recognized as construction expenses in the statement of profit and loss. Since the Company is assuming no markup in the construction services, total amount capitalized has been recorded in the Construction Revenue as well as in the Construction Cost. Since Both Revenue and cost are recorded of the same amount there is no impact of the same on the overall profit and loss account.
10.	Main Audit Report	As explained in Note No. 49 of the Ind AS Financial statements on obligation to restore project assets to specified level of serviceability. In terms of Concession agreement, there is an obligation on the Company to keep the project assets in working condition, including making replacement, as per laid down standards of MOR, of all project assets whose codal lives expire during the concession period. Accordingly, Company is required to provide for in respect of replacement obligations arising during the remaining concession period as per requirement of Appendix - C of the Ind AS 115 for best estimate of expenditure required to settle obligation. However, the company has not estimated and provided for the aforesaid obligation in the IND AS Financial statements. In the absence of information, we are unable to ascertain the impact of the above on the IND AS on the financial statements of the company.	In terms of Concession agreement, there is an obligation on the Company to keep the project assets in working condition, including replacement, as per laid down standards of MOR, for project assets, whose codal lives expire during the concession period. Accordingly, Company is required to provide for, in respect of replacement obligations arising during the remaining concession period as per requirement of the Ind AS 115 for best estimate of expenditure required to settle obligation. Company has make an assessment in respect of its project assets and their respective codal lives. Assets items like rails, sleepers, foundation, bridges and buildings, station buildings have longer lives and most of it would be having remaining codal lives at the end of concession period. The replacement of these are planned on the basis of the condition assessed by the Railways. Company has received a Cost estimate of CTR work amounting to Rs 376.87 crores from the railways, however details about year wise expenses to be incurred



S. No.	Ref. No. of Audit Report	Extracts from Auditors' Report	Management reply
			is not available as on 31st March 2025, therefore provision for same is not provided in financial statements. Company is following with the Western railway for getting estimated cost and the period over for CTR activities and accordingly on the basis of data availability will provide the necessary provisions while finalizing the accounts in the Subsequent financial year. Company has also disclosed these facts in the Note 49 of the financial Statements.
11.	Main Audit Report	As explained in Note No. 40 (iii) of the Ind AS Financial statements that the company has not accepted the interest charged by RVNL after Sep 2023, accordingly interest of amounting Rs. 4537.28 Lakhs under the Project of doubling of Palanpur – Samakhali Section and interest of amounting Rs. 1641.15 Lakhs under Project of electrification of Palanpur – Samakhali Section has not been provided in the financial statements till FY 2024-25. However, Since the demand of interest by RVNL is based on the agreement. In our opinion, the same should be provided for in Statement of profit & loss. Further, during the FY 2023-24, the company has recognised interest expense of Rs. 2157.97 lakhs on the subject matter. Overall impact of the matter and the consequential effects on Statement of Profit and Loss and Other Comprehensive Income for the year ended 31st March, 2025, Retained Earnings as at 31st March, 2025 and on other current liabilities as at 31st March, 2025 are not ascertainable and cannot be commented upon. Additionally, it is noted that the company has not deducted TDS under Chapter XVII-B of the Income Tax Act, 1961, with respect to this interest and the actual impact of the same on the financial statement for the year ended March 31st, 2025 has not been ascertained and quantified.	The company has not provided for the Provision for interest in the current financial statements because of the following uncertainty relating with the transaction. 1. Board of director in the 106th meeting convened on the date 23rd August 2024 and subsequent meeting held Thereafter is of the view that Interest levy by the RVNL for delayed in payment (i) should not be beyond the original estimated cost. (ii) should not be made on the basis of RVNL demand of funds, but reconciled position. Board of Director was also of the view that interest should not be charged till the revised estimate is sanctioned by the board and 2 years has been passed for arranging the funds. 2. In calculating interest amount RVNL has not adjusted advance amounting to Rs. 1,175.62 Lakhs under the doubling the project and amounting to Rs. 265.96 Lakhs under the electrification project in their books as on 31st March 2025. In the view of above Justification management is of the view that the interest amounting to Rs. 1,17,68.51 lakhs levy by the RVNL does not contain a valid charge against company, although company has disclosed the fact in the note 40(iii) in the contingent liability in the current financial statements because of uncertainty relating to the amount of interest.

FORM No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2025

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

To,
The Members,
KUTCH RAILWAY COMPANY LIMITED
SUIT NO. 15-22, 2nd FLOOR, INDRA PALACE, H BLOCK,
CONNAUGHT CIRCUS, NEW DELHI-110001
CIN :- U45202DL2004PLC124267

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by KUTCH RAILWAY COMPANY LIMITED (**hereinafter called the Company**). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit and the representations made by the Company, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2025 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by company for the financial year ended on 31st March, 2025 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made there under;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; (**Not Applicable**)
- III. The Depositories Act, 1996 and the regulations and bye-laws framed there under; (**Applicable**)
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment. (**Not Applicable**)
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (**Not Applicable**)
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (**Not Applicable**)
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (**Not Applicable**)
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (**Not Applicable**)
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (**Not Applicable**)
 - e. The Securities and Exchange Board of India (Issue and Listing of Non Convertible Securities) Regulations, 2008; (**Not Applicable**)
 - f. The Securities and Exchange Board of India (Registrar to an issue and share transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (**Not Applicable**)
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (**Not Applicable**) and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (**Not Applicable**)
 - i. SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. (**Not Applicable**)
- VI. Other laws as are and to the extent applicable to the Company as per the Management representations made by the Company.
 - (i) The Employees Provident Funds and Miscellaneous Provision Act, 1952
 - (ii) Insurance Act, 1938
 - (iii) Registration Act 1908
 - (iv) Indian Stamp Act, 1899



Kutch Railway Company Limited

CIN: U45202DL2004PLC124267

(v) Applicable Local/ Municipal laws

The Company has complied the Secretarial Standards (SS-1 and SS-2 regarding Board and General Meetings) issued by The Institute of Company Secretaries of India and notified by the Ministry of Corporate Affairs during the financial Year under review.

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

1. *During the course of our audit, it was observed that the Company had not complied with the provisions of Section 149(1) of the Companies Act, 2013 read with Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014, which mandates the appointment of at least one woman director on the Board of unlisted public companies:*

- *Having paid-up share capital of Rs. 100 crore or more, or*
- *Having a turnover of Rs. 300 crore or more (as on the last date of the latest audited financial statements) Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014. Intermittent vacancy of a woman director shall be filled up:*

At the earliest, but not later than:

- *three months from the date of such vacancy, or*
- *the next Board meeting, whichever is later.*

The previous woman director, Smt. Seema Kumar, ceased to hold office upon withdrawal of her nomination on June 8, 2023. However, the Company had appointed a new woman director on September 20, 2024. This indicates a non-compliance period of nearly 15 months, during which the Company did not have a woman director on its Board, contrary to the statutory requirements.

The Company has therefore not complied with the aforesaid provisions within the prescribed time frame.

2. In the financial year 2023-24, the Company made an allotment of equity shares to one of its existing shareholders, i.e., the Government of Gujarat. However, as the said shareholder had not opened a demat account during the financial year 2024-25, the shares could not be credited in dematerialized form and are currently being held in abeyance by the Company. Section 29 of the Companies Act, 2013 and Rule 9A of the Companies (Prospectus and Allotment of Securities) Rules, 2014 mandate that securities issued by public companies (including unlisted public companies) must be in dematerialized form.

3. Few Forms are required to be filed under Companies Act, 2013 were filed after the period prescribed under the Act ; This should be reported as compliance by reference of payment of additional fees.

We further report that:

The Board of Directors of the Company is duly constituted.

The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board/Committee Meetings, agenda and detailed notes on agenda were send in advance to the directors for holding the Board Meetings during the year, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

The Board, Committee and Shareholders Meetings were conducted through Video Conferencing and Company has complied the provisions of the Act and General Circulars issued by the Ministry of Corporate Affairs regarding conducting these Meetings through Video conferencing Mode.

We further report there are adequate systems and processes in the company commensurable with the size and operations of the company to monitor and ensure compliances with applicable laws, rules and regulations.

As per the minutes of the meeting duly recorded and signed by the chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

We further report that during the Audit period, following are specific events/ actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards taken place. This Report is to be read with our letter of even date which is annexed as '**Annexure A**' and Forms an integral part of this report.

PLACE : NEW DELHI

DATED : 18.08.2025

UDIN : F005740G001037914

FOR VINOD KUMAR & CO.
COMPANY SECRETARIES

Sd/-
CS VINOD KUMAR ANEJA
(CP 5740 FCS 5740)

'Annexure A'

To,
The Members,
KUTCH RAILWAY COMPANY LIMITED
SUIT NO. 15-22, 2ND FLOOR, INDRA PALACE,
H BLOCK, CONNAUGHT CIRCUS
NEW DELHI- 110001

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. We further report, that the compliance by the company of applicable financial laws like Direct and Indirect tax laws has not been reviewed in this Audit since the same have been subject to review by statutory audit and other designated professionals.
5. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
6. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
7. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

PLACE : NEW DELHI
DATED : 18.08.2025
UDIN : F005740G001037914

FOR VINOD KUMAR & CO.
COMPANY SECRETARIES

Sd/-
CS VINOD KUMAR ANEJA
(CP 5740 FCS 5740)



ANNUAL REPORT ON CSR ACTIVITIES (2024-25)

[Pursuant to section 135 of the Companies Act, 2013 (the Act) & Rules made thereunder]

1. Brief outline on CSR Policy of the Company

The company is committed to improving the quality of the lives of the people in the community it serves through long term stakeholder value creation. It pledges to remain a responsible corporate entity mindful of its social responsibilities to all stakeholders, with aim and object to fight, hunger, poverty and malnutrition, promote education, health care, gender equality, rural development and sanitation etc. as embodied in Schedule VII of the Companies Act 2013. The company has framed a CSR Policy in compliance with the provisions of the Act, which is available on the Company's website and the weblink for the same is provided in this report.

2. Composition of CSR Committee

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Shri Ram Karan Yadav	Managing Director	1	1
2.	Shri Ajit Singh	Director	1	1
3.	Shri Shaliendra Kumar	Director	1	1

3. Provide the web link where composition of CSR committee, CSR Policy and CSR projects Approved by the board are disclosed on the Website of the company.

www.kutchrail.org

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

In terms of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, the requirement of conducting an impact assessment of its CSR Projects is not applicable to the Company.

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

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs.)	Amount required to be set off for the financial year, if any (in Rs.)
N.A.			

6. Average net profit of the Company as per section 135(5): Rs. 9917.49 Lakhs

7. a) Two percent of average net profit of the company as Per section 135(5): Rs. 198.15 Lakhs

b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years- **N.A.**

c) Amount required to be set off for the financial year, if any – **Rs. 1.30 Lakhs**

d) Total CSR obligation for the financial year (7a+7b-7c): **Rs. 197.05 Lakhs (Current Year)**

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (In Rs. in lakhs)	Amount Unspent (in Rs. in lakhs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
37.25	169.805	29.04.2024	NA	NA	NA

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Sl. No.	Name of the project	Item from the list of activities is Schedule VII to the Act	Local are (Yes/ No)	Location of the project	Project duration	Amt. allocated for the project (Rs. In Lakhs)	Amt. spent in the current FY year (Rs. In Lakhs)	Amount transferred to Unspent CSR Account as per Section 135(6) (Rs. In Lakhs)	Mode of implementation Direct (Yes/ No)	Mode of implementation Through Implementing Agency
				State Dist.						Name CSR Regn. No.
1.	Establishment of Computer Centre	Education	No	Gujarat Rajkot		32.30	19.38	12.02		SRKA 00001004
2.	Establishment of "Mini Science Centre (MSC)"	Health	Yes	Gujarat Banas-kantha	14Months	10.85	5.85	5.0		SAM 00000687
3.	Establishment of "Mini Science Centre (MSC)"	Health	Yes	Gujarat Adesar	12 Months	26.25	7.87	18.38		RF 00020137
4.	Construction of Vocational Training Centre	Health	Yes	Gujarat Adipur	12 Months after signing of MOU	127.65	0.00	127.65		RM 00001004
						197.05	33.10	163.95		

SRKA : Shri Ramakrishna Ashram, Rajkot

SAM : Sambhanana

RF : Rise Foundation

RM : Ramakrishna Math, Adipur

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No)	Location of the project.	Amount spent for the project (In Rs. In lakhs)	Mode of implementation Direct (Yes/No)	Mode of implementation Through implementing agency
				State District			Name CSR registration number
				NIL			

(d) Amount spent in administrative overheads: **NIL**

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

(f) Total amount spent for the financial year (8b+8c+8d+8e) **Rs. 33.10 Lakhs**

(g) Excess amount for setoff, if any: **NA**



Kutch Railway Company Limited

CIN: U45202DL2004PLC124267

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

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR account under section 135 (6) (₹ in lakh)	Amount spent in the reporting Financial Year (₹ In Lakhs)	Amount Transferred to any fund specified under Schedule VII as per section 135 (6),if any			Amount remaining to be spent in succeeding financial years (₹ in lakh)
				Name of the Fund	Amount (₹ in lakh)	Date of Transfer	
2.	2021-22	296.33	67.38	-	-	-	5.32
3.	2022-23	205.78	132.67	-	-	-	73.11
1.	2023-24	307.43	201.17	-	-	-	106.26

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

(1) Sl. No.	(2) Project	(3) Name of the Project	(4) Financial Year in which the project was commenced	(5) Project duration	(6) Total amount allocated for the project (Rs. In Lakhs)	(7) Amt. spent on the project in the reporting FY Year (Rs. In Lakhs)	(8) Cumulative amt. spent at the end of reporting FY Year (Rs. In Lakhs)	(9) Status of the project --Completed /Ongoing
1.	Mobile Medical Van	Promotion of Health, Bhuj	2021-22	12 Months	43.92	5.32	43.92	Completed
2.	Mobile Medical Van	Promotion of Health, Bhuj	2022-23	12 Months	22.42	17.00	17.00	Ongoing
3.	Mobile Medical Van	Promotion of Health, Bhuj	2023-24	12 Months	22.42	0.00	22.42	Ongoing
4.	Mobile Medical Van	Promotion of Health, Rajkot	2022-23	12 months	22.92	9.90	22.92	Completed
5.	Mobile Medical Van	Promotion of Health, Rajkot	2023-24	12 Months	22.92	12.42	10.50	Ongoing
6.	Mobile Medical Van	Promotion of Health, Adipur	2022-23	12 Months	20.70	8.10	20.70	Completed
7.	Mobile Medical Van	Promotion of Health, Adipur	2023-24	12 Months	20.70	16.20	16.20	Ongoing
8.	Mobile Medical Van	Promotion of Health, Ahmedabad	2022-23	12 Months	22.92	17.94	22.92	Completed
9.	Mobile Medical Van	Promotion of Health, Ahmedabad	2023-24	12 Months	22.92	4.38	18.54	Ongoing
10.	Setting up Mini Science Centre (Seva Sehyog)	Promoting Education	2022-23	12 Months	24.06	0.00	21.66	Completed (completion certificate awaited)
11.	Women Health Menstrual Hygiene	Health	2022-23	6 months	23.48	0.00	23.48	Completed
12.	Augmenting School Infrastructure	Promotion of Education	2022-23	5 Months	32.63	19.58	32.63	Completed
13.	Spring Sanctuary	Environment	2022-23	8 Months	54.19	5.42	54.19	Completed
14.	Construction of Public Toilet	Preventive Health Care	2022-23	Based on NOC from Local body	1.90	0.00	1.90	Ongoing
15.	Women Health & Menstrual Hygiene	Health	2022-23	5 months	26.69	5.48	24.66	Completed (Completion certificate awaited)

16.	'SASHAKT RAMANI' Nurturing female wellness	Health	2023-24	12 Months	32.68	26.15	29.417	Completed (Completion certificate is awaited)
17.	Installation of Solar Based water purification systems in 10 Govt. Schools	Health	2023-24	12 months	64.43	57.99	61.21	Completed (Completion certificate is awaited)
18.	Educational Infrastructure in Govt. Schools	Education	2023-24	12 months	58.45	40.92	17.53	Completed (Completion certificate is awaited)

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: NIL

- Date of Creation or acquisition of the capital asset(s): NIL
- Amount of CSR spent for creation or acquisition of capital asset: NIL
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: NIL
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital: NIL

11. Specify the reason(s), if the company has failed to spend two Percent of the average net profit as per Section 135(5):

- Taking into account the commitments made by the Company for the ongoing projects/ programs which are in progress and considering the project mode of CSR activity where the projects can extend beyond the financial year, there is no short fall in the CSR expenditure mandated to be spent by the Company during the financial year ended 31st March 2025.
- As per the provisions of Section 135(6) of the Companies Act, 2013 ("the Act") any amount remaining unspent under Section 135(5) of the Act, pursuant to any ongoing project shall be transferred by the Company within a period of 30 days from the end of the financial year to a separate account to be opened by the Company. Accordingly, such amount has been transferred by the Company to the specified account so opened within the prescribed period. As per the MCA circular dated 25th August 2021, this amounts to meeting of the obligation and due compliance under section 135 of the Act and hence there is no shortfall of spends

Date: 18th August, 2025
Place: New Delhi

Sd/-
Gyanendra Kr. Srivastava
Chief Financial Officer

Sd/-
R. K. Yadav
Managing Director



INDEPENDENT AUDITOR'S REPORT (Revised)

This revised Independent Auditor's Report is being issued in supersession of our earlier Independent Auditors report dated 18th August 2025. Revised report is being issued in view of the observation pointed out by C & AG of India in our earlier report. Further, we confirm that there is no change in the opinion as expressed earlier and also none of the figures have undergone any change in the standalone financial statements of the company as at 31st March 2025.

To the Members of

Kutch Railway Company Limited

Report on the audit of the Financial Statements

Qualified Opinion

We have audited the accompanying Financial Statements of M/s Kutch Railway Company Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2025, the Statement of Profit and Loss (including other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including a summary of the material accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements"). In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2025, its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

1. As explained in Note 44 of the Financial Statements, the project of Gauge Conversion work completed by Western Railway in earlier years had been duly capitalized under different heads of Property, Plant and Equipment and intangible assets on the basis of advices received from Western Railway on year-to-year basis which is subject to verification and reconciliation with Western Railway. Overall impact of the matter and the consequential effects on Statement of Profit and Loss and Other Comprehensive Income for the year ended 31st March, 2025, Retained Earnings as at 31st March, 2025 and on Property, Plant and Equipment and

intangible assets as at 31st March, 2025 are not ascertainable and cannot be commented upon.

2. As explained in Note 44 of the Financial Statements, in earlier years, the Company had supplied material to Western Railway to the tune of Rs.11,997.00 Lakhs for completion of project of Gauge Conversion work which was capitalized under other intangible assets. The amount is subject to verification and reconciliation with Western Railway. Overall impact of the matter and the consequential effects on Statement of Profit and Loss and Other Comprehensive Income for the year ended 31st March, 2025, Retained Earnings as at 31st March, 2025 and on trade payables as at 31st March, 2025 are not ascertainable and cannot be commented upon.
3. As explained in Note No. 5 of the Financial Statements, the capitalization during the year of Rs. 16,091.62 Lakhs in the other intangible assets "Freight Sharing Right" are accounted for in the year of advice by RVNL/Western railway and accounted with the value as advised by executing agency, based on the estimated project expenditure. It constitutes a departure from the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 which requires capitalization of actual expenditure when the freight sharing right is received i.e. the asset is ready to use. Overall impact of the matter and the consequential effects on Statement of Profit and Loss and Other Comprehensive Income for the year ended 31st March, 2025, Retained Earnings as at 31st March, 2025 and on other intangible assets as at 31st March, 2025 are not ascertainable and cannot be commented upon.
4. As explained in Note No. 39 of the Financial Statements, Receivables including advances to Western railways and/or RVNL, payables to Western railways and/or RVNL and the project balances with Western Railways reflected under intangible assets under development are subject to confirmation, reconciliation and consequential adjustments. Overall impact of the matter and the consequential effects on Statement of Profit and Loss and Other Comprehensive Income for the year ended 31st March, 2025, Retained Earnings as at 31st March, 2025, on trade receivables as at 31st March, 2025, other non-current assets as at 31st March, 2025, on trade payables as at 31st March, 2025, on other current financial liabilities as at 31st March, 2025, and Intangible Assets Under Development as at 31st March, 2025 are not ascertainable and cannot be commented upon.

5. As explained in Note No. 52 of the Financial Statements, expenses incurred by Rail Vikas Nigam Limited on behalf of the Company on Samakhiali-Palanpur doubling and electrification projects are being accounted for based on advice of Rail Vikas Nigam Limited without verification thereof for the year ending 31st March 2025. Any discrepancies pointed out by consultant on verification of the same will be subject to confirmation from Rail Vikas Nigam Limited and adjustment in Books accordingly. Overall impact of the matter and the consequential effects on Statement of Profit and Loss and Other Comprehensive Income for the year ended 31st March, 2025, Retained Earnings as at 31st March, 2025, on trade payables as at 31st March, 2025 and other intangible assets under development as at 31st March, 2025 are not ascertainable and cannot be commented upon.
6. As explained in Note No. 22 of the Financial Statements, The Company has not accounted for the inventory of scrap available with Western Railway in the absence of details of quantity and value from western railway. Further, the Company has recognised amount of Rs.1,004.78 lakh during the year from sale of scrap on the basis of advice received from western railway but no details are provided with advice regarding period, quantity and value. Overall impact of the matter and the consequential effects on Statement of Profit and Loss and Other Comprehensive Income for the year ended 31st March, 2025, Retained Earnings as at 31st March, 2025 and on Inventory as at 31st March, 2025 are not ascertainable and cannot be commented upon.
7. As explained in Note No. 23.1 of the Financial Statements, the Company has recognized the operational and maintenance cost as the provisional figures advised by the western railways for the share of operational and maintenance cost due to the Company from the operations of the goods train. Operation & Maintenance cost of earlier years in respect of operation of goods trains are accounted for in the year of advice of provisional figure by the Western railway. Further as explained in Note 28 of the Financial Statements, during the F.Y 2024-25, western railway has refunded excess indirect cost of Rs. 2,902.94 Lakhs charged during the FY 2022-23 and FY2023-24. This refund of excess indirect cost by Western Railway has been recognised as exceptional item in the statement of Profit & Loss. In our opinion, it constitutes a departure from the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 which requires recognition on income and expenses on accrual basis. Overall impact of the matter and the consequential effects on Statement of Profit and Loss and Other Comprehensive Income for the year ended 31st March, 2025, Retained Earnings as at 31st March, 2025 and on trade payables as at 31st March, 2025 are not ascertainable and cannot be commented upon.
8. As explained in Note No. 21.2 of the Financial Statements, the company has recognized the "Income from bulk and container traffic" amounting to Rs. 1,13,234.77 Lakhs as per the provisional figures advised by Western Railways for the share of revenue due to the company from the operations of goods trains. Operation revenue of earlier years in respect of operation of goods trains is accounted for in the year of advice of provisional figure by the Western railway. It constitutes a departure from the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 which requires recognition on income and expenses on accrual basis. Overall impact of the matter and the consequential effects on Statement of Profit and Loss and Other Comprehensive Income for the year ended 31st March, 2025, Retained Earnings as at 31st March, 2025 and on trade payables/receivables as at 31st March, 2025 are not ascertainable and cannot be commented upon.
9. We draw attention to Note 21.1 of the financial statements. The Company has recognized operating income (Construction Contract Revenue under SCA) of Rs. 20,210.79 Lakhs in the current year based on provisional figures advised by Western Railways. The amount so calculated and recognized as revenue is on an adhoc basis and, in our opinion, this is not in accordance with the accrual basis of accounting as required by the Companies Act, 2013, and the revenue recognition principles prescribed under Ind AS 115. The impact of this departure on the financial results of current and prior periods has not been determined.
10. As explained in Note No. 49 of the Ind AS Financial statements on obligation to restore project assets to specified level of serviceability. In terms of Concession agreement, there is an obligation on the Company to keep the project assets in working condition, including making replacement, as per laid down standards of MOR, of all project assets whose codal lives expire during the concession period. Accordingly, Company is required to provide for in respect of replacement obligations arising during the remaining concession period as per requirement of Appendix - C of the Ind AS 115 for best estimate of expenditure required to settle obligation. However, the company has not estimated and provided for the aforesaid obligation in the IND AS Financial statements. In the absence of information, we are unable to ascertain the impact of the above on the IND AS on the financial statements of the company.



11. As explained in Note No. 40 (iii) of the Ind AS Financial statements that the company has not accepted the interest charged by RVNL after Sep 2023, accordingly interest of amounting . 4537.28 Lakhs under the Project of doubling of Palanpur – Samakhali Section and interest of amounting Rs . 1641.15 Lakhs under Project of electrification of Palanpur – Samakhali Section has not been provided in the financial statements till FY 2024-25. However, Since the demand of interest by RVNL is based on the agreement. In our opinion, the same should be provided for in Statement of profit & loss. Further, during the FY 2023-24, the company has recognised interest expense of Rs. 2157.97 lakhs on the subject matter. Overall impact of the matter and the consequential effects on Statement of Profit and Loss and Other Comprehensive Income for the year ended 31st March, 2025, Retained Earnings as at 31st March, 2025 and on other current liabilities as at 31st March, 2025 are not ascertainable and cannot be commented upon. Additionally, it is noted that the company has not deducted TDS under Chapter XVII-B of the Income Tax Act, 1961, with respect to this interest and the actual impact of the same on the financial statement for the year ended March 31st, 2025 has not been ascertained and quantified.

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

Emphasis of Matters

1. We draw attention to Note 40 (ii) of the Financial Statements, the department has communicated that the matter has been kept in abeyance in view of the appeal on the identical issue filed by the department before Hon'ble Supreme court therefore, which describes the demands and show cause notices raised by the Director General of Central Excise Intelligence and other departments on applicability of service tax. The Company has not made any provision for the said liabilities. Our opinion is not modified in respect of this matter.
2. We draw attention to Note 56 of the financial statements which describes that Western Railway has computed Company's share of apportioned earnings on the basis of 'carried route' instead of 'booked route' from F.Y.2013-14 and Western Railway has deducted amounts on the matter for the F.Ys. from 2010-11 to 2012-13. The Company estimates a liability of Rs. 2,550.00 lakhs which may arise in the subsequent years related to earlier financial years (from 2006-07 to 2008-09) as and when advised by the Western Railway. Pending company's dispute against this method of calculation of apportioned earnings at various levels in Railways, the Company has not provided for the liability in the books. Further, the company has not even recognised this liability as a contingent liability. Our opinion is not modified in respect of this matter.
3. We draw attention to Note 5.6 of the Financial Statements which states that the amount identified as incurred on passenger amenities for operating passenger trains is being capitalized in intangible assets over the years and will be adjusted in intangible assets in the year of certainty of recovery. Our opinion is not modified in respect of this matter.
4. We draw attention to Note 36(vi) of the Financial Statements which states that the lease arrangement falls within the scope of IndAS 116 – Leases. However, considering the nominal value of the annual lease rental and the insignificant present value of lease payments over the lease term, the Company has not recognised the lease liability or right-of-use asset in the books. This is in contradiction with the IND AS 116. But, considering the immaterial impact on the financial statements, our opinion is not modified in respect of this matter.
5. We draw attention to Note No. 5.8 and Note No 40(iv) of the Financial Statements, where the company has received the expenditure amounting of Rs 759.52 crores from the RVNL till 31st March 2025 in case of the electrification project of Palanpur – Samakhali Section, for which the estimated cost of the project is Rs. 755.00 crore. Company has not accepted the liability in excess of the estimated amount of the project cost. Our opinion is not modified in respect of this matter.
6. We draw attention to Note no. 6.4 of the Financial Statements, which discloses the Projects under Intangible Assets Under Development whose cost has exceeded its cost compared to its original plan. As on 31.03.2024, the company has disclosed such projects amounting to Rs. 9015.57 lakhs. However, the detailed bifurcation of such projects is not available with the management. Further, as on 31.03.2025 the company has disclosed such projects amounting to Rs. NIL.

Our opinion is not modified in respect of this matter.

Information other than the financial statements and auditor's report thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report, but does not include the Financial Statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report thereon.

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

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

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

Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless

the Board of Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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



or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in

- (i) planning the scope of our audit work and in evaluating the results of our work; and
- (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) Except for the effects of the matter described in the Basis for qualified opinion section, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, the statement of profit and loss (including other comprehensive income), the

statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

- d) Except for the effects of the matter described in the Basis for qualified opinion section and Emphasis of Matters, in our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2015".
 - e) On the basis of the written representations received from the directors as on 31 March 2025, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2025 from being appointed as a director in terms of section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 read with Schedule V of the Act; and
2. (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a) The Company has disclosed the impact of pending litigations as at 31st March 2025 on its financial position in its financial statements - Refer note no. 40 to the Financial Statements.
 - b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - d) (i) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in

any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (ii) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause d (i) and d (ii) above contain any material mis-statement.
- (e) The Company has not proposed, declared and paid any dividend during the year. Accordingly, reporting under rule 11(f) is not applicable to the company.
- (f) Based on our Examination, which included test check, the Company has used accounting software for maintaining its books of accounts for the financial year ended March 31st, 2025

which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, for the periods where audit trail (edit log) facility was enabled and operated throughout the year for the respective accounting software, we did not come across any instance of the audit trail feature being tampered with. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 01, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2025.

- 2. (C) We are enclosing our report in term of section 143(5) of the Act, on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, in the "Annexure C" on the directions issued by the Comptroller and Auditor General of India.

In view of the observation pointed out by C & AG of India, in our earlier report, the details of the revisions made to our Independent Audit report have been detailed in Annexure D.

For SPMG & COMPANY
(Chartered Accountants)
FRN No. 509249C

Sd/-

Aseem Raj Gupta
Partner
M. No. : - 550490

Place: New Delhi
Date: 17.09.2025
UDIN: 25550490BMIWFC7451



Annexure A to the Independent Auditors' Report on the financial statements of Kutch Railway Company Limited for the year ended 31st March 2025

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the Financial Statements for the year ended 31st March 2025, we report the following:

- (i)(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment. However, the identification numbers of property, plant and equipment are not mentioned.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its property, plant and equipment by which all property, plant and equipment are verified on annual basis. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. However, in our opinion, the physical verification report of property, plant and equipment provided by the management is not satisfactory. The Company is in the process of reconciling the difference with the books of accounts and therefore we are unable to comment on the discrepancies.
- (c) There is no immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued any of its property, plant and equipment (including right of use assets) or intangible assets or both during the year. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Register Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use Assets) or intangible Assets does not arise.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and rules made thereunder & therefore question of our commenting on whether the Company has appropriately disclosed the details in its standalone financial statement does not arise.
- (ii) (a) The Company has not accounted for the inventory of scrap available with Western Railway in the absence of details of quantity and value from western railway. Hence, we are unable to comment on the appropriateness of the coverage and procedure of physical verification, and discrepancies of 10% or more in the aggregate for all class of inventory.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year except as stated in sub-clause (B) below:
 - (a) A. Based on the audit procedures carried on by us and as per the information and explanations given to us, Company does not have any subsidiaries or associate. Hence, this clause is not
 - B. Based on the audit procedures carried on by us and as per the information and explanations given to us, the company has not granted loans/advances, provided security or stood guarantee or provide securities to parties other than subsidiaries except the following:

Particulars	Advances (in Lacs)
Aggregate amount granted/provided during the year:- to other parties (Employee Advances)	0.50
Balance outstanding as at balance sheet date: — to other parties (Employee Advances)	0.32

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the terms and conditions of the grant of loans/advances are, prima facie, not prejudicial to the interest of the Company. Further, the Company has not given any guarantee or security during the year.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans/advances given, the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans/advances given.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan given falling due during the year, which has been renewed or extended or fresh loans given to settle the overdue of existing loans given to the same party.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.
- (v) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) According to the information and explanations given to us, the Company is not required to maintain cost records which have been specified by the Central Government under sub-section (1) of Section 148 of Companies Act, 2013.
- (vii) (a) According to the records of the company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) According to information and explanations given to us and as per the books of accounts produced before us, there are no dues of goods and services tax, provident fund, employees' state insurance, income tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess, goods and service tax and other statutory dues which have not been deposited on account of any dispute, except the dispute of service tax as under :-



Name of Statute	Nature of dues	Disputed Amount	Forum where Dispute is pending	Period to which amount relates to
Service Tax	Service Tax on apportioned freight earning	21359Lakhs	Principle Commissioner of Service Tax, Delhi-I (against show cause notice) Matter Kept in abeyance (See note no, 40 (ii))	2009-10 to 2013-14
Service Tax	Service Tax on apportioned freight earning	8207 lakhs	Principle Commissioner of Service Tax, Delhi-I (against show cause notice)Matter Kept in abeyance (See note no, 40 (ii))	2014-15
Service Tax	Service Tax on apportioned freight earning	21166 Lakhs	Principle Commissioner of Service Tax, Delhi-I (against show cause notice)Matter Kept in abeyance (See note no, 40 (ii))	2015-16, 2016-17 and 2017-18 (Up to June 30, 2017)

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in the repayment of loans or borrowings or in the payment of interest thereon to any lender.
- b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- c. In our opinion and according to the information and explanations given to us by the management. The Company has utilized the monies raised by term Loans (secured Loan) for the purposes for which they were obtained.
- d. According to the information and explanations given to us and on an overall examination of the books of the Company, we report that the Company did not raise any funds for short term basis during the year hence, the requirement to report on clause (ix)(d) of the Order is not applicable to the Company.
- e. According to the information and explanations given to us and on an overall examination of the Financial Statements of the Company, we report that the Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.
- f. According to the information and explanations given to us and procedures performed by us, we report that the Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.
- X. a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- XI. a. Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in the Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit nor have we been informed of any such case by the management.

- b. According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c. As per information and explanation given by the management and/or audit committee there were no whistle blower complaints received by the Company during the year.
- XII. According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- XIII. In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the Financial Statements as required by the applicable Indian accounting standards.
- XIV. a. Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- b. We have considered the internal audit reports of the Company issued till 31st March 2025 furnished to us.
- XV. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- XVI. a. The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- b. The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (COR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- c. The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- d. According to the information and explanations provided to us during the course of audit, there are no other Companies part of the Group, hence, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- XVII. The Company has not incurred any cash losses in the current and in the immediately preceding financial year.
- XVIII. There has been no resignation of the Statutory Auditors of the Company during the year.
- XIX. According to the information and explanations given to us and on the basis of the financial ratios (also refer note 55 (xvii) to Financial Statements, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the Financial Statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) In respect of other than ongoing projects, the company has transferred unspent amount to a Fund Specified in Schedule VII to the Companies Act, 2013 within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act.
- (b) In respect of ongoing projects, the Company has transferred unspent amount to a special account, within a period of thirty days from end of the financial year in compliance with section 135 (6) of the Companies Act, 2013 as disclosed in note no 47 to the financial statements.

For SPMG & COMPANY
(Chartered Accountants)
FRN No. 509249C

Place: New Delhi
Date: 17.09.2025

UDIN: 25550490BMIWFC7451

Sd/-
Aseem Raj Gupta
Partner
M. No. : - 550490



Annexure B to the Independent Auditors' report on the financial statements of Kutch Railway Company Limited for the year ended 31st March 2025

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

We have audited the Internal Financial Controls with reference to Financial Statements of Kutch Railway Company Limited ("the Company") as of 31 March 2025 in conjunction with our audit of the Financial Statements of the Company as at and for the year ended on that date.

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to Financial Statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Financial Statements were established and maintained and whether such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to Financial Statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2025:

- As per The Operation and Management agreement executed between the company and Western Railway referring to para 3.1.4 part ii., a survey team for quarterly review was to be formed. No such committee has been formed till date.
- As per the Operation and Management Agreement executed between the Company and Western Railway referring to Para 6.3.2 Western Railway and the Company shall arrange to reconcile the details of traffic before the accounts for the month are closed. The same practice is not followed as reconciliation for income and expenses are pending for the year as income and expenses for previous years are booked during the year.
- No system / mechanism exists to ensure reconciliation of dues with western railways and RVNL as on 31st March 2025, procedure of obtaining balance confirmation at periodical interval needs to be reviewed and strengthened.

These weaknesses could potentially result in the Company recognizing revenue without establishing reasonable certainty of accuracy.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, to the best of our information and according to explanations given to us, except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has, in all material respects, adequate internal financial controls with reference to Financial Statements and such internal financial controls were operating effectively as at 31 March 2025, based on the internal financial controls with reference to Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the Financial Statements of the Company, and the qualification has affected our opinion on the Financial Statements of the Company and we have issued a qualified opinion on the Financial Statements.

For SPMG & COMPANY
(Chartered Accountants)
FRN No. 509249C

Place: New Delhi
Date: 17.09.2025
UDIN: 25550490BMIWFC7451

Sd/-
Aseem Raj Gupta
Partner
M. No. : - 550490



(Annexure C to the Independent Auditors' report on the financial statements of Kutch Railway Company Limited for the year ended 31st March, 2025)

S. No.	Directions	Our Report
1.	Assess the fair valuation of all the investments, both quoted and unquoted, made directly by the Company or through Trusts, for Post retirement benefits of the employees. This includes verifying valuation methodologies, ensuring consistency with Ind AS and reviewing supporting documentation. The auditor shall provide a brief note on the valuation approach, its reasonability, and compliance with applicable regulations, reporting any material deviations or misstatements.	Based on our audit procedures and review of Company's financial records and disclosures, we report that the Company has not made any investments, either directly or through trusts, towards post-retirement benefits of the employees. Accordingly, the requirement to assess the fair valuation of investments made for post-retirement benefits is not applicable to the Company.
2.	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	All the Accounting Transactions are processed through the Accounting Software however some of the calculations considered for the financial statements Like Depreciation on Fixed Assets are calculated on excel sheet and the accounting voucher for the amount so calculated is passed through the accounting software. During the course of verification of these calculations on excel sheet, we have not come across any major calculation mistakes or mistakes identified were rectified. Further, we report that the accounting transactions processed outside IT system has not impacted the integrity of the financial statements. Accordingly, there are no adverse implications (whether financial or non-financial) of processing of accounting transactions outside IT system, on the integrity of the accounts.
3.	Whether funds (grants/subsidy etc.) received/receivable for specific schemes from Central/State Govt. or its agencies were properly accounted for/ utilized as per its terms and conditions? List the cases of deviation.	No such funds Received
4.	Whether the Company has identified the key Risk areas? If yes, whether the Company has formulated any Risk Management Policy to mitigate these risks? If yes, (a) whether the Risk Management Policy has been formulated considering global best practices? (b) whether the Company has identified its data assets and whether it has been valued appropriately?	The company has informed that it does not require to formulate any risk management policy as it has a small setup and operates under the IT system of Indian Railways (IR) i.e., Freight Operating Information System (FOIS), Rake Management System (RMS), Terminal Management System (TMS). There is no threat or risk associated with commercial and operational functions since both functions are protected and mitigated with the IR system. The company has full-fledged accounting software based on Tally platform and has an adequate audit trail, and there is no risk associated with the accounting

S. No.	Directions	Our Report
		function. Notwithstanding the above, the Company has not identified any key risk areas and formulated Risk Management Policy. Based on the management representations received by us and the overall audit procedures carried out by us, we have observed that the nature of the Company's operations does not involve significant data assets that require separate identification or valuation. Further, the efforts are made by the management to ensure that the Company remains committed to continuously evaluating its risk management processes and will revisit the need for formal identification or valuation of data assets as the business evolves.
5.	Whether the Company is complying with the Securities and Exchange Board of India (SEBI) (Listing Obligation and Disclosure Requirements) Regulations, 2015, and other applicable rules and regulations of SEBI, Department of Investment and Public Asset Management, Ministry of Corporate Affairs, Department of Public Enterprises, Reserve Bank of India, Telecom Regulatory Authority of India, CERT-IN, Ministry of Electronics and Information Technology and National Payments Corporation of India wherever applicable? If not, the cases of deviation may be highlighted.	Based on our audit procedures and management representation received from the Managing Director, we report that SEBI LODR 2015 regulations and several other specified regulations are not applicable to the Company. Further, subject to the non-compliances reported by the Secretarial Auditor of the company in the Secretarial Audit Report and based on the documents and information presented before us for examination and the audit procedures performed by us, we have observed that the company is generally regular in compliance with the rules and regulations of the Department of Investment and Public Asset Management, Ministry of Corporate Affairs, Department of Public Enterprises, Reserve Bank of India, Telecom Regulatory Authority of India, CERT-IN, Ministry of Electronics and Information Technology and National Payments Corporation of India wherever applicable.

Place: New Delhi
Date: 17.09.2025
UDIN: 25550490BMIWFC7451

For SPMG & COMPANY
(Chartered Accountants)
FRN No. 509249C

Sd/-
Aseem Raj Gupta
Partner
M. No. : - 550490



We have made the following 2 revisions to our Independent Auditor's report as compared to the original Independent Auditor's report issued by us on 18/08/2025.

Revision 1:

The annexure 'C' of the original Independent Auditor's report was as under:

Annexure C to the Independent Auditors' report on the financial statements of Kutch Railway Company Limited for the year ended 31st March, 2025

S. No.	Directions	Our Report
1.	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	All the Accounting Transactions are processed through the Accounting Software however some of the calculations considered for the financial statements Like Depreciation on Fixed Assets are calculated on excel sheet and the accounting voucher for the amount so calculated is passed through the accounting software. During the course of verification of these calculations on excel sheet, we have not come across any major calculation mistakes or mistakes identified were rectified.
2.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/ interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a Government company, then this direction is also applicable for statutory auditor of lender company)	Based on Audit Procedure performed by us and as per the information and explanation given to us, there has been no restructuring of an existing loan or cases of waiver/write off of debts/ loans/interest etc. made by a lender to the company.
3.	Whether funds (grants/subsidy etc.) received/ receivable for specific schemes from Central/State Govt. or its agencies were properly accounted for/ utilized as per its terms and conditions? List the cases of deviation.	No such funds Received

Now, the revised Annexure 'C' in our revised Independent Auditor's report is as under:

Annexure C to the Independent Auditors' report (Revised) on the financial statements of Kutch Railway Company Limited for the year ended 31st March, 2025

S. No.	Directions	Our Report
1.	Assess the fair valuation of all the investments, both quoted and unquoted, made directly by the Company or through Trusts, for Post retirement benefits of the employees. This includes verifying valuation methodologies, ensuring consistency with Ind AS and reviewing supporting documentation. The auditor shall provide a brief note on the valuation approach, its reasonability, and compliance with applicable regulations, reporting any material deviations or misstatements.	Based on our audit procedures and review of Company's financial records and disclosures, we report that the Company has not made any investments, either directly or through trusts, towards post-retirement benefits of the employees. Accordingly, the requirement to assess the fair valuation of investments made for post-retirement benefits is not applicable to the Company.
2.	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	All the Accounting Transactions are processed through the Accounting Software however some of the calculations considered for the financial statements Like Depreciation on Fixed Assets are calculated on excel sheet and the accounting voucher for the amount so calculated is passed through the accounting software. During the course of verification of these calculations on excel sheet, we have not come across any major calculation mistakes or mistakes identified were rectified. Further, we report that the accounting transactions processed outside IT system has not impacted the integrity of the financial statements. Accordingly, there are no adverse implications (whether financial or non-financial) of processing of accounting transactions outside IT system, on the integrity of the accounts.
3.	Whether funds (grants/subsidy etc.) received/receivable for specific schemes from Central/State Govt. or its agencies were properly accounted for/ utilized as per its terms and conditions? List the cases of deviation.	No such funds Received
4	Whether the Company has identified the key Risk areas? If yes, whether the Company has formulated any Risk Management Policy to mitigate these risks? If yes, (a) whether the Risk Management Policy has been formulated considering global best practices? (b) whether the Company has identified its data assets and whether it has been valued appropriately?	The company has informed that it does not require to formulate any risk management policy as it has a small setup and operates under the IT system of Indian Railways (IR) i.e., Freight Operating Information System (FOIS), Rake Management System (RMS), Terminal Management System (TMS). There is no threat or risk associated with commercial and operational functions since both functions are protected and mitigated with the IR system. The company has full-fledged accounting software based on Tally platform and has an adequate audit trail, and there is no risk associated with the



Kutch Railway Company Limited

CIN: U45202DL2004PLC124267

S. No.	Directions	Our Report
		accounting function. Notwithstanding the above, the Company has not identified any key risk areas and formulated Risk Management Policy. Based on the management representations received by us and the overall audit procedures carried out by us, we have observed that the nature of the Company's operations does not involve significant data assets that require separate identification or valuation. Further, the efforts are made by the management to ensure that the Company remains committed to continuously evaluating its risk management processes and will revisit the need for formal identification or valuation of data assets as the business evolves.
5.	Whether the Company is complying with the Securities and Exchange Board of India (SEBI) (Listing Obligation and Disclosure Requirements) Regulations, 2015, and other applicable rules and regulations of SEBI, Department of Investment and Public Asset Management, Ministry of Corporate Affairs, Department of Public Enterprises, Reserve Bank of India, Telecom Regulatory Authority of India, CERT-IN, Ministry of Electronics and Information Technology and National Payments Corporation of India wherever applicable? If not, the cases of deviation may be highlighted.	Based on our audit procedures and management representation received from the Managing Director, we report that SEBI LODR 2015 regulations and several other specified regulations are not applicable to the Company. Further, subject to the non-compliances reported by the Secretarial Auditor of the company in the Secretarial Audit Report and based on the documents and information presented before us for examination and the audit procedures performed by us, we have observed that the company is generally regular in compliance with the rules and regulations of the Department of Investment and Public Asset Management, Ministry of Corporate Affairs, Department of Public Enterprises, Reserve Bank of India, Telecom Regulatory Authority of India, CERT-IN, Ministry of Electronics and Information Technology and National Payments Corporation of India wherever applicable.

Revision 2

Original Independent Auditor's Report dated 18th August 2025	Revised Independent Auditor's Report dated 17th September 2025
In point 1 (d) of Report on Other Legal and Regulatory Requirement (as per the requirement of Section 143 (3) of the Act) has not included the words "read with Rule 7 of the Companies (Accounts) Rules, 2015"	In point 1 (d) of Report on Other Legal and Regulatory Requirement (as per the requirement of Section 143 (3) of the Act) has included the words "read with Rule 7 of the Companies (Accounts) Rules, 2015"

For SPMG & COMPANY
(Chartered Accountants)
FRN No. 509249C

Place: New Delhi
Date: 17.09.2025
UDIN: 25550490BMIWFC7451

Sd/-
Aseem Raj Gupta
Partner
M. No. : - 550490

BALANCE SHEET AS AT 31ST MARCH, 2025

(Rs. in Lakhs)

Particulars	Note No.	As at 31st March 2025	As at 31st March 2024
I. ASSETS			
1 Non-current assets			
(a) Property, Plant and equipment	3	68.14	47.59
(b) Right of Use Assets	4	269.42	310.74
(c) Other Intangible assets	5	3,67,429.32	3,79,753.43
(d) Intangible assets under development	6	17,800.64	13,681.47
(e) Financial Assets			
(i) Others	7	12.30	11.56
(f) Deferred Tax Assets(Net)	16	13,597.68	14,076.23
(g) Other non-current assets	8	4,373.38	8,936.50
2 Current assets			
(a) Financial Assets	9		
(i) Trade Receivables	9.1	8,824.70	12,165.17
(ii) Cash and cash equivalents	9.2	280.61	2,132.99
(iii) Bank Balances other than (ii) above	9.3	26,012.68	20,696.86
(iv) Others	9.4	444.71	2,633.18
(b) Current Tax Assets (Net)	10	972.72	-
(c) Other current assets	11	459.08	36,994.50
Total Assets		4,40,545.38	4,54,788.20
II. EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share Capital	12	82,100.00	82,100.00
(b) Other Equity	13	1,76,224.76	2,58,324.76
2 Liabilities			
(i) Non-current liabilities			
(a) Financial Liabilities	14		
(i) Borrowings	14.1	93,126.50	1,05,979.90
(ia) Lease Liabilities	14.2	270.17	303.12
(ii) Trade Payable	14.3		
- Total outstanding dues of micro enterprises and small enterprises			
- Total outstanding dues of creditors other than micro enterprises and small enterprises		22,470.26	23,754.61
(b) Provisions	15	277.99	203.60
(c) Other Non-Current Liabilities	17	17,309.46	1,33,454.38
(ii) Current liabilities			
(a) Financial Liabilities	18		
(i) Borrowings	18.1	12,850.00	12,850.00
(ia) Lease Liabilities	18.2	32.95	28.87
(ii) Trade Payable		18.3	
- Total outstanding dues of micro enterprises and small enterprises		-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		1,287.26	1,188.04
(iii) Other financial liabilities	18.4	32,575.56	31,855.37
(b) Other current liabilities	19	1,673.47	1,941.18
(c) Short Term Provisions	20	347.00	505.77
(d) Current tax Liabilities (Net)	10	-	48,766.24
Total Equity and Liabilities		4,40,545.38	4,54,788.20

See accompanying notes to the financial statements

1 to 59

As per our report of even date attached

For & on behalf of the Board of Directors

For SPMG & COMPANY
(Chartered Accountants)

FRN No. 509249C

Sd/-

Aseem Raj Gupta

Partner

M. No. : - 550490

Place: New Delhi

Date: 18th August, 2025

Sd/-

R. K. Yadav

(Managing Director)

(DIN : 11055654)

Sd/-

Sanjeev Sharma

(Company Secretary)

Sd/-

Ajit Singh

Director

(DIN : 8076926)

Sd/-

Gyanendra Shrivastav

(CFO)



Kutch Railway Company Limited

CIN: U45202DL2004PLC124267

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31st MARCH, 2025

(Rs. in Lakhs
except EPS)

Particulars	Note No.	for the Year ended 31st March, 2025	for the Year ended 31st March, 2024
I. Revenue :			
Revenue from operations	21	1,33,445.56	1,66,659.68
II. Other income	22	4,523.68	4,304.31
III. Total Income (I + II)		1,37,969.24	1,70,963.99
IV. Expenses:			
Operating and other Expenses	23	97,683.90	1,30,676.41
Employee benefits expenses	24	536.33	536.40
Finance Cost	25	11,499.44	12,387.00
Depreciation and amortization expenses	26	28,471.79	26,047.84
Other Expenses	27	824.34	716.80
Total Expenses (IV)		1,39,015.80	1,70,364.45
V. Profit/loss Before exceptional items and Tax (III - IV)		(1,046.56)	599.54
VI. Exceptional items	28	(3,345.12)	(2,377.19)
VII. Profit/(Loss) before tax (V - VI)		2,298.56	2,976.73
VIII. Tax expense:			
(1) Current tax			
- For the year	29	399.50	496.88
- For earlier years (net)		22.29	2.91
(2) Deferred tax (net)	16	482.76	684.48
Total Tax Expense (VIII)		904.55	1,184.27
IX Profit/(loss) for the period from continuing operation (VII - VIII)		1,394.01	1,792.46
X Profit/(loss) from discontinued operations		-	-
XI Tax Expense of discontinued operations		-	-
XII Profit/(loss) from discontinued operations (after tax) (X-XI)		-	-
XIII Profit/(loss) for the period (IX+XII)		1,394.01	1,792.46
XIV Other Comprehensive Income			
A. (i) Items that will not be reclassified to profit and loss			
(ii) Income Tax relating to Items that will not be reclassified to profit and loss	30	(12.05) 4.21	(5.29) 1.85
B. (i) Items that will be reclassified to profit and loss			
(ii) Income Tax relating to Items that will be reclassified to profit and loss			
Total Comprehensive Income (A+B)		(7.84)	(3.44)
XV. Total Comprehensive Income for the period (XIII +XIV) (Comprehensive profit and other comprehensive income for the period)		1,386.17	1,789.02
XVI. Earnings Per Equity Share: (For Continuing Operation)			
(1) Basic (Face Value Rs. 10 Per share)	31	0.17	0.33
(2) Diluted (Face Value Rs. 10 Per share)	31	0.17	0.33
XVII. Earnings Per Equity Share: (For discontinuing Operation)			
(1) Basic (Face Value Rs. 10 Per share)	31	-	-
(2) Diluted (Face Value Rs. 10 Per share)	31	-	-
XVIII. Earnings Per Equity Share: (For discontinued and continuing Operation)			
(1) Basic (Face Value Rs. 10 Per share)	31	0.17	0.33
(2) Diluted (Face Value Rs. 10 Per share)	31	0.17	0.33

See accompanying notes to the financial statements 1 to 59

As per our report of even date attached

For SPMG & COMPANY
(Chartered Accountants)

FRN No. 509249C

Sd/-

Aseem Raj Gupta

Partner

M. No. : - 550490

Place: New Delhi

Date: 18th August, 2025

For & on behalf of the Board of Directors

Sd/-

R. K. Yadav

(Managing Director

(DIN : 11055654)

Sd/-

Sanjeev Sharma

(Company Secretary)

Sd/-

Ajit Singh

Director

(DIN : 8076926)

Sd/-

Gyanendra Shrivastav

(CFO)

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31st MARCH 2025

(Rs. in Lakhs)

Particulars		As At 31st March, 2025	As At 31st March, 2024
CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before taxation		2298.56	2,976.73
Adjustment for :			
Depreciation & amortization expenses		28,471.79	26,047.84
Loss on disposal/written off of Property, Plant and Equipment		1.59	9.18
Interest Income		(1,885.26)	(1,283.51)
Interest on lease liabilities		24.77	26.77
Interest on Term Loan		9,451.73	8,116.83
Unwinding of discount on Security Deposit		(0.74)	(0.69)
Unwinding of Discount on Overhead Cost Payable		1,952.38	2,043.27
Income from reversal of deferred Overhead costs payable		(1,622.76)	(1,622.76)
Rent Expense - reversal of fair value adjustment		0.92	0.92
Excess Provision written back		(10.00)	-
Liabilities Written off		(442.18)	-
Operating Profit before working capital changes	(1)	38,240.80	36,314.58
Adjustment for :			
Decrease / (Increase) in Other Financial current Assets		1.64	(1.96)
Decrease / (Increase) in Other Current Assets		(116.60)	(219.98)
Decrease / (Increase) in Other Non current Financial Assets		-	(0.00)
Decrease / (Increase) in Other Non Current Assets		(0.01)	-
(Decrease) / Increase in Trade Payables		(3,137.51)	(8,957.27)
(Decrease) / Increase in Trade Receivables		3,340.47	(12,165.17)
(Decrease) / Increase in Other Current Financial Liability		57.78	(38.75)
(Decrease) / Increase in Other Current Liability		(267.71)	(814.85)
(Decrease) / Increase in Non Current Provisions		62.34	18.85
(Decrease) / Increase in Current Provisions		(158.77)	157.62
	(2)	(218.37)	(22,021.51)
Cash generated from operation	(1+2)	38,022.43	14,293.06
Income Tax Paid (Net of Refunds)		(1,701.44)	614.09
NET CASH FLOW FROM OPERATIVE ACTIVITIES	(A)	36,320.99	14,907.15
CASH FLOW FROM INVESTING ACTIVITIES			
Capital Expenditure on PPE, Other Intangible Assets & Intangible under Development (Net of Capital Advances)		(14,569.92)	(68,253.19)
Proceeds from disposal of Assets		(0.95)	8.48
Interest Received		1,929.09	1,199.46
Investment in Other Current Fixed Deposits		2,143.00	5,351.38
Decrease / (Increase) in Bank Balance other than those taken to Cash & Cash Equivalent		(5,315.82)	(19,509.42)
NET CASH FROM INVESTING ACTIVITIES	(B)	(15,814.60)	(81,203.29)
CASH FLOW FROM FINANCING ACTIVITIES			
Issue of share capital (Net of Share issue exp)		-	57,010.96
Interest on Term Loan		(9,427.05)	(8,089.89)
Principal portion of lease liability		(28.87)	(26.73)
Interest portion of lease liability		(24.77)	(26.77)
Repayment of Term Loan		(12,878.08)	(9,659.72)
Proceeds from Term Loan from the Bank		-	28,500.00
NET CASH FROM FINANCING ACTIVITIES	(C)	(22,358.77)	67,707.85



Kutch Railway Company Limited

CIN: U45202DL2004PLC124267

NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENT	(A+B+C)	(1,852.38)	1,411.71
CASH AND CASH EQUIVALENT (OPENING)	(D)	2,132.99	721.28
Cash Balances		0.37	0.13
Balance with Banks		11.62	21.15
Deposits with original maturity of less than 3 months		2,121.00	700.00
CASH AND CASH EQUIVALENT (CLOSING)	(E)	280.61	2,132.99
Cash Balances		0.36	0.37
Balance with Banks		30.25	11.62
Deposits with original maturity of less than 3 months		250.00	2,121.00
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENT	(E - D)	(1,852.38)	1,411.71

The accompanying notes are integral part of financial statements

Notes:-

- The Cash Flow Statement has been prepared under the Indirect method as set out in Ind AS-7 on "Statement of Cash Flow".
- Reconciliation of Liabilities arising from financing activities** (Rs. in Lakhs)

Particulars	Lease Liabilities	Share Application Money Pending Allotment	Borrowings
Balance at 1st April, 2024	331.99	-	1,18,829.00
Cash flows:-			
-Repayment	53.64	-	12,878.08
-Proceeds		-	-
Non-Cash:-			
- Accrued Interest on Loan			24.68
- Fair Value	24.77		
-Additions/Deletions to right of use assets in exchange for increased lease liabilities			
-Shares Issued during the year		-	
Balance at 31st March, 2025	303.12	-	1,05,976.50

(Rs. in Lakhs)

Particulars	Lease Liabilities	Share Application Money Pending Allotment	Borrowings
Balance at 1st April, 2023	358.72	14,275.00	99,962.68
Cash flows:-			
-Repayment	53.50	14,275.00	9,659.72
-Proceeds	-	57,100.00	28,500.00
Non-Cash:-			
- Accrued Interest on Loan	-		26.94
- Fair Value	26.77	-	
-Additions/Deletions to right of use assets in exchange for increased lease liabilities	-	-	
-Shares Issued during the year		-57,100.00	
Balance at 31st March, 2024	331.99	-	1,18,829.90

As per our report of even date attached

For SPMG & COMPANY
(Chartered Accountants)

FRN No. 509249C

Sd/-

Aseem Raj Gupta
Partner

M. No. : - 550490

Place: New Delhi

Date: 18th August, 2025

For & on behalf of the Board of Directors

Sd/-

R. K. Yadav
(Managing Director
(DIN : 11055654)

Sd/-

Sanjeev Sharma
(Company Secretary)

Sd/-

Ajit Singh
Director
(DIN : 8076926)

Sd/-

Gyanendra Shrivastav
(CFO)

Statement of Changes in equity for the year ended on 31st March, 2025

A. Equity share capital

(Rs. in Lakhs)

Particulars	Number of shares in lakhs	Amount
Balance at April 1, 2023	2,500.00	25,000.00
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at 1st April, 2023	2,500.00	25,000.00
Changes in Equity Share Capital during the year		
(a) issue of equity shares capital during the year	5,710.00	57,100.00
Balance at 31st March 2024	8,210.00	82,100.00
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at 1st April, 2024	8,210.00	82,100.00
Changes in equity share capital during the year		
(a) issue of equity shares capital during the year	-	-
Balance at 31st March 2025	8,210.00	82,100.00

B. Other Equity

(Rs. in Lakhs)

Particulars	Share Application	General Reserve	Reserve and Surplus Retained Earnings	Total
Balance at 1st April 2023	14,275.00	879.52	1,72,259.11	1,87,413.62
Profit for the year	-	-	1,792.46	1,792.46
Other Comprehensive Income for the year (net of income tax)	-	-	(3.44)	(3.44)
Total Comprehensive Income for the year	-	-	1,789.02	1,789.02
Dividends	-	-	-	-
Payment of the Stamp Duty	-	-	(89.05)	-89.05
Transfer to retained earning	-	-	-	-
Received during the year (Refer Note 13.3)	57,100.00	-	-	57,100.00
Shares issued during the year	(57,100.00)	-	-	(57,100.00)
Share Application Money Refunded during the year	(14,275.00)	-	-	(14,275.00)
Balance at 31st March 2024	-	879.52	1,73,959.08	1,74,838.59
Profit for the year	-	-	1,394.01	1,394.01
Other Comprehensive Income for the year (net of income tax)	-	-	(7.84)	(7.84)
Total Comprehensive Income for the year	-	-	1,386.17	1,386.17
Dividends	-	-	-	-
Payment of the Stamp Duty	-	-	-	-
Transfer to retained earning	-	-	-	-
Received during the year (Refer Note 13.3)	-	-	-	-
Shares issued during the year	-	-	-	-
Share Application Money Refunded during the year	-	-	-	-
Balance at 31st March 2025	-	879.52	1,75,345.25	1,76,224.76

As per our report of even date attached

For SPMG & COMPANY
(Chartered Accountants)

FRN No. 509249C

Sd/-

Aseem Raj Gupta

Partner

M. No. : - 550490

Place: New Delhi

Date: 18th August, 2025

For & on behalf of the Board of Directors

Sd/-
R. K. Yadav

(Managing Director

(DIN : 11055654)

Sd/-
Sanjeev Sharma

(Company Secretary)

Sd/-
Ajit Singh

Director

(DIN : 8076926)

Sd/-
Gyanendra Shrivastav

(CFO)



Material Accounting policies and measurement method

Notes forming part of Financial Statements ended on 31st March, 2025

1 Corporate Information

Kutch Railway Company Limited (KRC) is a public limited company domiciled and was incorporated in India on January 22, 2004 as a Special purpose Vehicle (SPV) with the objective of the gauge conversion of the existing 301 Km railway line between Gandhidham and Palanpur in Gujarat. The Company is a Joint Venture between Rail Vikas Nigam Limited (RVNL), Mundra Ports & SEZ Ltd, Kandla Port Trust and Govt. of Gujarat. The registered office of the company is located at Suit No. 15 - 22, 2nd Floor, Indra Palace, H- Block, Connaught Circus, New Delhi.

The Company has entered into a Concession Agreement with President of India, through Executive Director (Perspective Planning) of the Ministry of Railways (MoR), Government of India, Rail Bhawan, New Delhi on November 8, 2005 granting rights to the company for commercial exploitation, development of additional facilities in the project area and right to receive/share earnings of Ministry of Railways of the tariff collected from freight traffic and other charges as per the agreement in relation of the project. It also defines obligation of the company to be performed by it. The agreement is granted for 32 years. The company has also executed a lease deed on the same day with the President of India for the use of leased assets which forms part of the concession agreement and is attached as Schedule -A thereto. Upon expiry, the company is required to hand over the project assets to Ministry of Railways free from all encumbrances whatsoever. Upon transfer the company shall be entitled to receive amount equal to book value of the project assets.

2 Basis of Preparation

2.1 Statement of Compliance

The financial statements as at and for the year ended 31st March 2025 have been prepared in accordance with Indian Accounting Standards (Ind-AS) notified under section 133 of the Companies Act 2013 as Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

2.2 Basis of Measurement

(i) The financial statements have been prepared under the historical cost convention and on an accrual basis, except for the following item that have been measured at fair value as required by relevant Ind-AS:

- (a) Defined benefit Plan and other long term employee benefits
- (b) Certain financial assets and liabilities measured at fair value.

(ii) Current vs non-current classification

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

An asset is treated as current when it is:

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

The Company classifies all other assets as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

Material Accounting policies and measurement method**Notes forming part of Financial Statements ended on 31st March, 2025****2.3 Use of estimates and judgment**

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, disclosure of contingent assets and liabilities at the date of financial statements and the reported amount of income and expenses. Such estimates include estimation of useful life of property, plant and equipment, intangible assets and future obligation under employee benefit plan. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Future results could differ due to changes in these estimates and difference between the actual result and the estimates are recognized in the period in which the results are known /materialize.

2.4 Statement of Cash flow

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

For the purposes of the cash flow statement, cash and cash equivalents include cash in hand, cash at banks, net of outstanding bank overdrafts that are repayable on demand are considered part of the Company's cash management system.

2.5 Functional and Presentation Currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates (i.e. Functional Currency). The financial statements are presented in Indian rupees, which is the functional and presentation currency of the company. All financial information presented in Indian rupees and all values are rounded to the nearest lakhs upto two decimals except where otherwise stated.

2.6 Property, plant and equipment

- (a) Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any.

Cost of asset includes the following:

- i. Cost directly attributable to the acquisition of the assets
- ii. Present value of the estimated costs of dismantling & removing the items & restoring the site on which it is located if recognition criteria are met.

- (b) Cost of replacement, major inspection, repair of significant parts are capitalized if the recognition criteria are met.

- (c) An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from continued use of assets. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in statement of profit or loss.

Depreciation

- (a) Depreciation on Property, plant and Equipment is provided on pro-rata basis on Straight Line Method (SLM) over the useful life of the assets as specified in Schedule II of the Companies Act, 2013.
- (b) Each part of an item of Property, Plant and Equipment is depreciated separately if the cost of part is significant in relation to the total cost of the item and useful life of that part is different from the useful life of remaining asset.

The estimated useful life of assets for current and comparative year of significant items of property plant and equipment are as follows:

Particulars

Nature of Assets	Useful Life (Years)
Plant & Machinery	15
Office Equipments	05
Electronic Data Processing Assets	03
Furniture & Fixtures	10
Vehicles	08



- (c) Depreciation methods, useful lives and residual values are reviewed at each reporting date, with the effect of change in estimate accounted for on a prospective basis.

2.7 Intangible Assets

(a) Freight Sharing Right (Railway Line under Service Concession Arrangement :SCA)

The company recognizes an intangible asset arising from a service concession arrangement when it has a right to charge for usage of the concession infrastructure. An intangible asset received as consideration for providing construction or upgrade services in a service concession arrangement is measured at fair value on initial recognition by reference to the fair value of the services provided. Subsequent to initial recognition, the intangible asset is measured at cost less accumulated amortization and accumulated impairment losses.

The useful life of an intangible asset in a service concession arrangement is the period from when the company is able to charge the public for the use of the infrastructure to the end of the concession period i.e. 32 years.

Freight sharing right is amortised using the straight line method on prorata basis from the date of addition or from the date when the right is brought into service whichever is later, to the expiry of concession period.

Amortisation methods and useful lives are reviewed at each reporting date, with the effect of change in estimate accounted for on a prospective basis.

The carrying value of intangible asset is reviewed for impairment annually or more often if events or changes in circumstances indicate that the carrying value may not be recoverable.

(b) Other Than Freight Sharing Right

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at historical cost less accumulated amortization and impairment loss, if any.

Amortisation

Intangible Assets other than freight sharing right assets are fully amortised equally over three financial years, from the year in which the asset is available for use.

2.8 Intangible Asset Under Development :

Freight sharing right under development

- i. Indirect expenses incidental to construction of various assets are being apportioned on pro-rata basis to respective assets.
- ii. Deposit Works contracts are accounted for on the basis of statement of accounts received from executing agencies.
- iii. In respect of supply cum erection contracts, the value of supplies received at site and accepted is treated as Intangible assets under development .
- iv. The addition/deletion in the Intangible assets under development (advised by Western Railway) are accounted for in the year of advice by Western Railway.

2.9 Revenue Recognition

a) Revenue from Contracts with Customers

Revenue from contract with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Revenue from Railway Operation

The operating income of the company is recognized on point in time at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Construction Contract Revenue under SCA

Revenue related to construction or upgrade services under a service concession arrangement is recognized based on the stage of completion of the work performed, when the outcome of construction contract can be measured reliably and where the outcome of construction contract can not be measured reliably , revenue is recognised only to the extent of contract cost incurred that is probable to be recoverable. Performance

obligation is measured by the company on the basis of inputs to the satisfaction of a performance obligation (i.e. Input Method).

b) Other Revenue Recognition

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable using Effective Interest rate Method.

Insurance claims are accounted for on receipt basis. Claims other than insurance claims are accounted for only on recognition of such claims by the party on whom such claim is made.

2.10 Leasing

- (i) The Company Recognizes a right-to-use asset and a lease liability at the lease commencement date. The right of-use asset is initially measured at cost, which comprises the initial amount of lease liability adjusted for any lease payments made at or before the commencement date , plus any initial direct cost incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.
- (ii) The right-to-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-to-use-asset or the end of the lease term. The estimated useful life of the right-to-use asset is determined on the same basis as those of property, plant and equipment. In addition, the right-to-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.
- (iii) The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.
- (iv) The lease liability is measured at amortized cost using the effective interest method, it is remeasured when there is a change in future lease payments from a change in an index or rate. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right -to-use asset, or is recorded in the profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.
- (v) The Company presents right-of-use asset that do not meet the definition of Investment property separately on the face of the Financial statements under the "Right to Use Assets" and lease liabilities in "other financial liabilities" in the Balance Sheet.
- (vi) Short term Lease and Leases of low value assets. The Company has elected not to recognize right-of-use asset and lease liabilities for short term leases that have lease term of 12 months or less and leases of low value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As A Lessor

- (i) When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all the risk and rewards incidental to the ownership of the underlying asset. If this is the case, then the lease is a finance lease, if not then it is an operating lease. As part of the assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.
- (ii) If an arrangement contains lease and non-lease components, the Company applies Ind AS-115 "Revenue from contract with customers" to allocate the consideration in the contract.
- (iii) The Company recognizes lease payments received under operating lease as income on a straight-line basis over the lease term as part of "Other Income".

2.11 Impairment of non-financial assets

In accordance with Indian Accounting Standard-36 Impairment of Assets , the carrying amounts of Company's assets are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated as the higher of the net selling price or the value in use. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount.



2.12 Employee Benefits

- (a) Short Term Employee Benefits: The undiscounted amount of short term employee benefits expected to be paid for the services rendered are recognized as an expense during the year when the employees render the services.
- (b) Post-employment benefits & other Long Term Employee Benefits:
 - i. Retirement benefits in the form of provident fund and National Pension Scheme (NPS) are defined contribution schemes. The company has no obligation, other than the contribution @10% of Basic pay plus dearness allowance payable under such scheme and Charges payable for operation of the Pension scheme will be borne by the Company. The contributions to the provident fund and NPS are charged to the statement to the Profit and loss for the year when the contributions are due.
 - ii. Under the defined retirement plan, the company provides retirement obligation in the form of Gratuity. For defined retirement plans, the difference between the fair value of plan assets and the present value of plan liabilities is recognized as an assets and liabilities in the statement of financial position. The cost of providing benefit is determined on the basis of actuarial valuation using the projected unit credit method at each year-end and is charged to the Statement of Profit & Loss.
 - iii. Provision for long term Leave Encashment is made based on actuarial valuation at the year end. Actuarial gains or losses in relation to the Leave encashment are recognized in Statement of profit and loss account.
 - iv. Actuarial gains or losses in relation to the Gratuity are recognized in other comprehensive income.
 - v. Re-measurements recognised in other comprehensive income comprise of actuarial gains or losses that are not reclassified to profit or loss from other comprehensive income in subsequent periods. Retirement Benefits Liability in respect of Gratuity and leave encashment is provided on the basis of actuarial valuation.

2.13 Taxes

(a) Current income tax

- i. Current income tax is determined as per the provisions of the Income Tax Act in respect of taxable income for the year.
- ii. Current income tax assets and liabilities for current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. Liability for additional taxes, if any, is provided / paid as and when assessments are completed.
- iii. Current tax related to OCI Items is recognized in Other Comprehensive Income (OCI).

(b) Deferred tax

- i. Deferred income tax assets and liabilities are recognized for temporary differences which is computed using the tax rates and tax laws that have been enacted or substantively enacted at the reporting date.
- ii. Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.
- iii. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.
- iv. Deferred tax related to OCI Item are recognized in Other Comprehensive Income (OCI).
- v. The company has started availing the deduction u/s 80IA of the Income Tax Act, 1961 from the Assessment Year 2013-14, due to which there will be a tax holiday period of 10 years i.e. up to Assessment years 2022-23. Therefore in accordance with Ind AS-12, the deferred tax in respect of timing differences which are likely to be reversed during the tax holiday is not recognised to that extent.

(c) Minimum Alternative Tax

Minimum Alternative Tax credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

2.14 Provisions, Contingent Liabilities and contingent Assets

- (a) Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date. Provisions are reviewed at each Balance Sheet.

Provision which expected to be settled beyond 12 months are measured at the present value by using pre-tax discount rate that reflects the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expenses.

- (b) Contingent Liabilities are disclosed in either of the following cases:
- i. 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; or
 - ii. A reliable estimate of the present obligation cannot be made; or
 - iii. A possible obligation, unless the probability of outflow of resource is remote.
- (c) Contingent Liability is net of estimated provisions considering possible outflow on settlement.
- (d) Contingent Liability and Provisions needed against Contingent Liability and Contingent Assets are reviewed at each Reporting date.
- (e) Contingent assets is disclosed where an inflow of economic benefits is probable.

2.15 Earnings Per Share

In determining basic earnings per share, the company considers the net profit attributable to equity shareholders. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. In determining diluted earnings per share, the net profit attributable to equity shareholders and weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

2.16 Fair Value Measurement

Company measures financial instruments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

1. Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
2. Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
3. Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting year.

At the reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the accounting policies. For this analysis, the Company



verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Company also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable. For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

The fair value of an intangible asset received as consideration for providing construction services in a service concession arrangement is estimated by reference to the fair value of the construction services provided.

2.17 Financial instruments:-

(a) Initial recognition and measurement

Financial Instruments recognized at its fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial instruments.

(b) Subsequent measurement

Financial Assets

Financial assets are classified in following categories:

At Amortised Cost

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

- i. The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- ii. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at amortised cost using effective interest rate method less impairment if any. The EIR amortisation is included in finance income in the statement of profit and loss.

At Fair Value Through Other Comprehensive Income

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned is recognised using the EIR method.

At Fair Value Through Profit and Loss

FVTPL is a residual category for financial Assets. Any financial assets, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the company may elect to designate financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. If doing so reduces or eliminates a measurement or recognition inconsistency. The company has not designated any financial asset as at FVTPL.

Financial liabilities

Financial liabilities at Amortised Cost

Financial liabilities initially recognized at fair value, and subsequently carried at amortized cost using the effective interest rate method.

Financial liabilities at FVTPL

The company has not designated any financial liabilities at FVTPL.

(c) Derecognising

Financial Asset

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized only when the contractual rights to the cash flows from the asset expires or it transfers the financial assets and substantially all risks and rewards of the ownership of the asset.

Financial Liability

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognising of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the income statement.

(d) Impairment of financial assets:

Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applies on whether there has been significant increase in credit risk.

ECL impairment loss allowance (or reversal) recognised during the year is recognised as income/expense in the statement of profit and loss.

(e) Offsetting of financial instruments

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

2.18 Borrowing costs

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets till such time the assets are substantially ready for their intended use. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

2.19 Prepaid Expenses

Prepaid Expenses upto Rs 5,00,000/- in each case are treated as expenditure /income of the year and accounted for to the natural head of accounts.

Prior Period Adjustments

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated unless it is impracticable, in which case, the comparative information is adjusted to apply the new accounting policy prospectively from the earliest date practicable"

2.20 Disclosure as per Ind AS 8 'Accounting policies, change in accounting estimates & errors'

a) Material accounting policy information

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended March 31, 2025, MCA has notified Ind AS 117 - Insurance Contracts and amendments to Ind As 116 – Leases, relating to sale and lease back transactions, applicable from April 1, 2024. The Company has assessed that there is no significant impact on its financial statements.

b) Standard/Amendments issued but not yet effective:

On May 7, 2025, MCA notifies the amendments to Ind AS 21 - Effects of Changes in Foreign Exchange Rates. These amendments aim to provide clearer guidance on assessing currency exchangeability and estimating exchange rates when currencies are not readily exchangeable. The amendments are effective for annual periods beginning on or after April 1, 2025. The Company has assessed that there is no significant impact on its financial statements.



NOTES FORMING PART OF THE FINANCIAL STATEMENT ENDED 31st March 2025

3. Property, Plant and Equipment

(Rs. in Lakhs)

Particulars	Vehicle	Plant & Machinery	Furniture & Fixture	Computers	Total
At Cost or Deemed Cost					
At 1st April 2023	36.63	16.26	68.87	27.74	149.50
Additions	-	13.20	2.98	10.70	26.88
Disposals/Adjustments	(2.24)	(9.57)	(26.41)	(7.98)	(46.20)
At 31st March 2024	34.39	19.89	45.44	30.46	130.18
Additions	29.05	1.62	0.59	4.67	35.93
Disposals/Adjustments	-	(0.49)	(0.50)	(0.95)	(1.94)
At 31st March 2025	63.44	21.02	45.53	34.18	164.17
Accumulated Depreciation and impairment					
At 1st April 2023	10.12	8.93	55.00	21.67	95.72
Depreciation charge for the year	4.08	2.33	5.02	3.98	15.41
Impairment	-	-	-	-	-
Disposals/Adjustments	-	(0.96)	(22.20)	(5.38)	(28.54)
At 31st March 2024	14.20	10.30	37.82	20.27	82.59
Depreciation charge for the year	6.92	2.63	0.66	4.53	14.74
Impairment	-	-	-	-	-
Disposals/Adjustments	-	(0.27)	(0.13)	(0.90)	(1.30)
At 31st March 2025	21.12	12.66	38.35	23.90	96.03
Net book value					
At 31st March 2025	42.32	8.36	7.18	10.28	68.14
At 31st March 2024	20.19	9.59	7.62	10.19	47.59

NOTES FORMING PART OF THE FINANCIAL STATEMENT ENDED 31st March 2025

4. Right of Use Assets

(Rs. in Lakhs)

Particulars	Buildings	Total
At Cost or Deemed Cost		
At 1st April 2023	511.68	511.68
Additions	-	-
Disposals/Adjustments	-	-
At 31st March 2024	511.68	511.68
Additions	-	-
Disposals/Adjustments	-	-
At 31st March 2025	511.68	511.68
Accumulated Depreciation and impairment		
At 1st April 2023	159.62	159.62
Depreciation charge for the year	41.32	41.32
Impairment	-	-
Disposals/Adjustments	-	-
At 31st March 24	200.94	200.94
Depreciation charge for the year	41.32	41.32
Impairment	-	-
Disposals/Adjustments	-	-
At 31st March 2025	242.26	242.26
Net book value		
At 31st March 2025	269.42	269.42
At 31st March 2024	310.74	310.74



NOTES FORMING PART OF THE FINANCIAL STATEMENT ENDED 31st March 2025

5. Other Intangible Assets

(Rs. in Lakhs)

Particulars	Computer Software	Freight Sharing Right	Total
At Cost or deemed cost			
At 1st April 2023	0.22	3,94,071.15	3,94,071.37
Addition during the year	-	52,689.25	52,689.25
Disposal/Adjustments	-	-	-
At 31st March 2024	0.22	4,46,760.40	4,46,760.62
Addition during the year	-	16,091.62	16,091.62
Disposal/Adjustments	-	-	-
At 31st March 2025	0.22	4,62,852.02	4,62,852.24
Amortisation and Impairment			
At 1st April 2023	0.17	41,015.91	41,016.08
Amortisation	0.05	25,991.06	25,991.11
Disposal/Adjustments	-	-	-
At 31st March 2024	0.22	67,006.97	67,007.19
Amortisation	-	28,415.73	28,415.73
Disposal/Adjustments	-	-	-
At 31st March 2025	0.22	95,422.70	95,422.92
Net book value			
At 31st March 2025	-	3,67,429.32	3,67,429.32
At 31st March 2024	-	3,79,753.43	3,79,753.43

- 5.1 Amortisation on other intangible assets included in note 26 Depreciation & Amortisation.
- 5.2 The addition in the above intangible assets as advised by executing agency for the Doubling & Electrification work is on the basis of project expenditure as advised by executing agency (RVNL). Addition is made on figure received till 31st March 2025 pending finalization of bills.
- 5.3 Borrowing costs directly attributable to the acquisition or construction of qualifying assets upto the date of capitalisation of Rs. NIL lakhs (previous year NIL lakhs) for Doubling Project and Rs. NIL lakhs (previous year NIL Lakhs) for Electrification Project are capitalised as part of such assets. Borrowing costs of amounting NIL lakhs (Previous year of Rs. 629.98 lakhs) for the Core Project are capitalised as part of such assets.
- 5.4 The Company has received the commissioning letters from Commissioner of Railway Safety/Western Circle certifying that the doubling project and electrification project, being carried out by RVNL, has been fully commissioned on 24.02.2023 and 24.03.2023 respectively. In accordance with the expenditure sheet received from RVNL, amount of Rs. 2,74,193.00 lakhs and Rs. 56,542.75 lakhs has been incurred on the respective projects upto March 31, 2023, while as per the asset head wise details received and other charges like Departmental Charges, GST & D&G charges submitted by RVNL, total cost of doubling project and electrification project on commission is Rs. 2,43,401.00 lakhs and Rs.59,255.90 lakhs respectively. There is a difference of expenditure incurred on the doubling project as per expenditure sheet submitted by RVNL/CO and Assets head wise details submitted by CPM/RVNL/ADI by Rs.307,93.00 lakhs. The Company has capitalized the amount of Rs.307,93.00 lakhs under intangible assets – freight sharing rights on commissioning date, pending reconciliation between amount reported by RVNL/CO and CPM/RVNL/ADI. Similarly there is a difference of expenditure incurred on the electrification project as per expenditure sheet submitted by RVNL/CO and Assets head wise details submitted by CPM/RVNL/ADI by Rs.2713.14 lakhs i.e differential expenditure reported by CPM/RVNL/CO is not considered pending reconciliation between amount reported by RVNL/CO and CPM/RVNL/ADI.
- 5.5 Estimated cost of Project of doubling of Palanpur – Samakhyaali Section of Railway Line work is approved by the board of directors in the 106th meeting held on 23rd August 2024 of amounting Rs 3,23,073.00 lakhs against the previous estimated cost of amounting Rs 2,86,716 lakhs.
- 5.6 As per the Clause 4.5 e of the Concession Agreement /Clause 7.2 d of the O&M agreement, expenditure on passenger amenities for operating passenger trains is to be borne by the Railway. Providing passenger amenities at various stations is part of the doubling project, which the commissioner of railway safety also checks when he comes for inspection to give the clearance for commissioning of the sections. The passenger amenities work done by the KRCL, through RVNL amounting to Rs 247.52 crores have been identified and are in discussion with railways for reimbursement to the company. The cost is being capitalized in the intangible assets by the company over the years and will be adjusted in the year of certainty of recovery.
- 5.7 Company has received the letter from Western Railway Chief electrical department dated 17.04.2023 and 08.05.2024 regarding the commissioning of the CORE project being carried out by WR. In Accordance to this, the Company has capitalized the amount of Rs.9321.40 lakhs under intangible assets – freight sharing rights in the FY- 2023-24.
- 5.8 The estimated cost for the electrification work of the Samakhyaali–Gandhidham section, as approved by the Board of Directors, is Rs. 754.33 crore. Rail Vikas Nigam Limited (RVNL) has submitted bills for the said work up to 31st March 2025, which exceed the approved estimated cost. However, the Company has recognized expenditure in its financial statements only up to the approved estimated cost of Rs. 754.33 crore. The excess amount billed by RVNL will be accounted for upon finalization and necessary approvals.

KUTCH RAILWAY COMPANY LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS ENDED 31ST MARCH, 2025

6. Intangible Assets under Development (Rs. in Lakhs)				
Particulars	Opening as at 1st April 2023	2023-24		2024-25
		Net Additions/ Deduction	As at 31st March 2024	Net Additions/ Deduction/ As at 31st March 2025
Bhildi Running Room	16.30	134.14	150.44	150.44
Intermediate Block Section	653.47	-	653.47	653.47
Inter Locking Work	-	147.40	147.40	370.58
PNU-SIOB Doubling/Electrification	10,014.84	(10,014.84)	0.00	0.00
Deep Screening	1,369.84	571.57	1,941.41	1,941.41
Additional Water Way	4,010.21	678.83	4,689.04	4,689.04
Bankability Study	11.95	-	11.95	11.95
Laying of OFC	1,268.17	-	1,268.17	1,268.17
PNU-SIOB Doubling Survey	125.96	-	125.96	125.96
Capital WIP other project bridge no.41	56.86	-	56.86	56.86
Capital WIP Repair to Damaged AC Sheet	12.17	-	12.17	12.17
Capital WIP Unmanned LC No 6	106.10	-	106.10	106.10
Capital WIP Unmanned LC No 12	-	60.97	60.97	60.97
Capital WIP(Track renewal work)	-	60.00	60.00	60.00
Capital WIP(TFR Work)	-	98.76	98.76	98.76
Capital WIP (CTR Work)	-	4,298.77	4,298.77	7,559.09
CAPITAL WIP (WORK FROM ENGG. W 63/4026)	-	-	-	135.67
CAPITAL WIP (Electronic in Motion Weighbridge)	-	-	-	500.00
Total	17,645.87	(3,964.40)	13,681.47	17,800.64



NOTES FORMING PART OF THE FINANCIAL STATEMENT ENDED 31st March 2025

- 6.1 Company has received the letter from Western Railway Chief electrical department dated 17.04.2023 and 08.05.2024 regarding the commissioning of the CORE project being carried out by WR. In Accordance to this, the Company has capitalized the amount of Rs.9321.40 lakhs under intangible assets – freight sharing rights in the FY- 2023-24.
- 6.2 Projects under development are capitalized in intangible assets – freight sharing rights based on the commissioning letter received from western railway, pending such letter from the western railways, as on March 31, 2025, the amounts spend on the projects are lying in Intangible assets under development and will be capitalized once the commissioning details are received.

6.3 Intangible Assets under development ageing schedule-

As on 31st March,2025

(Rs. in Lakhs)

Intangible assets under development	Amount in Inatangible Assets under devdevelopment for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	4,119.16	6,050.45	957.24	6,673.78	17,800.64

As on 31st March,2024

(Rs. in Lakhs)

Intangible assets under development	Amount in Inatangible Assets under devdevelopment for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	6,050.45	957.24	5,408.33	1,265.45	13,681.47

- 6.4 For Intangible assets under development, whose cost has exceeded its cost compared to its original plan:

As on 31st March,2025

(Rs. in Lakhs)

Intangible assets under development	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Railway project	-	-	-	-	-

As on 31st March,2024

(Rs. in Lakhs)

Intangible assets under development	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Railway project	-	-	-	-	-

- 6.5 Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. During the F.Y 2024-25 interest cost of amounting Rs. Nil lakhs (F.Y 2023-24 Rs 19.16 lakhs) has been capitalized as part of cost of assets. It includes interest charged by RVNL, on it dues of amounting Rs Nil lakhs (previous year of Rs NIL Lakhs).

NOTES FORMING PART OF THE FINANCIAL STATEMENT ENDED 31st March 2025
7. Financial Assets- Others
(Rs. in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Considered Good : Secured		
Fixed Deposits under Debt Service Reserve Account (More than 12 months) (Refer Note 9.3.2)	-	-
Interest Accrued on Fixed Deposit	-	-
Considered Good : Unsecured At Amortised Cost		
Security Deposits	12.30	11.56
Total	12.30	11.56

8. Other non-current assets
(Rs. in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
a) Capital Advances		
Unsecured, considered good Advances for various project expenditure	4,368.22	8,930.43
b) Others		
Prepaid Rent	5.16	6.07
Total	4,373.38	8,936.50

8.1 It includes Advances given for Doubling project amounting Rs. 1175.62 lakhs (PY: Rs. 3755.97 lakhs) & for Electrification amounting Rs. 265.96 lakhs (PY: Rs. 1560.55 lakhs). As the projects are completed in FY 22-23, the said advances are needed to be adjusted with RVNL once the final bill for cost are received.

8.2 The Company has advanced Rs. 1,642.00 lakhs to Western Railway for elimination of 30 UMLCs. As per Railway Board letters dated 23.11.2017 and 03.10.2019, the Railway will bear the cost of UMLC elimination on the SPV line. The Company requested a refund of the amount withheld for the UMLC work. The Company has received formal confirmation from Western Railway vide letter dated 18.03.2025 for adjustment of Rs. 213.00 Lakhs for work and the balance amount of Rs. 1429.41 Lakhs withheld may either be refunded to the Company or adjusted against ongoing CTR work on the PNU-SIOB section.

8.3 It represents unamortised portion of the difference between the fair value of financial assets on initial recognition and expenditure incurred.

9. Financial Assets - Current
9.1. Trade Receivables
(Rs. in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Considered good, Unsecured		
Receivable from Western Railways	8,824.70	12,165.17
Total	8,824.70	12,165.17

The Trade Receivables as on 31st March 2025 amounting to Rs 8824.70 lakhs (Previous year :-12,165.17) are derived after deducting/adjusting Rs 4,35,551.63 lakhs payable to WR on account of Operating and Maintenance Cost as advised by WR. Railway balance as on 31st March, 2025 are subject to confirmation/reconciliation from the Western Railway.



NOTES FORMING PART OF THE FINANCIAL STATEMENT ENDED 31st March 2025

Trade Receivables ageing schedule as on 31st March 2025 are as follows:-

(Rs. in Lakhs)

Particulars	Outstanding for following periods from due date of payment		
	Less then 6 months	6 months to 1 year	1-2 years
(i) Undisputed Trade receivables –considered good	8,824.70		
(ii) Undisputed Trade receivables –Having Significant Risk	-	-	-
(iii) Undisputed Trade Receivables –credit impaired	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-
(v) Disputed Trade Receivables–Having Significant Risk	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-
Total	8,824.70	-	-

Trade Receivables ageing schedule as on 31st March 2024 are as follows:-

(Rs. in Lakhs)

Particulars	Outstanding for following periods from due date of payment		
	Less then 6 months	6 months to 1 year	1-2 years
(i) Undisputed Trade receivables –considered good	12,165.17		
(ii) Undisputed Trade receivables –Having Significant Risk	-	-	-
(iii) Undisputed Trade Receivables –credit impaired	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-
(v) Disputed Trade Receivables–Having Significant Risk	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-
Total	12,165.17	-	-

9.2 Cash and Cash equivalent

(Rs. in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Cash in hand	0.36	0.37
Balances with banks:		
– On current accounts	30.25	11.62
Deposits with original maturity of 3 months or less	250.00	2,121.00
Total	280.61	2,132.99

9.3 Bank Balances other than Cash and Cash equivalent

(Rs. in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Other Bank Balances		
Fixed Deposits under Debt Service Reserve Account	11,077.99	9,230.00
Balance in Escrow Account	286.27	35.25
Balance in Dividend Account	-	-
Balance in CSR Account	118.42	102.61
Fixed Deposits with original maturity of upto 12 months	14,530.00	11,329.00
Total	26,012.68	20,696.86

NOTES FORMING PART OF THE FINANCIAL STATEMENT ENDED 31st March 2025

9.3.1 The Amount lying in Escrow Account can be used by company in compliance with terms of Loan Agreement.

9.3.2 Deposits under the Debt Service Reserve Account is maintain of an amount equivalent to 6 months/2 quarters interest payments (ensuing) to the extent of loan disbursed during the Moratorium Period. The Borrower shall also maintain DSRA equivalent to two quarters (ensuing) Debt service liability to the extent of loan disbursed after Moratorium Period.

9.3.3 The amount lying in CSR Account represents balance for Ongoing projects undertaken by the company.

9.4 Other Current Financial Assets

(Rs. in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Fixed Deposits with original maturity of more than 12 months	-	-
Fixed Deposits under Debt Service Reserve Account (Refer Note 9.3.2)	220.00	2,363.00
Considered Good : Unsecured		
Other Receivables		
Employee Advances	0.32	1.96 -
Interest Accrued on Fixed Deposit	224.39	268.22
Total	444.71	2,633.18

10. Current Tax Asset/(Current Tax Liabilities)

(Rs. in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Current Tax Asset		
Income Tax refundable	35.88	38.60
Advance Tax & TDS	1,336.34	151.35
Provision for Income Tax	(399.50)	(496.88)
Total	972.72	(306.93)

11. Other Current Assets

(Rs. in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Others		
Prepaid Expenses	449.12	332.19
Prepaid Rent *	0.92	0.92
Other Advances	9.04	9.37
Total	459.08	342.48

* It represents unamortised portion of the difference between the fair value of financial assets on initial recognition and expenditure incurred.



NOTES FORMING PART OF THE FINANCIAL STATEMENT ENDED 31st March 2025

12. Equity Share Capital

(Rs. in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Authorised share capital 1,00,00,00,000 Equity Shares of Rs 10 each* (31st March, 2024: 1,00,00,00,000 Equity Share of Rs 10 each)	100,000.00	100,000.00
	100,000.00	100,000.00
Issued, Subscribed and Paid up Capital 82,10,00,000 Equity Shares of Rs 10 each* (31st March, 2024 : 25,00,00,000 Equity Share of Rs 10 each) (Includes 2,73,50,100 Shares issued for consideration other than cash & 5,00,00,000 bonus shares)	82,100.00	82,100.00
	82,100.00	82,100.00

* As company requires additional funds for the payments of the ongoing doubling and electrification projects of the company. In the EGM dated 14.03.2023, it has been approved that this additional fund required shall be partially met through term loan from bank and balance through equity contribution from shareholders in their existing ratio. The authorised share capital was increased in the previous year to accommodate the present requirement of issue of share capital. Further Company has issued shares amounting of Rs 57,100/- lakhs during the previous year for the payments of the ongoing doubling and electrification projects of the company.

(a) Reconciliation of the number of equity shares and share capital

Particulars	As at 31st March 2025		As at 31st March 2024	
	No of shares (in Lakhs)	Amount (in Lakhs)	No of shares (in Lakhs)	Amount (in Lakhs)
Issued/Subscribed and Paid up equity Capital outstanding at the beginning of the year	8,210.00	82,100.00	2,500.00	25,000.00
Add: Shares Issued during the year	-	-	5,710.00	57,100.00 -
Issued/Subscribed and Paid up equity Capital outstanding at the end of the year	8,210.00	82,100.00	8,210.00	82,100.00

(b) Details of Shares held by each shareholder holding more than 5% shares in the company

Name of the shareholder	As at 31st March 2025		As at 31st March 2024	
	No of shares (in Lakhs)	% holding in the class	No of shares (in Lakhs)	% holding in the class
1. Rail Vikas Nigam Limited	4,105.00	50.00	4,105.00	50.00
2. Kandla Port Trust	2,134.60	26.00	2,134.60	26.00
3. Adani Port & SEZ Ltd.	1,642.00	20.00	1,642.00	20.00
Total	7,881.60	96.00	7,881.60	96.00

NOTES FORMING PART OF THE FINANCIAL STATEMENT ENDED 31st March 2025
(c) Terms & Right attached to equity shares

The company has only one class of equity shares having par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share and also to dividends in Indian rupees. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company after distributing all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(d) Aggregate number of equity shares issued as fully paid by way of bonus during the period of five years immediately preceding the reporting date

Particulars	As at 31 March 2025 No in lakhs	As at 31 March 2024 No in lakhs	As at 31 March 2023 No in lakhs	As at 31 March 2022 No in lakhs	As at 31 March 2021 No in lakhs
Equity shares issued as bonus	-	-	-	-	-
Total	-	-	-	-	-

(e) Details of Promoter's Shareholding-

Name of Promoter	As at 31st March 2025			As at 31st March 2024		
	No. of Shares (in lakhs)	% of total shares	% change during the year	No. of Shares (in lakhs)	% of total shares	% change during the year
Rail Vikas Nigam Limited	4,105.00	50.00	-	4,105.00	50.00	-
Deendayal Port Authority	2,134.60	26.00	-	2,134.60	26.00	-
Adani Port & SEZ Ltd.	1,642.00	20.00	-	1,642.00	20.00	-
Govt of Gujarat	328.40	4.00	-	328.40	4.00	-
Total	8,210.00	100.00	-	8,210.00	100.00	-

13. Other Equity
(Rs. in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
General Reserve	879.52	879.52
Retained Earnings	1,75,345.24	1,73,959.07
Share Application Money Pending Allotment	-	-
Total	1,76,224.76	1,74,838.59

13.1 General Reserve
(Rs. in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Opening Balance	879.52	879.52
Add: Transfer from statement of profit and loss	-	-
Closing Balance	879.52	879.52



NOTES FORMING PART OF THE FINANCIAL STATEMENT ENDED 31st March 2025

13.2 Retained Earnings

(Rs. in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Balance at the beginning of the current / previous reporting period;	1,73,959.07	1,72,259.10
Add/(Less) : Changes in accounting policy or prior period errors	-	-
Balance at the beginning of the current/previous Reporting Period	1,73,959.07	1,72,259.10
Add: Profit during the year transfer from statement of profit & loss	1,394.01	1,792.46
Other comprehensive income arising from Remeasurement of **defined benefit obligation net of income tax	(7.84)	(3.44)
Interim Dividend	-	-
Payment of dividend on equity shares	-	-
Payment of Stamp Duty Fees	-	(89.05)
Closing Balance	1,75,345.24	1,73,959.07

13.3 Share Application Money Pending Allotment

(Rs. in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Opening Balance*	-	14,275.00
Received during the year	-	57,100.00
Issued during the year**	-	57,100.00
Refunded/Adjustment during the year*	-	-14,275.00
Closing Balance	-	-

*Company in the board meeting held on 29/03/2023 proposed to issue right shares to the existing shareholders. The share application money was subscribed by Rail Vikas Nigam limited through conversion of its debt, however as other existing shareholders have not subscribed share application/allotment money therefore Board by meeting held on 08/06/2023 decided to cancel the right issue. During the FY 2023-24, in the 96th Board Meeting dated 08.06.2023, Share application subscribed by the Rail Vikas Nigam Limited has been refunded by transferring the amount to RVNL balance outstanding.

**During the FY 2023-24, Company has issued shares amounting of Rs 57,100.00 lakhs to the existing shareholders under the right issue.

Nature and Purpose of Other Reserves:

(a) Retained Earnings

Retained Earnings represents the undistributed profits of the Company.

(b) General Reserve

General Reserve represents the statutory reserves, this is in accordance with Corporate Law wherein a portion of profit is apportioned to General Reserve. Under Companies Act, 2013, the transfer of any amount to General Reserve is at the discretion of the Company.

13.4 Distributions Made and Proposed

Dividend paid/payable shall be recognised in the year in which the related dividends are approved by shareholders or board of directors as appropriates.

No final interim dividend have been proposed/paid during the financial year 2024-25 (financial year 2023-24).

NOTES FORMING PART OF THE FINANCIAL STATEMENT ENDED 31st March 2025

14. Financial Liabilities-Non Current

14.1 Borrowings

(Rs. in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Secured- At Amortised Cost		
Term Loans		
-From Banks	93,126.50	1,05,979.90
	93,126.50	1,05,979.90

14.1.1 Summary of borrowing arrangement

- (i) The Palanpur-Gandhidham line was converted to broad-gauge in 2006, and currently serves two major Indian ports viz. Kandla Port and Mundra Port. It also connects the various industries (cement, salt and fertilizer) of Kutch region to their hinterlands. The line would also connect the area to the upcoming Western Railway to dedicated freight corridor as an important feeder line.
In order to augment the capacity of the line significantly and handle future traffic growth, the said project needs doubling and electrification and accordingly an Addendum dated 26.10.2020 to Concession Agreement was entered into between the MoR and the Company herein, by virtue of which it was agreed that the Company to undertake (i) Doubling & Electrification of Railway line between Palanpur-samakhiali section measuring about 248 Km & (ii) Electrification of down line between Samakhiali and Gandhidham section measuring about 53 Km. in the state of Gujarat (hereinafter referred to as the "Project"). Total Cost of the project was estimated Rs 2,93,000/- Lakhs.
- (ii) A Term Loan of Rs. 1,00,000 Lakhs has been taken by the company from the PNB against the project cost of Rs. 2,93,000 Lakhs (now revised to Rs. 3,71,983 lakhs under the common Loan agreement, out of which Rs.NIL Lakhs has been disbursed by the Bank during the F.Y 2024-25. (Previous Year Rs. Nil Lakhs). Further Company has taken a fresh loan of amounting of Rs. 28500.00 lakhs during the FY 2023-24 for a tenure of 10 years to meet the cost overrun in the projects of the company.

14.1.2 Terms of security for loan are as follows:

The Secured Obligations shall, to the satisfaction of the Secured Parties, do hereby hypothecate, assigns by way of security, charges and assures unto the Lender on exclusive charge basis (subject to the provisions of the Concession Agreement), the following:-

- a) first charge in a form and manner satisfactory to the Lender by way of hypothecation over all Goods / Assets created out of the Loan in terms of Government of India, Ministry of Railways (Railway Board) letter no. 2011/Infra/18/2 dated 05.01.2021 and without prejudice to MoR's rights under clause 9.1 and 9.2 of the Concession Agreement signed between Ministry of Railways (MoR) and Kutch Railway Company Limited/Company".;
- b) first charge over the goods/assets by way of hypothecation other than the Projects Assets, as permitted in the Concession Agreement.
- c) first Charge over the current assets including the receivables of the Borrower pertaining to the Project.
- d) first charge over the uncalled capital of the Borrower.
- e) first charge of all Project bank accounts including but not limited to the Escrow Account(s), Debt Service Reserve Account, etc.
- f) first charge by way of assignment of rights, interest and obligations of the Company in favour the Bank to the extent covered by and in accordance with the Concession Agreementg)
- g))first charge by way of assignment of all applicable insurance policies;

The Security mentioned hereinabove shall be created in the form and manner acceptable to the Lender and within time period stipulated by the Lender. Further, the Security Interest stipulated herein above shall exclude the Project Assets (as defined in and in accordance with Concession Agreement) and shall be subject to provisions of Concession Agreement.



NOTES FORMING PART OF THE FINANCIAL STATEMENT ENDED 31st March 2025

14.1.3 Terms of Repayment

The Facility have a door-to-door tenure of 12 years including construction period of 2 Year. The Facility shall be repaid in 40 (forty) structured quarterly instalments starting from 31st March 2023.

However, as per revised schedule of payment issued by bank, on account of change in DOCC from December 2022 to June 2023, the revised terms for Repayment starts from September 2023.

In case of the original loan the amount of the Quarterly Installment is 2500.00 lakhs per installment and for fresh loan amount of the Quarterly Installment is 712.50 lakhs per installment.

14.1.4 Interest Terms

The Applicable Interest rate for 1st & 2nd year was MCLR (6.80%)+0.25% (Liquidity Premium) =7.05% p.a. with monthly resets. The interest rate remained fixed during the Moratorium Period of 2 years. The first interest reset date shall be after the moratorium period with automatic monthly reset thereafter, at one month MCLR on the date of reset. Following is the Interest rate applied during the year-

Month	Interest Rate
April 2022 to Sept 1st 2022	7.05%
Till Oct 1st 2022	7.10%
Till Nov 1st 2022	7.15%
Till Dec 1st 2022	7.45%
Till Jan 1st 2023	7.50%
Till Feb 1st 2023	7.90%
Till Mar 1st 2023	8.00%
Till 31st March 2023	8.10%
Till 31st March 2024	8.35%
Till 31st March 2025	8.40%

14.1.5 Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets.

14.1.6 Terms of security for loan, Terms of Repayment and Interest Terms are same for both the Original Loan of Rs 1,00,000 lakhs and Fresh Loan of amounting Rs 28,500.00 lakhs).

14.2 Lease Liabilities

(Rs. in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Lease Liabilities	270.17	303.12
Total	270.17	303.12

14.3 Trade Payable

(Rs. in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
(i) Total outstanding dues of micro enterprises and small enterprises	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
- At Amortised Cost		
Overhead Cost Payable (WR) - Refer Note 43(b)	22,470.26	23,754.61
Total	22,470.26	23,754.61

NOTES FORMING PART OF THE FINANCIAL STATEMENT ENDED 31st March 2025

- (a) Overhead Cost payable represents deferred expenses on account of overhead charges payable upto 31 March 2016 (i.e. salary for RPF, Accounts, Medical & Personnel and corresponding retirement benefits-DCRG, Pension, Leave salary etc.) which are not payable to WR as it is deferred for the first ten years of operation of the line and the same shall be payable by Company over a period of 20 years commencing from the 11th year of operation, as advised by WR from time to time in terms of clause 3.1.5 of the Operation & Maintenance Agreement.
- (b) In the event of default of non payment of dues outstanding exceeding 3 months by KRC to WR, KRC shall be liable to pay WR an interest equal to the SBI PLR prevailing on the date on which the notice of default was issued for the period from the date when the payment was due to the date of payment.
- (c) The credit period in respect of Trade Payables is five days from the end of the relevant month.
- (d) Trade payables are interest bearing. Interest is payable in case of event of default of Non payment of dues for three consecutive months.
- (e) **Trade Payables Ageing Schedule are as follows:-**

As at 31st March 2025

(Rs. in Lakhs)

Particulars	Outstanding for following periods from due date of payment#					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-
(ii) Others	22,470.26	-	-	-	-	22,470.26
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

As at 31st March 2024:

(Rs. in Lakhs)

Particulars	Outstanding for following periods from due date of payment#					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-
(ii) Others	23,754.61	-	-	-	-	23,754.61
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

15. Provisions

(Rs. in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Employee Benefits		
Gratuity	-	-
Leave Encashment	277.99	203.60
Total	277.99	203.60

Note:- The provision for employee benefits includes retirement benefits of gratuity and Leave encashment, for other disclosures refer Note no- 46.



NOTES FORMING PART OF THE FINANCIAL STATEMENT ENDED 31st March 2025

16. Deferred Tax*

(Rs. in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Deferred tax liability Property, plant & equipment and ROU other intangible assets	30,945.14	25,017.31
Total deferred tax liability	30,945.14	25,017.31
Deferred tax Assets		
Ind AS adjustments (Overhead Cost and Security deposit)	2,122.07	2,006.94
Employee benefit	120.53	105.93
MAT Credit Entitlement	27,592.86	27,173.46
Unabsorbed Depreciation	14,707.36	9,807.21
Total deferred tax asset	44,542.82	39,093.54
Net Deferred tax Assets	13,597.68	14,076.23

In accordance with Ind AS-12- "Income Taxes" notified by Ministry of Corporate Affairs, the Company has assessed the deferred tax taking into consideration all the items, due to which there is temporary difference between the carrying amount of the assets and liabilities and their tax base as on 31.03.2025.

Movement in deferred tax liability/ (asset)

(Rs. in Lakhs)

Particulars	Ind AS Adjustments (Overhaed Cost Payable and SD)	PPE & Intangible Assets and ROU	Unabsorbed Depreciation	MAT	Employee Benefits	Total
Opening balance as at 1st April 2023	(1,860.08)	16,853.18	(3,023.03)	(26,653.37)	(75.56)	(14,758.86)
Charged/(credited)						
To Profit & Loss	(146.86)	8,164.13	(6,784.18)	(520.09)	(28.52)	684.48
To other comprehensive income	-	-	-	-	(1.85)	(1.85)
Closing balance as at 31st March 2024	(2,006.94)	25,017.31	(9,807.21)	(27,173.46)	(105.93)	(14,076.23)
Charged/(credited)						
To Profit & Loss	(115.13)	5,927.83	(4,900.15)	(419.40)	(10.39)	482.76
To other comprehensive income	-	-	-	-	(4.21)	(4.21)
Closing balance as at 31st March 2025	(2,122.07)	30,945.14	(14,707.36)	(27,592.86)	(120.53)	(13,597.68)

NOTES FORMING PART OF THE FINANCIAL STATEMENT ENDED 31st March 2025

17. Other Non current Liability

(Rs. in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
a) Fair valuation adjustment- Financial Liabilities		
Overhead Cost Payable*	17,309.46	18,932.22
Total	17,309.46	18,932.22

* It represents difference between the fair value of financial liabilities (overhead Cost Payable to Railway) on initial recognition and expenditure incurred at amortised cost.

18. Financial Liabilities - Current

18.1 Borrowings

(Rs. in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Current Maturities of long term debt (Refer Note 14.1)	12,850.00	12,850.00
Total	12,850.00	12,850.00

18.2 Lease Liabilities

(Rs. in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Lease Liabilities	32.95	28.87
Total	32.95	28.87

18.3 Trade Payable

(Rs. in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
(i) Total outstanding dues of micro enterprises and small enterprises	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises - At Amortised Cost		
Overhead Cost Payable (WR)*	1,284.35	1,185.92
Payable to Others	2.91	2.12
Total	1,287.26	1,188.04

(i) *Refer Note No-14.3 & 43(b) for detail.



NOTES FORMING PART OF THE FINANCIAL STATEMENT ENDED 31st March 2025

(ii) Trade Payables Ageing Schedule are as follows:-

As at 31st March 2025:

(Rs. in Lakhs)

Particulars	Outstanding for following periods from due date of payment#					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-
(ii) Others	1,284.35	2.91	-	-	-	1,287.26
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

As at 31st March 2024:

(Rs. in Lakhs)

Particulars	Outstanding for following periods from due date of payment#					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-
(ii) Others	1,185.92	2.12	-	-	-	1,188.04
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

18.4 Other Financial Liabilities

(Rs. in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Other Payables including Expenses Payable	106.85	59.44
Bonus Payable	72.59	75.02
Security from suppliers	6.76	3.91
Payable for Capital Assets	32,389.36	31,716.95
Payable to Employees	-	0.05
Total	32,575.56	31,855.37

- (i) Payable for Capital Assets includes Rs. 32,380.45 Lakhs (Rs.29,918.54 as on 31st March 2024) payable to Rail Vikas Nigam Limited towards project expenditure of doubling/electrification of railway line between Palanpur-Samakhiyali and Rs 3.50 Lakhs (Rs 3.50 lakhs as on March 31.2024) on other works.
- (ii) Payable to Capital Assets includes Rs. 18.41 Lakhs (Rs.1794.91 lakhs as on 31st March 2024) payable towards Western Railway Other Projects.

NOTES FORMING PART OF THE FINANCIAL STATEMENT ENDED 31st March 2025

19. Other current Liability

(Rs. in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Others		
EPF Payable	4.41	3.92
NPS Payable (Refer Note No. 46.2)	0.02	-
Other Statutory Liabilities*	46.28	314.50
Overhead Cost Payable**	1,622.76	1,622.76
Total	1,673.47	1,941.18

* Includes TDS, Professional Tax payable, GST payable under RCM

** It represents difference between the fair value of financial liabilities (overhead Cost Payable to Railway) on initial recognition and expenditure incurred at amortised cost.

20. Short Term Provisions

(Rs. in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Employee Benefits		
Gratuity (Refer Note 46)	49.51	25.41
Leave Encashment (Refer Note 46)	17.44	74.14
Provison for CSR	280.05	406.22
Total	347.00	505.77

21. Revenue from operation

(Rs. in Lakhs)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Revenue From Contracts with Customers		
(Income form bulk & Container traffic (Refer Note No.-32)	1,13,234.77	1,17,934.83
Other Operating Revenue (Construction Contract Revenue under SCA) (Refer Note No.-32)	20,210.79	48,724.85
Total	1,33,445.56	1,66,659.68

21.1 For the year ended 31st March 2025, the company has recognized revenue of Rs. 20,210.79 Lakhs (March 31st 2024 Rs. 48,724.85 Lakhs), on construction of intangible assets under service concession arrangement.

21.2 The operating income of the Company from the operations of goods trains is recognized based on the provisional figures advised by Western Railways, which represent the share of revenue due to the Company. Operating revenue relating to earlier years in respect of goods train operations is accounted for in the year in which such provisional figures are received from Western Railways. This treatment is in accordance with the requirements of Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, as the relevant information regarding revenue for prior periods was not available at the time of approval of the financial statements for those periods. Accordingly, the Company recognizes and discloses such prior period revenues when the information becomes available, ensuring compliance with applicable accounting standards.



NOTES FORMING PART OF THE FINANCIAL STATEMENT ENDED 31st March 2025

22. Other Income

(Rs. in Lakhs)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Interest Income		
Interest Income on Fixed Deposits (at amortised cost)	1,885.26	1,283.51
Interest on Advances to Employees	-	-
Interest on Income Tax Refund	-	30.65
Other Non-operating Income		
Unwinding of discount on Security Deposit	0.74	0.69
Income from reversal of deferred Overhead costs payable	1,622.76	1,622.76
Profit on sale of assets	-	-
Miscellaneous Income	0.14	0.08
Excess Provision written back	10.00	-
Income from the Scrap Sale *	1,004.78	1,366.62
Total	4,523.68	4,304.31

* Income from Scrap Sale is recorded as per the advise received from the Western Railways.

23. Operation & Maintenance Expense (O&M Expenses)

(Rs. in Lakhs)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Man Power Cost	44,139.45	38,836.69
Fixed Maintenance Cost	4,612.41	6,320.11
Cost of Fuel	20,923.77	28,530.85
Hiring Charges of Rolling Stock	4,374.15	4,638.76
Wagon Repair Charges	867.36	1,218.81
Vehicle Hire Charges	346.20	265.24
Overhead cost	2,187.42	2,049.30
Documentation Charges	21.63	22.03
Compensation Claim	0.72	69.77
(Construction Contract Cost under SCA (Refer Note No.-32))	20,210.79	48,724.85
Total	97,683.90	1,30,676.41

- 23.1** The Operation & Maintenance Cost attributable to the Company, in respect of the operation of goods trains, is recognized based on provisional figures provided by Western Railways. These provisional figures represent the Company's share of the Operation & Maintenance Cost as advised by Western Railways. Costs relating to earlier financial years, in respect of goods train operations, are accounted for in the year in which the provisional figures are communicated by Western Railways. This treatment is in accordance with the requirements of Indian Accounting Standard (Ind AS) 8 — Accounting Policies, Changes in Accounting Estimates and Errors, since such cost information was not available at the time of approval of the financial statements for the respective prior periods. Accordingly, the Operation & Maintenance Costs of earlier years are recognized on a provisional basis in the period of receipt of the advice, ensuring that the financial statements reflect the most accurate and updated cost information once it becomes available.
- 23.2** Company has received reduction in the O&M Variable Cost of amounting Rs 2640.53 lakhs the FY 2023-24 by letter dated 29.08.2024. KRCL has received the letter before the finalization of the accounts for the FY 2023-24, therefore the O&M cost for the FY 2023-24 are revised accordingly.
- 23.3** Company has received reduction in the O&M Fixed maintenance Cost of amounting Rs 145.62 lakhs the FY 2024-25 by letter dated 04.08.2025 and 06.08.2025. KRCL has received the letter before the finalization of the accounts for the FY 2024-25, therefore the O&M cost for the FY 2024-25 are revised accordingly.

NOTES FORMING PART OF THE FINANCIAL STATEMENT ENDED 31st March 2025

24. Employee Benefit and Expenses

(Rs. in Lakhs)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Salaries, Wages & benefits	475.85	478.34
Contribution to PF & Other Funds	44.33	41.19
Provision for Retirement Benefits	12.06	12.57
Staff Welfare Expenses	4.09	4.30
Total	536.33	536.40

25. Finance Cost

(Rs. in Lakhs)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Other Borrowing Cost		
Unwinding of Discount on Overhead Cost Payable	1,952.38	2,043.27
Interest on lease liabilities	24.77	26.77
Interest Exp on Loan	9,451.73	8,116.83
Interest Exp on Construction Contractor	-	2,157.97
Interest on Income Tax	70.56	42.16
Total	11,499.44	12,387.00

26. Depreciation and Amortization

(Rs. in Lakhs)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Depreciation on Property, Plant & Equipment (Refer Note No-3)	14.74	15.41
Depreciation on Right of Use Assets (Refer Note No-4)	41.32	41.32
Amortization of intangible assets (Refer Note No-5)	28,415.73	25,991.11
Total	28,471.79	26,047.84

27. Other Expenses

(Rs. in Lakhs)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Professional Charges	49.50	87.77
Rent Expense	14.70	15.24
Electricity	3.66	2.96
Communication	3.43	3.91
Travelling & Conveyance	8.22	8.40
Printing & Stationery	5.33	3.18
Advertisement & Sponsorship	7.21	-
Books & periodicals	0.41	0.34
Insurance for project assets	468.53	211.27
Entertainment & business promotion	22.07	24.12
Membership & Business Subscription	1.88	1.35
Meeting and conference charges	2.82	1.86
Repairs & maintenance	4.71	3.09
Vehicle Running & Maintenance	20.58	13.70
Auditor remuneration (refer Note -48)	7.08	6.49
Bank Charges	0.09	0.29
Loss on disposal/written off of Property, Plant and Equipment	1.59	9.18
Miscellaneous Expenses	4.18	3.51
Corporate Social Responsibility Expenses	198.35	320.14
Total	824.34	716.80



NOTES FORMING PART OF THE FINANCIAL STATEMENT ENDED 31st March 2025

28 Exceptional Items

(Rs. in Lakhs)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Overhead Cost Reversal*	2,902.94	2,377.19
Liabilities Written off**	442.18	-
Total	3,345.12	2,377.19

*The Operation & Maintenance Cost of the company is recognized as per the provisional figures advised by Western Railways for the share of Operation & Maintenance Cost due to the company from the operations of goods trains. During the F.Y 2024-25, western railway has refunded excess indirect cost of Rs. 2,902.94 Lakhs charged during the FY 2022-23, 2023-24 (Previous F.Y 2023-24, western railways has refunded excess indirect cost of Rs. 2,377.19 Lakhs charged during the FY 2021-22 & 2022-23).

** Refer Note No- 44 for details

29. Income tax recognised in profit and loss

(Rs. in Lakhs)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Income tax:		
Current income tax charge	399.50	496.88
For earlier years (net)	22.29	2.91
Deferred tax:		
In respect of the current year (For details Refer Note No-16)	482.76	684.48
Total	904.55	1,184.27

Reconciliation between tax expense and the accounting profit :

(Rs. in Lakhs)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Accounting profit before tax from continuing operations	2,298.56	2,976.73
Applicable Tax Rate	34.94%	34.94%
Computed tax Expenses on taxable profit	803.21	1,040.19
Deferred tax Impact of Ind AS Adjustments		
Add : Effect of expenses that are not deductible		
Less: Tax effect of Exempt Income	101.34	144.08
At the effective income tax rate	904.55	1,184.27
Income tax expense reported in the statement of profit and loss (relating to continuing operations)	904.55	1,184.27
Total	904.55	1,184.27

*During current and previous financial year tax has been calculated using MAT Provisions of Income Tax Act 1961

NOTES FORMING PART OF THE FINANCIAL STATEMENT ENDED 31st March 2025

30. Components of Other Comprehensive Income (OCI)

The disaggregation of changes to OCI by each type of reserve in equity is shown below:-

(Rs. in Lakhs)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Remeasurement of Defined benefit plans	(12.05)	(5.29)
Tax impact on Remeasurement of Defined benefit plans	4.21	1.85
Total	(7.84)	(3.44)

31 Earnings per share (EPS)

(Rs. in Lakhs)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Basic EPS		
From continuing operation	0.17	0.33
From discontinuing operation		
Diluted EPS		
From continuing operation	0.17	0.33
From discontinuing operation		

31.1 Basic Earning per Share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the company by weighted average number of equity shares outstanding during the year.

The earnings and weighted average number of equity shares used in calculation of basic earning per share:-
(Rs. in Lakhs)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Profit attributable to equity holders of the company:		
Continuing operations	1,394.01	1,792.46
Discontinuing operations		
Total	1,394.01	1,792.46
Weighted average number of shares for the purpose of basic earnings per share (No. lakhs)	8210.00	5495.34

31.2 Diluted Earning per Share

The earnings and weighted average number of equity shares used in calculation of diluted earning per share:-
(Rs. in Lakhs)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Profit attributable to equity holders of the company:		
Continuing operations	1,394.01	1,792.46
Discontinuing operations		
Earnings used in calculation of diluted Earning Per Share from continuing operations	1,394.01	1,792.46



NOTES FORMING PART OF THE FINANCIAL STATEMENT ENDED 31st March 2025

The weighted number of equity shares for the purpose of diluted earning per share reconciles to the weighted average number of equity shares used in calculation of basic earning per share as follows: (No. in Lakhs)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Weighted average number of Equity shares used in calculation of basic earnings per share	8,210.00	5,495.34
Effect of dilution:	-	-
Share Options	-	-
Weighted average number of Equity shares used in calculation of diluted earnings per share	8,210.00	5,495.34

32. Disclosure of IndAS 115 “Revenue from Contracts with Customers”

32.1 Service Concession arrangements

Public-to-private service concession arrangements are recorded according to Appendix “D” Service Concession Arrangements” IND-AS-115 . Appendix “D” Service Concession Arrangements applies if:

- The grantor controls- through ownership, beneficial entitlement, or otherwise- any significant residual interest in the infrastructure at the end of the term of the arrangement.

If both of the above conditions are met simultaneously, an intangible asset is recognized to the extent that the operator receives the right to charge users of the public service, provided that these charges are conditional on the degree to which the service is used.

These intangible assets are initially recognized at cost, which is understood as the fair value of the service provided plus other direct costs directly attributable to the operation. They are then amortized over the term of the concession.

*The Kutch Railway Company Limited (Company) has entered into a Concession Agreement with Ministry of Railways (MoR), Government of India dated 8th November, 2005 in terms of which the Ministry of Railways (Grantor) has authorized the Company (Operator) to develop, finance, design, engineer, procure, construct, operate and maintain the Project Railway and to exercise and/or enjoy the rights, powers, benefits, privileges authorizations and entitlements upon its completion. In terms of the said agreement KRCL has an obligation to complete construction of the project railway and to keep the project assets in proper working condition including all projects assets whose lives have expired.

The concession is hereby granted for a period of 32 (Thirty Two) Years, commencing on the Appointed Date, or such extended period as provided for in this Agreement, unless terminated earlier.

At the end of concession period, the project assets shall be handed by KRC to MOR and KRC shall be entitled to receive and MOR shall pay to KRC an amount equal to Book Value. The Existing Assets leased to KRC by MoR shall revert back to MoR without any financial consideration.

The Concession Period of 32 years, shall be extended by an equal period of time which corresponds to the period for which material disruption of Operations and Maintenance occurred during the Concession Period.

In case of material breach in terms of the agreement the MOR and KRC both have the right to terminate the agreement if they are not able to cure the event of default in accordance with such agreement.

The Operation and Maintenance of the project railway is being conducted by MOR through Western Railway (WR) under its right, vide agreement dated 21st August, 2007, which is co-terminus with the Concession Agreement, entered into between the MoR and KRC. Further, in terms of this agreement, WR is in performance of Operation and Maintenance of Project Railway from Gandhidham to Palanpur, a total distance of 300.81 Kms and KRC is to pay O&M cost to WR.

Sections:

- Gandhidham Station to Samakhiali Station measuring approximately 53.08 kms,
- Samakhiali station to Bhildi Junction Station measuring approximately 202.23 kms,
- Bhildi Junction Station to Palanpur Station measuring approximately 45.50 kms.

NOTES FORMING PART OF THE FINANCIAL STATEMENT ENDED 31st March 2025

The Palanpur-Gandhidham line was converted to broad-gauge in 2006, and currently serves two major Indian ports viz. Kandla Port and Mundra Port. It also connects the various industries (cement, salt and fertilizer) of Kutch region to their hinterlands. The line would also connect the area to the upcoming Western Railway to dedicated freight corridor as an important feeder line. In order to augment the capacity of the line significantly and handle future traffic growth, the said project needs doubling and electrification and accordingly an Addendum dated 26.10.2020 to Concession Agreement was entered into between the MoR and the Company herein, by virtue of which it was agreed that the Company to undertake (i) Doubling & Electrification of Railway line between Palanpur-samakhiali section measuring about 248 Km & (ii) Electrification of down line between Samakhiali and Gandhidham section measuring about 53 Km. in the state of Gujarat.

A construction Agreement has been entered between Kutch Railway Company Ltd and Rail Vikas Nigam Limited on 13.08.2018 for Palanpur-Samakhiali Doubling. However the work on this project has already started in earlier year.

During the FY 2022-23, As per Letter No.16-5/675/409 received dated 24.02.2023 from Commissioner of Railway Safety regarding completion of last part of 248 km line from Palanpur - Samakhiali Section, based on this Company has Capitalised its Doubling Projects. Similarly, for Electrification letter no. EL 92/53/PCEE/Sanction/2022/1(315381) received dated 24.03.2023 commissioned last part to complete the commissioning of Palanpur - Samakhiali Section, accordingly Company has Capitalized its Electrification Projects.

For the year ended 31st March 2025, the company has recognized revenue of Rs. 1,33,445.56 Lakhs (Rs. 1,66,659.68 Lakhs for the year 2023-24), consisting of Rs. 20,210.79 lakhs (Rs. 48,724.85 Lakhs for the year 2023-24) on construction of intangible assets under service concession arrangement and Rs. 1,13,234.77 Lakhs (Rs. 1,17,934.83 Lakhs for the year 2023-24) towards sharing of apportioned earnings from operation of railway line under service concession arrangement. The intangible asset under development represents the freight sharing rights under development to receive freight traffic earnings under service concession arrangement.

32 Disaggregation Of Revenue

(Rs. in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Income form bulk & Container traffic	1,13,234.77	1,17,934.83
Construction Contract Revenue under SCA	20,210.79	48,724.85
Total	1,33,445.56	1,66,659.68

(Rs. in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Point In time	1,13,234.77	1,17,934.83
Over the Time	20,210.79	48,724.85
Total	1,33,445.56	1,66,659.68

Contract balances

(Rs. in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Trade receivables	8,824.70	12,165.17
Contract assets	-	-
Contract liabilities	-	-
Total	8,824.70	12,165.17

Contract Assets

(Rs. in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Contract Asset at the beginning of the year	-	-
Transfer from Contract Asset to Trade Receivable and increase as a result of changes in measure of progress	-	-
Contract Asset at the end of the year	-	-
Total	-	-



NOTES FORMING PART OF THE FINANCIAL STATEMENT ENDED 31st March 2025

Contract Liabilities

(Rs. in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Contract Liabilities at the beginning of the year	-	-
Transfer from Contract Liabilities to Revenue and increase as a result of changes in measure of progress	-	-
Contract Liabilities at the end of the year	-	-
Total	-	-

There was no revenue recognized in the current reporting year that related to performance obligations that were satisfied in a prior year.

32.3 Construction Contracts

In terms of the disclosure required in IND AS-115 "Revenue from Contracts with Customers" the amount considered in the financial statements up to the balance sheet date are as follows:-

(Rs. in Lakhs)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Revenue Recognised on exchanging construction services	20,210.79	48,724.85
Aggregate amount of costs incurred and recognised	20,210.79	48,724.85

33 Capital management

The objective of the company is to manage its capital in a manner to ensure and safeguard their ability to continue as a going concern so that company can continue to provide maximum returns to share holders and benefit to other stake holder Further, company manages its capital structure to make adjustments in light of changes in economic conditions and the requirements of the financial covenants.

Company has taken a Loan during the FY 2024-25 of Rs. Nil lakhs (Previous Year Rs.28,500.00 Lakhs) from Punjab National Bank to finance its project.

Debt Equity Ratio :-

(Rs. in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Borrowings (Note No. 14)	1,05,976.50	1,18,829.90
Long Term Debt	1,05,976.50	1,18,829.90
Cash and Cash Equivalent	280.61	2,132.99
Net Debt	1,05,695.89	1,16,696.91
Equity (Note No. 12)	82,100.00	82,100.00
Other Equity (Note No. 13)	1,76,224.76	1,74,838.59
Total Equity	2,58,324.76	2,56,938.59
Net Debt to Capital Ratio	29:71	31:69

NOTES FORMING PART OF THE FINANCIAL STATEMENT ENDED 31st March 2025
34 Fair Value Measurements

(i) Financial Instruments by Category

(Rs. in Lakhs)

Particulars	As at 31st March 2025			As at 31st March 2024		
	FVTPL	FVT OCI	Amortised Cost	FVTPL	FVT OCI	Amortised Cost
Financial Assets						
(i) Trade Receivables	-	-	8824.70			12,165.17
(ii) Cash and cash equivalents	-	-	280.61	-	-	2132.99
(iii) Bank Balances other than (ii) above	-	-	26,012.68	-	-	20,696.86
(iii) Others	-	-	457.01	-	-	2644.74
Total Financial Assets	-	-	35,575.00	-	-	37,639.76

(Rs. in Lakhs)

Particulars	As at 31st March 2025			As at 31st March 2024		
	FVTPL	FVT OCI	Amortised Cost	FVTPL	FVT OCI	Amortised Cost
Financial Liabilities						
(i) Trade Payables	-	-	23,757.52	-	-	24,942.65
(ii) Other financial liabilities	-	-	32,878.68	-	-	32,187.36
(iii) Borrowings	-	-	1,05,976.50	-	-	1,18,829.90
Total Financial Liabilities	-	-	1,62,612.70	-	-	1,75,959.91

(ii) Fair value of financial assets and liabilities that are not measured at fair value (but fair value disclosure are required)

(Rs. in Lakhs)

Particulars	As at 31st March 2025		As at 31st March 2024	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets				
Security Deposit	10.74	10.12	10.00	9.99
Total Financial Assets	10.74	10.12	10.00	9.99
Financial Liabilities				
Over Head Cost Payables	23,754.61	23,290.92	24,940.53	24,484.83
Borrowings	1,05,976.50	1,05,976.50	1,18,829.90	1,18,829.90
Lease Liabilities	303.12	303.12	331.99	331.99
Total Financial Liabilities	1,30,034.23	1,29,570.54	1,44,102.42	1,43,646.72

- The carrying amounts of cash and cash equivalents and other short term receivables and other financial liabilities are considered to the same as their fair values, due to short term nature.
- The fair value of overhead cost payables to railways under service concession arrangement were calculated based on discounted cash flows using interest rate of loans. They are classified as level 3 fair values in fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.
- The fair value of Lease liabilities were calculated based on discounted cash flows using interest rate of loans.



NOTES FORMING PART OF THE FINANCIAL STATEMENT ENDED 31st March 2025

Fair Value hierarchy as on 31st March, 2025

(Rs. in Lakhs)

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
Financial assets at Amortized Cost				
Security Deposits	-	-	10.12	10.12
	-	-	10.12	10.12

Fair Value hierarchy as on 31st March, 2024

(Rs. in Lakhs)

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
Financial Assets at Amortised Cost				
Security Deposit	-	-	9.99	9.99
	-	-	9.99	9.99

Fair Value hierarchy as on 31st March, 2025

(Rs. in Lakhs)

Particulars	Level 1	Level 2	Level 3	Total
Financial Liabilities				
Financial Liabilities at Amortised Cost				
Over Head Cost Payable	-	-	23,290.92	23,290.92
Borrowings	-	-	1,05,976.50	1,05,976.50
Lease Liabilities	-	-	303.12	303.12
	-	-	1,29,570.54	1,29,570.54

Fair Value hierarchy as on 31st March, 2024

(Rs. in Lakhs)

Particulars	Level 1	Level 2	Level 3	Total
Financial Liabilities				
Financial Liabilities at Amortised Cost				
Over Head Cost Payable	-	-	24,484.83	24,484.83
Borrowings	-	-	1,18,829.90	1,18,829.90
Lease Liabilities	-	-	331.99	331.99
	-	-	1,43,646.72	1,43,646.72

NOTES FORMING PART OF THE FINANCIAL STATEMENT ENDED 31st March 2025**Financial risk management**

The Company's principal financial liabilities comprises trade and other payables. The main purpose of these financial liabilities is to finance the company's operations and to provide guarantees to support its operation. The Company's principal financial assets include trade and other receivables and cash and cash equivalents that derive directly from its operations. The Company is expose to market risk, credit risk and liquidity risk. The company financial risk activities are governed by appropriated policies and procedures and that financial risk are identified, measured and managed in accordance with the companies policies and risk objectives. The board of directors reviews and agrees policies for managing each of these risk, which are summarised below:-

a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instruments will fluctuate because of changes in market prices. Market risk comprises Interest rate risk. Financial instruments affected by market risk includes deposits and other non derivative financial instruments.

b) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's exposure to interest rate risk arises primarily from its borrowings and investments of surplus funds in bank deposits. The Company has availed a term loan facility from Punjab National Bank (PNB). The interest rate on the loan is linked to the Marginal Cost of Funds based Lending Rate (MCLR) and is subject to periodic revisions in line with changes in the MCLR. The loan repayments (principal and interest) have commenced. Company is now exposed to interest rate fluctuations on the outstanding loan amount. To manage this risk, the Company regularly monitors changes in market interest rates and evaluates their potential impact on its cost of borrowing. Additionally, surplus funds are invested in short-term, low-risk instruments to minimize interest rate volatility.

c) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customer. The company is exposed to credit risk from its financial activities including deposits with banks, financial institutions and other financial instruments.

(Rs. in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Exposure of Credit Risk		
Cash and cash equivalents	280.25	2,132.62
Other Bank Balances	26,012.68	20,696.86
Other Financial Assets	457.01	2,644.74
Trade Receivable	8,824.70	12,165.17
	35,574.64	37,639.39



NOTES FORMING PART OF THE FINANCIAL STATEMENT ENDED 31st March 2025

d) Liquidity risk

Ultimate responsibility for liquidity risk management rest with the board of directors the company manages maintaining adequate banking facilities by continuously monitoring forecast and actual cash flows and by matching the maturities of financial liabilities.

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31st March 2025 and 31st March 2024 : (Rs. in Lakhs)

Particulars	As at 31st March 2025			
	Less than 1 Year	1-2 years	2 Years and above	Total
Borrowing	12,850.00	12,850.00	80,276.50	1,05,976.50
Trade Payables	3,141.22	3,138.31	33,475.28	39,754.80
Lease Liabilities	55.56	58.85	282.24	396.65
Other Financial Liabilities	32,575.56	-	-	32,575.56
	48,622.34	16,047.16	1,14,034.01	1,78,703.52

Particulars	As at 31st March 2025			
	Less than 1 Year	1-2 years	2 Years and above	Total
Borrowing	12,850.00	12,850.00	93,129.90	1,18,829.90
Trade Payables	3,140.43	3,138.31	33,475.28	39,754.01
Lease Liabilities	53.64	55.56	341.09	450.28
Other Financial Liabilities	31,855.37	-	-	31,855.37
	47,899.43	16,043.87	1,26,946.26	1,90,889.58

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed in accordance with the companies policy. Investment of surplus are made only with approved counterparty on the basis of the financial quotes received from the counterparty.

35. Key sources of estimation uncertainty

The followings are the key assumptions concerning the future, and the key sources of estimation uncertainty at the end of the reporting year that may have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities with next financial year.

a) Fair valuation measurement and valuation

The fair values of financial assets and financial liabilities is measured the valuation techniques including the DCF model. The inputs to these method are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See "Note-34" for further disclosures.

b) Useful life of Property, plant & equipment

As described in Note 2.6 - Property, plant & equipment ,company has estimated useful life of Property, plant & equipment. The financial impact of the above assessment may impact the depreciation expense in subsequent financial year

c) Useful life of Intangible Assets

As described in Note 2.7(b) - Intangible Assets other than freight Sharing right ,company has estimated useful life of computer software. The financial impact of the above assessment may impact the amortisation expense in subsequent financial year. As per concession agreement, At the end of concession period, the project assets shall be handed by KRC to MOR and KRC shall be entitled to receive and MOR shall pay to KRC an amount equal to Book Value. The Existing Assets leased to KRC by MoR shall revert back to MoR without any financial consideration. It is estimated that this project will continue till end of concession period therefore residual value is considered as nil for the purpose of calculation of Amortisation.

NOTES FORMING PART OF THE FINANCIAL STATEMENT ENDED 31st March 2025
d) Defined benefit plan

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans, the management considers the interest rates of government bodies in currencies consistent with the currencies of the post-employment benefit obligation.

e) Taxes

Deferred tax assets are recognised for unused tax losses to the extent it is probable that taxable profit will be available against which tax assets can be utilized. Significant management judgement is required to determine the amount of deferred tax asset that can be recognised, based upon the likely timing and level of future taxable profit together with future tax planning strategies.

f) Revenue Recognition

The Company recognizes revenue for a performance obligation satisfied over time after reasonably estimating its progress towards complete satisfaction of the performance obligation.

36. Lease Disclosures

(i) The Company has lease contracts for its office Buildings.

(ii) Right of Use Assets

The carrying amounts of right-of-use assets recognised and the movements during the year are disclosed in Note 4.

(iii) Lease Liabilities

(Rs. in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Opening Balance as to the beginning of the year	331.99	358.71
Additions/adjustments during the year	-	-
Interest recognised during the year	24.77	26.77
Payment made during the year/total cash outflow for the leases	53.64	53.49
Closing Balance as on the end of the year	303.12	331.99
Current	32.95	28.87
Non-current	270.17	303.12

(iv) The details of the Contractual Maturities of the Lease Liabilities as at 31st March 2025 and 31st March 2024 on undiscounted basis are as follows:

As at 31st March 2025

(Rs. in Lakhs)

Particulars	Less than 1 Year	1-2 years	2 years and above
Lease Liabilities	55.56	58.85	282.24

As at 31st March 2024

(Rs. in Lakhs)

Particulars	Less than 1 Year	1-2 years	2 years and above
Lease Liabilities	553.64	55.56	341.09



NOTES FORMING PART OF THE FINANCIAL STATEMENT ENDED 31st March 2025

(v) Amounts recognised in Statement of Profit and Loss

(Rs. in Lakhs)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Depreciation expense of right-of-use assets (Refer Note 26)	41.32	41.32
Interest expense on lease liabilities (Refer Note 25)	24.77	26.77
	66.09	68.09

Gain/loss from sale and leaseback transactions is not applicable to the Company.

- (vi) Western Railway (lessor) has leased all the existing assets as per concession agreement and the land to be newly acquired with all rights, easements for the project to the company (lessee) for the duration of concession agreement. i.e. 32 years from November 8, 2005.

Company shall pay to the lessor, an annual lease rental of Rs. 0.01 lakh p.a. payable in advance in the first week of January every year. Upon expiry, the Company is required to hand over the leased assets to Ministry of Railways free from all encumbrances whatsoever. If the concession period is extended/renewed beyond concession period, the lease agreement shall also to be extended/renewed at terms to be mutually decided by the parties.

The Company has taken lease assets from Ministry of Railways under non-cancellable lease.

Future minimum rentals payable under non-cancellable leases are as follows:

(Rs. in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Within one year	0.01	0.01
After one year but not more than five years	0.04	0.04
More than five years	0.08	0.09
	0.13	0.14

Payments recognised as an expense in the period:-

(Rs. in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Minimum lease payments	0.01	0.01

The lease arrangement falls within the scope of Ind AS 116 – Leases. However, considering the nominal value of the annual lease rental (Rs. 0.01 lakh per annum) and the insignificant present value of lease payments over the lease term, the Company has assessed that the impact of recognition of a right-of-use asset and a corresponding lease liability is immaterial to the financial statements. Accordingly, no lease liability or right-of-use asset has been recognized in the books.

37. Capital Commitments

(Rs. in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
(a) Estimated Cost for construction of new Running Room at Bhildi (as per estimate received from Western Railway dt. 20.01.2011 & 30.05.2012 & 19.10.2022 total amount was Rs. 582.77 lakhs. However, total amount incurred as per WR advise till 31.03.2024 is Rs. 502.16 lakhs). Advance given till 31.03.2024 is Rs. 558.55 lakhs Less: Amount incurred till 31.03.2025	582.77 (558.55)	582.77 (558.55)
Balance	24.22	24.22

NOTES FORMING PART OF THE FINANCIAL STATEMENT ENDED 31st March 2025

(Rs. in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
(b) Revised estimated cost of Project of doubling of Palanpur – Samakhali Section of Railway Line work (as per estimate received from Rail Vikas Nigam Ltd. (RVNL) dt. 17.04.2020 and 25th July 2024)	3,23,073.00	3,23,073.00
Less: Amount incurred till 31.03.2025	(3,14,294.90)	(2,93,801.41)
Less; Advance paid till 31.03.2025	(1,176.00)	(3,705.99)
Balance	7,602.10	25,565.60
(c) Estimated cost of Project of electrification of Palanpur – Samakhali Section of Railway Line work (as per estimate received from Rail Vikas Nigam Ltd.	75,433.00	75,433.00
Less; Amount incurred till 31.03.2025	(75,433.00)	(68,436.35)
Less; Advance paid till 31.03.2025	(265.96)	(1,560.55)
Balance	-	5,436.10
(d) Estimated cost of Project of electrification of Samakhali - Gandhidham Section of Railway Line work (as per estimate received from CORE dt. 10.01.2023)	9,767.00	9,767.00
Less; Amount incurred till 31.03.2025 *(Advance paid to CORE Rs. 9321.40 lakhs till F.Y 2024-25)	(9,321.40)	(9,321.40)
Balance	445.60	445.60
(e) Estimated Cost of Other Projects*	80,432.03	80,432.03
Less: Amount incurred till 31.03.2025	(9,899.08)	(5,768.91)
Less: Advance paid till 31.03.2025	(5,004.86)	(3,613.91)
Balance	65,528.09	71,049.21
Total estimated amount of contract, remaining to be executed on capital account and not provided for in the accounts as on 31.03.2025.	73,600.01	1,02,520.73

* As advice received through letter of Western Railway No. KRC/MD/02/Addl.Works/2023/80 dtd: 26/04/2023 related to completed works as on 31st March 2023 and list of Ongoing Projects Additional Works.

* letter No W/121/8/KRCL dated 14.10.2022 and W/121/8/KRCL 23.05.2023 related to the CTR Work



NOTES FORMING PART OF THE FINANCIAL STATEMENT ENDED 31st March 2025

38. Related Party Disclosures

38.1 Related Parties held equity of company

Name of Party	Relationship	As at 31 March, 2025		As at 31 March, 2024	
		Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Rail Vikas Nigam Limited	Shareholder	4,105.00	50.00%	4,105.00	50.00%
Kandla Port Trust	Shareholder	2,134.60	26.00%	2,134.60	26.00%
Adani Ports & SEZ Ltd	Shareholder	1,642.00	20.00%	1,642.00	20.00%
Govt of Gujarat	Shareholder	328.40	4.00%	328.40	4.00%
Ministry of Railways (Western Railway)	Holding 78.20 % share capital of RVNL				
		8,210.00	100.00%	8,210.00	100.00%

38.2 Key Managerial personnel of the entity

Name	Position
Seema Kumar (upto 08.06.2023)	Chairman
Chhatrasal Singh (w.e.f. 08.06.2023)	Chairman
Vijay Anand (Managing Director upto 20.08.2023 and CEO w.e.f 21.08.2023 till date)	Chief Executive Officer
Deepak Arora	Director
Nandeesh Shukla	Director
M P Singh	Director
Jaya Verma Sinha (upto 06.03.2023)	Director
Ajit Singh	Director
Ajit Kumar Panda (upto 22.02.2023)	Director
Bhagyanath Balakrishnan	Director
Santosh Kumar (w.e.f 02.09.2022 upto 17.07.2024)	Director
Rajendra Vara Prasada Rao (upto 05.07.2024)	Director
Unmesh Madhusudan Abhyankar	Director
Bansh Narain Singh	Director
Mudit Mittal (w.e.f. 11.08.2023)	Director
Dinesh Kumar (upto w.e.f. 11.08.2023)	Director
Sajal Mittra (upto 07.11.2023)	Director
Shailendra Kumar (w.e.f. 07.11.2023)	Director
Dinesh Chandra Pandey (upto 08.06.2023)	Director
Sumit Sardana (w.e.f. 08.06.2023)	Director
Meenu Dang (Upto 30.09.2022)	Director
Sanjeev Sharma	Company Secretary
R.K. Yadav (w.e.f. 08.04.2025)	Managing Director
Gyanendra Kumar Srivastava (w.e.f. 01.06.2024)	Chief Financial officer

38.3 Enterprises over which Key Managerial personnel are able to exercise significant influence

Kutch Railway Company Limited Employee Group Gratuity Trust.

NOTES FORMING PART OF THE FINANCIAL STATEMENT ENDED 31st March 2025

38.4 Disclosure of transaction with related parties:

(i) Joint Venturer:

(Rs. in Lakhs)

Particulars		Transactions	Transactions
		For the year ended March 31, 2025	For the year ended March 31, 2024
a	Rail Vikas Nigam Limited		
	(i) Amount paid in advance for the Project of doubling of Railway Line between Palanpur - Samakhali (Amount incurred up to 31.03.2025 ₹ 3,01,268.84 Lakhs (up to 31.03.2024 ₹ 2,79,729.20 Lakhs))	5,500.00	30,001.51
	(ii) Outstanding Amount Payable/ (Receivable)	21,804.16	4,457.41
	(iii) Project Expenditure	8,774.54	13,204.17
b	(i) Amount paid in advance for the Project of electrification of Railway Line between Palanpur - Samakhali (Amount incurred up to 31.03.2025 ₹ 72,763.76 Lakhs (up to 31.03.2024 ₹ 68,436.35 Lakhs))	4,495.78	20,670.63
	(ii) Project Expenditure	3,683.14	14,081.53
	(iii) Outstanding Amount Payable/ (Receivable)	2,669.24	3,481.87
c	Amount paid in advance for the Project of CORE (Amount incurred up to 31.03.2025 ₹ NIL (up to 31.03.2024 ₹ 1319.97))	-	-
d.	Rail Vikas Nigam Limited	3.49	3.49
e.	Share Application Money Received	-	28,549.99
f.	Payment of Final Dividend-		
	(i) Rail Vikas Nigam Limited	-	-
	(ii) Adani Port	-	-
	(iii) Deen Dayal port	-	-
	(iv) Govt. of Gujarat	-	-
	Interim Dividend-		
	(i) Rail Vikas Nigam Limited	-	-
	(ii) Adani Port	-	-
	(iii) Deen Dayal port	-	-
	(iv) Govt. of Gujarat	-	-

(ii) Ministry of Railways (Western Railway) :

(Rs. in Lakhs)

Particulars	Transactions	Transactions
31st March 2025	For the year ended 31st March 2024	For the year ended
Revenue from Operations	1,13,234.77	1,17,934.83
Operations & maintenance expense	77,126.91	81,686.32
Construction Contract Cost under SCA	20,210.79	48,724.85
Overhead Cost Payment during the year	3,138.31	3,138.31
Outstanding Amount (Payable)/ Receivable	(27,788.88)	(27,586.72)



NOTES FORMING PART OF THE FINANCIAL STATEMENT ENDED 31st March 2025

(iii) Kutch Railway Company Limited Employee Group Gratuity Trust.

(Rs. in Lakhs)

Particulars	Transactions	Transactions
	For the year ended 31st March 2025	For the year ended 31st March 2024
Contribution made	-	6.77
Others (Audit Fee)	-	0.20
Outstanding Amount (Payable)/ Receivable	-	-.

The amount outstanding are unsecured and will be settled in future. There have been no guarantees provided or received for any related party receivable or payable.

38.5 Compensation of key management personnel:

The remuneration of directors and other members of key management personnel during the year was as follows:

(Rs. in Lakhs)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Short-term benefits	133.35	93.47
Post-employment benefits	-	-
Other long-term benefits	17.09	33.36
Termination benefits	-	-
Share-based payment	-	-
	150.44	126.83

39 Receivables including advances, payables and projects under intangible assets under development are subject to confirmation, reconciliation and consequential adjustments, if any.

The Company has a system of obtaining periodical written confirmation from its suppliers to identify Micro Enterprises & Small Enterprises. Based on such identification the Company makes provision for unpaid dues under Section 16 of Micro, Small & Medium Enterprises Development Act, 2006 & its disclosure required under Section 22 of the said Act. The amount due to Micro Enterprises & Small Enterprises for more than 45 days is Nil (Previous Year Nil).

40 Contingent liability

- One of the former employees Mr. Devendra Singh on deputation from Indian Railways has filed a writ petition on 22.07.2010 against the Company in respect of dues on account of difference in pay scales. The impact of the same has not been quantified in the writ.
- During the financial year 2014-15, Company received a show cause notice from the Director General of Central Excise Intelligence, regarding the liability of Service Tax of Rs. 21,359 Lakhs and interest and penalty thereon. The Company has not accepted the liability and has submitted its reply to the Show Cause Notice on 06.01.2015. A personal hearing has also been held in this regard on 21.09.2015 before the Principal Commissioner of Service Tax, Delhi-I. A similar statement of demand cum show cause notice has also been received for F. Yr. 2014-15 on 05.04.2016 in which a demand of Rs. 8,207 Lakhs has been raised. It has also been replied on 24.05.2016. For F.Y. 2015-16, 2016-17, 2017-18 (upto 30.06.2017), the statement of demand cum show cause notice in which a total demand of Rs. 21165.83 Lakhs cum show cause notice was served on 22.03.2018 the matter is pending before The Principal Commissioner of Service Tax-I Delhi, which was replied on 18.05.2018. In this matter department has communicated that it is kept in abeyance in view of the appeal on the identical issue filed by the department in the case of M/s Mundra port and special economic zone limited before the Hon'ble supreme court.
- As per the Construction Agreement between RVNL and Kutch Railway Company Limited, If expenditure is incurred by RVNL out of its own funds on the project executed on behalf of KRC, on account of the failure of KRC to make payment to RVNL within 15 days of dispatch of intimation of requirement of additional funds, then RVNL shall charge interest at the prevailing Base Rate of SBI + 1% on the total amount so expended. The interest to be charged shall be fixed from the 16th day after dispatch of demand for required funds and charged up to the date of actual payment is received from KRC. During the current financial year, Company

NOTES FORMING PART OF THE FINANCIAL STATEMENT ENDED 31st March 2025

has written the letter to the RVNL and challenged the interest calculation method adopted by the RVNL. Further board of directors in the 106th meeting held on 23th August 2024 is of the view that the levy of interest by RVNL for delayed payment beyond the original estimate cost of Rs. 1548.66 Crs should not be made on the basis of RVNL demand for funds. Interest should not be charged till the Revised estimate (1st or 2nd) is sanctioned by KRCL Board and a period of 2 years has passed which is required by KRCL to mobilise the funds for the cost overrun. Based on this, Company has not accepted the interest charged by the RVNL after Sep 2023, accordingly interest of amounting Rs. 4537.28 Lakhs under the Project of doubling of Palanpur – Samakhali Section and interest of amounting Rs. 1641.15 Lakhs under Project of electrification of Palanpur – Samakhali Section has not been provided in the Financial statements till FY 2024-25.

- iv) In case of the Project of electrification of Palanpur – Samakhali Section the estimated cost of the project is Rs. 754.33 crore, however the company has received the expenditure amounting of Rs 759.52 crores from the RVNL till 31st March 2025. Company has not accepted the liability in excess of the estimated amount of the project cost.
- v) As per the Construction Agreement for Palanpur-Samakhali doubling, there is a provision for contingencies of 0.5% of Rs. 3,14,294.90 lakhs, i.e., amount incurred in this project till date.

41 Impairment of Assets

On the basis of review, the management is of the opinion that the economic performance of non financial assets of the Company is not lower than expected and therefore there is no impairment of any assets as on the Balance Sheet date.

- 42 (i) In terms of Memorandum of Understanding (MOU) executed on 3rd January, 2004 amongst Ministry of Railways (MOR), Govt. of Gujarat (GOG), Kandla Port Trust (KPT) and Adani Ports & SEZ Ltd. (Mundra Port), the Company has been entrusted with the project of conversion of rail link between Gandhidham and Palanpur from Meter Gauge to Broad Gauge.
- (ii) The Company has got the project work of Palanpur-Gandhidham gauge conversion through Western Railways (WR) as deposit work. The Western Railways has been the executing agency for the deposit works contracts executed in respect of the project as per MOU & the Construction Agreement was executed with Western Railway on 06th October 2005.
- 43 a) The Operation & Maintenance Agreement provides for a Joint Procedure Order to be prepared by WR & Company, which has been finalized and signed on 12 December 2019 and contains computation of Operation and Maintenance cost and apportioned earnings. However, the figures have been accounted for as advised by WR based on calculation as decided in the Operation & Maintenance Agreement.
- b) Up To F.Y 2015-16, the Operation & Maintenance cost includes deferred expenses on account of overhead (i.e. salary for RPF, Accounts, Medical & Personnel and corresponding retirement benefits-DCRG, Pension, Leave salary etc.) which are not payable to WR as it is deferred for the first ten years of operation of the line and the same shall be payable by Company over a period of 20 years commencing from the 11th year of operation, in terms of clause 3.1.5 of the Operation & Maintenance Agreement.
- 44 The project of Gauge Conversion work completed by WR has been duly capitalized under different heads of Property, Plant and Equipment on the basis of advices received from WR on year to year basis. Besides that the Company has also supplied material to WR to the tune of Rs. 11,997.00 Lakhs for completion of project (capitalized under other Intangible assets / Permanent Way) which is subject to verification and reconciliation with WR. During the financial year 2024-25, in its 107th Board Meeting, of Kutch railway Company Limited (KRCL) reviewed an outstanding amount of Rs. 442.18 lakhs, recorded as payable to WR as on 31st March 2024, pertaining to the GC project initiated in 2006. The Board noted that no demand for the said amount has been raised by WR over the years, and a written communication from the Chief Engineer, WR confirms that no dues are pending from KRCL with respect to the said project. In light of this, and based on the Board's deliberations, it was resolved to write off the outstanding amount of Rs. 442.18 lakhs during the current financial year. The said write-off has accordingly been accounted for in the financial statements for the year ended 31st March 2025.
- 45 In terms of the MOU:
 - (i) The land, station buildings, Meter Gauge formation, bridges and all other existing assets of the Meter Gauge system will continue to be the property of MOR, and the assets so created or built or constructed by the Company shall be owned by the Company.
 - (ii) MOR shall be responsible for the operations and maintenance of the broad gauge rail link between Gandhidham and Palanpur, for which it shall be fully compensated by the Company in accordance of agreement dated 21st August 2007.



NOTES FORMING PART OF THE FINANCIAL STATEMENT ENDED 31st March 2025

(iii) MOR shall collect earnings from the traffic originating and terminating or passing through this line, and apportion to the Company its due share after defraying the operation and maintenance cost.

46 Employee Benefits

46.1 Retirement Benefits

The summarized position of Post-employment benefits and long term employee benefits recognized in the statement of Profit & Loss and Balance Sheet are under:-

(a) Change in the present value of the obligation (Rs. in Lakhs)

Particulars	As at 31.3.2025		As at 31.3.2024	
	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
Opening Present value of obligation	133.76	277.74	109.12	201.59
Interest Cost	9.67	20.08	8.01	14.80
Past Service Cost	-	-	-	-
Current service cost	10.22	35.04	11.50	30.03
Benefits paid	(11.97)	(39.09)	(0.65)	(1.59)
Actuarial loss/(gain) on obligations	12.00	1.65	5.78	32.91
Closing Present value of obligation	153.68	295.43	133.76	277.74

(b) Change in present value of plan asset (Rs. in Lakhs)

Particulars	As at 31.3.2025		As at 31.3.2024	
	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
Opening Fair value of plan assets	108.35	NIL	94.48	NIL
Expected return on plan assets	7.74	NIL	7.91	NIL
Employers contribution	-	NIL	6.45	NIL
Benefits paid	(11.97)	NIL	-	NIL
Actuarial (loss)/gain on obligations	0.05	NIL	(0.49)	NIL
Closing Fair value of plan assets	104.17	NIL	108.35	NIL

c) Fair Value of Plan Assets (Rs. in Lakhs)

Particulars	As at 31.3.2025		As at 31.3.2024	
	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
Opening Fair value of plan assets	108.35	NIL	94.48	NIL
Actual Return on Plan Assets	7.79	NIL	7.42	NIL
Contribution	-	NIL	6.45	NIL
Benefits Paid	(11.97)	NIL	-	NIL
Fair value of plan assets at the end of the year	104.17	NIL	108.35	NIL
Closing Present value of obligation	153.68	NIL	133.76	NIL
Funded Status	(49.52)	NIL	(25.41)	NIL

NOTES FORMING PART OF THE FINANCIAL STATEMENT ENDED 31st March 2025
(d) Amount recognized in balance sheet
(Rs. in Lakhs)

Particulars	As at 31.3.2025		As at 31.3.2024	
	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
Estimated present value of obligations at end of the year	153.68	295.43	133.76	277.74
Fair value of plan assets at the end of year	104.17	-	108.35	-
Funded Status	(49.51)	(295.43)	(25.41)	(277.74)
Net liability recognized in balance sheet	49.51	295.43	25.41	277.74

(e) Expense recognized in the statement of Profit & Loss Account
(Rs. in Lakhs)

Particulars	As at 31.3.2025		As at 31.3.2024	
	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
Past service cost	-	-	-	-
Current service cost	10.22	35.04	11.50	30.03
Interest Cost	1.84	20.08	1.07	14.80
Actuarial Gain and loss	-	1.65	-	32.91
Total expenses recognized in Profit & Loss Account	12.06	56.77	12.57	77.74

(f) Remeasurement recognized in other comprehensive income (Gain)/(Loss)
(Rs. in Lakhs)

Particulars	As at 31.3.2025		As at 31.3.2024	
	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
Remeasurements of plan assets	(0.05)	-	0.49	-
Remeasurements of Obligation	(12.00)	-	(5.78)	-
Total (gain)/(Loss) recognized in other comprehensive income	(12.05)	-	(5.29)	-

(g) Bifurcation of PBO at the end of year in current and non current.
(Rs. in Lakhs)

Particulars	As at 31.3.2025		As at 31.3.2024	
	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
Current liability (Amount due within one year)	8.75	17.44	6.00	74.14
Non-Current liability (Amount due over one year)	144.93	277.99	127.76	203.60
Total PBO at the end of year	153.68	295.43	133.76	277.74



NOTES FORMING PART OF THE FINANCIAL STATEMENT ENDED 31st March 2025

(h) Expected contribution for the next Annual reporting period.

(Rs. in Lakhs)

Particulars	As at 31.3.2025		As at 31.3.2024	
	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
Service Cost	10.10	18.26	8.59	15.93
Net Interest Cost	3.32	19.82	1.84	20.08
Expected Expense for the next annual reporting period	13.42	38.08	10.43	36.01

(i) Principal actuarial assumption as expressed as weighted average

Particulars	As at 31.3.2025		As at 31.3.2024	
	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
Discount rate	7.23%	7.23%	7.23%	7.23%
Expected rate of salary increase	10%	10%	10%	10%
Method used	Projected Unit Credit (PUC)			

(j) Sensitivity analysis:

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognised within the statement of financial position.

(Rs. in Lakhs)

Change in	Change in assumptions	Effect on Gratuity obligation	Effect on Leave Encashment
Discount Rate	+0.50%	(5.29)	(11.78)
	-0.50%	5.67	12.94
Salary Growth Rate	+0.50%	5.47	12.32
	-0.50%	(5.16)	(11.60)

(k) Maturity Profile of Defined Benefit Obligation

(Rs. in Lakhs)

S.No	Year	Gratuity	Leave encashment
a)	0 to 1 Year	8.75	17.44
b)	1 to 2 Year	31.17	60.12
c)	2 to 3 Year	19.82	37.49
d)	3 to 4 Year	4.42	9.85
e)	4 to 5 Year	4.21	9.39
f)	5 to 6 Year	4.01	8.95
g)	6 Year onwards	81.30	152.19

NOTES FORMING PART OF THE FINANCIAL STATEMENT ENDED 31st March 2025

(I) Major Categories of Plan Assets -

Particulars	31.03.2025	31.03.2024
a) Government of India Securities	-	-
b) State Government securities	-	-
c) High Quality Corporate Bonds	-	-
d) Equity Shares of listed companies	-	-
e) Property	-	-
f) Funds Managed by Insurer	100%	100%
g) Bank Balance	-	-

46.2 Post Employment benefits in form of National Pension Scheme (NPS) are defined contribution schemes :

The company has no obligation, other than the contribution @10% of Basic pay plus dearness allowance payable under such scheme and Charges payable for operation of the Pension scheme will be borne by the Company. Company subscribes to Corporate NPS of the Pension Fund Regulatory and Development Authority (PFRDA) for the pension benefits of all regular employees of the company w.e.f. 01.01.2017 during the meeting of Board of Directors held on 22nd Feb 2023.

During the year company has recognized contribution of Rs 19.43 Lakhs for the FY 2024-25 (previous year of Rs 16.25 Lakhs.)

47. Corporate Social Responsibility

(Rs. in Lakhs)

Year	Amount Required to Spend	Amount Spent	Unspent as on 31st March 2025
As at 31st March 2025			
- Relate to FY 2024-25	198.35	34.40	163.95
-Upto FY 2023-24	406.22	290.12	116.10
Total	604.57	324.52	280.05
FY 2023-24			
- Relate to FY 2023-24	320.14	14.00	306.14
-Upto FY 2022-23	311.48	211.40	100.08
Total	631.62	225.40	406.22

(a) Amount approved by the Board to be spent during the year:

(Rs. in Lakhs)

Year	Year ended 31.03.2025	Year ended 31.03.2024
Amount approved by the Board to be spent during the year	198.35	320.14
Total	198.35	320.14



Kutch Railway Company Limited

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NOTES FORMING PART OF THE FINANCIAL STATEMENT ENDED 31st March 2025

(b) Details of Amount spent during the year is as follow:

(Rs. in Lakhs)

Particulars	In cash	Yet to be paid in cash	Total
For the Year ended 31st March 2025			
(i) Construction/Acquisition of any Asset			
(ii) On purpose other than (i) above			
a) Contribution to four funds as mentioned in Schedule VII of the Companies Act, 2013	-	-	-
b) Environment Sustainability	89.55	-	89.55
c) Promoting Education	80.69	-	80.69
d) Health and Hygiene	154.28	-	154.28
Total	324.52	-	324.52
For the Year ended 31st March 2024			
(i) Construction/Acquisition of any Asset	-	-	-
(ii) On purpose other than (i) above	-	-	-
a) Contribution to four funds as mentioned in Schedule VII of the Companies Act, 2013	0.25	-	0.25
b) Environment Sustainability	53.15	-	53.15
c) Promoting Education	55.54	-	55.54
d) Health and Hygiene	116.46	-	116.46
Total	225.40	-	225.40

(c) Amount equivalent to ₹163.95 lakhs (Previous Year: ₹ 306.14 Lakhs) is transferred in Separate Bank Account (CSR Unspent A/c), which pertains to Ongoing Projects.

(d) Amount Non spent is related to the Ongoing Projects. Details of the same are given below.

Details of ongoing project

(Rs. in Lakhs)

As on 31st March 2025 (Ongoing Projects)						
Opening Balance		Amount required to be spent during the year	Amount spent during the year		Closing Balance	
With Company	In Separate CSR Unspent A/c		From Company's bank A/c	From Separate CSR Unspent A/c	With Company	In Separate CSR Unspent A/c*
-	406.22	198.35	34.40	290.12	-	280.05

(Rs. in Lakhs)

As on 31st March 2024 (Ongoing Projects)						
Opening Balance		Amount required to be spent during the year	Amount spent during the year		Closing Balance	
With Company	In Separate CSR Unspent A/c		From Company's bank A/c	From Separate CSR Unspent A/c	With Company	In Separate CSR Unspent A/c*
-	311.47	-	14.00	211.40	-	406.22

NOTES FORMING PART OF THE FINANCIAL STATEMENT ENDED 31st March 2025

e) Amount related to the Other than Ongoing Projects are as follows:

(Rs. in Lakhs)

Unspent Amount Other than Ongoing Projects at 31st March 2025				
Opening Balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance
-	-	-	-	-

(Rs. in Lakhs)

Unspent Amount Other than Ongoing Projects at 31st March 2024				
Opening Balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance
-	-	-	-	-

Details of the ongoing Projects along with (Name of the Project, State, starting year, Amount etc.)

Name of the Project	Agency	State	Tenure	Amount in Lakhs
Mobile medical van Project	Shri Ramakrishna Math, Rajkot	Rajkot, Gujarat	3 Years	22.42
Mobile medical van Project	Shri Ramakrishna Ashram, Rajkot	Rajkot, Gujarat	3 Years	22.92
Construction of 9 seated public toilet complex	Sulab International School of Action Sociology & Sociology of Sanitation (SISASSS), Delhi	Gandhidham Gujarat	12 months after signing of MOU	62.03
Mobile medical van Project	Ramakrishna Math Mandal	Ahmedabad, Gujarat	3 Years	22.92
Mobile medical van Project	Shri Ramakrishna Kendra	Adipur, Gujarat	3 Years	20.70
Installation of Solar based water purification system in government schools	M/s Digigaon Job Factory Foundation, New Delhi	Palanpur and Gandhidham	12 Months	64.43
Enabling educational infrastructure in 5 government rural school	Society for the Upliftment of Villagers & Development of Himalayan Areas (SUVIDHA), Haldwani, Uttarakhand	Banaskantha, Gujrat	8 Months	58.46
Women's health & menstrual Hygiene	Sulab International School of Action Sociology & Sociology of Sanitation (SISASSS), Delhi	Banaskantha, Gujarat	6 Months	0.70
Establishment of "Mini Science Centre (MSC)"	Samabhavana	Banaskantha, Gujarat	14 Months	14.17
Establishment of "Mini Science Centre (MSC)"	Samabhavana	Banaskantha, Gujarat	12 Months	10.85
Establishment of Computer Centre	Shree Ramakrishna Ashram Rajkot,	Rajkot, Gujarat	12 Months	32.30
Establishment of "Mini Science Centre (MSC)"	Rise Foundation	Adesar, Gujarat	14 Months	26.25
Construction of GF premises of Vocational Training Centre	Ramakrishna Math Mandal	Adipur, Gujarat	12 Months after signing of MOU	127.65
				485.80



NOTES FORMING PART OF THE FINANCIAL STATEMENT ENDED 31st March 2025

Unspent amount related to the ongoing Projects amounting of Rs 163.95 lakhs as on 31st March 2025 has been transferred in the Punjab National Bank Account No:- 2164002100012610 (related to Previous Years FY 2023-24 amounting Rs. 306.14 lakhs transferred in the Punjab National Bank Account No:- 2164002100012568 by the Company).

(e) Movement in Provisions for CSR as on 31st March 2025 (Rs. in Lakhs)

Opening Balance	Provision made during the year	Payment made during the year	Closing balance
406.22	198.35	324.52	280.05

Movement in Provisions for CSR as on 31st March 2024 (Rs. in Lakhs)

Opening Balance	Provision made during the year	Payment made during the year	Closing balance
311.48	320.14	225.40	406.22

48 Payment to the Auditors

Payment to the Auditors comprises of the following: (Rs. in Lakhs)

Particulars	Year ended 31st March 2025	Year ended 31st March 2024
Auditor*	5.50	5.00
Auditor (Earlier years)	-	-
For taxation matters *	0.50	0.50
GST	1.08	0.99
Total	7.08	6.49

* Excluding GST

49 Resurfacing \replacement Cost

As Per Ind-AS 115 The operator (Kutch Railway) may have contractual obligations, it must fulfil as a condition of its license (a) to maintain the infrastructure to a specified level of serviceability or (b) to restore the infrastructure to a specified condition before it is handed over to the grantor at the end of the service arrangement. These contractual obligations to maintain or restore infrastructure, except for any upgrade element shall be recognised and measured in accordance with Ind AS 37 Provision, i.e. at the best estimate of the expenditure that would be required to settle the present obligation at the end of the reporting period.

In terms of Concession agreement, there is an obligation on the Company to keep the project assets in working condition, including replacement, as per laid down standards of MOR, for project assets, whose codal lives expire during the concession period. Accordingly, Company is required to provide for, in respect of replacement obligations arising during the remaining concession period as per requirement of the Ind AS 115 for best estimate of expenditure required to settle obligation. Company has make an assessment in respect of its project assets and their respective codal lives. Assets items like rails, sleepers, foundation, bridges and buildings, station buildings have longer lives and most of it would be having remaining codal lives at the end of concession period. The replacement of these are planned on the basis of the condition assessed by the Railways. Company has received a Cost estimate of CTR work amounting to Rs 376.87 crores from the railways, however details about year wise expenses to be incurred is not available as on 31st March 2025, therefore provision for same is not provided in financial statements.

Company is following with the Western railway for getting estimated cost and the period over for CTR activities and accordingly on the basis of data availability will provide the necessary provisions while finalizing the accounts in the Subsequent financial year.

50 Application of IndAS on material items

The Prior Period Items and changes in accounting polices are applied retrospectively on account of materiality only in line with the provisions of Indian Accounting Standards.

51 Operating Segment Reporting

Operating segment are reported in the manner consistent with the internal reporting provided to chief operating decision maker(CODM). CODM has identified only one operating segment, hence no separate disclosure are required.

NOTES FORMING PART OF THE FINANCIAL STATEMENT ENDED 31st March 2025

- 52** Expenses incurred by RVNL on behalf of the Company on Samakhiali-Palanpur doubling and Re- Electrification projects are being accounted for based on advice of RVNL without verification thereof for the year ending 31st March 2025. Discrepancies if any pointed out by consultant after verification of the same are subject to confirmation from RVNL and adjustment in Books accordingly.
- 53** Advances given to Western Railway for Capital expenditure has been under reconciliation during the year in respect of to the extent advice received from Western Railways.
- 54** On the basis of review of Depreciation methods, useful lives and residual values of Property, Plant & Equipment and Intangible Assets, the management is of the opinion that there is no change in the Depreciation methods, useful lives and residual values of Property, Plant & Equipment and Intangible Assets.

55 Disclosures pursuant to amendment in Schedule III of the Companies Act 2013:

The MCA vide notification dated 23rd March 2021 has amended Schedule III to the Companies Act. 2013 in respect of certain disclosures which are applicable from 1st April 2021. The Company has incorporated the changes as per the said amendment in the financial statements and below disclosures are made in compliance of the said amendment :

- (i) The Company has no transactions with companies struck off under section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the period.
- (ii) The Company has not traded or invested in Crypto Currency or Virtual Currency during the period.
- (iii) The Company do not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.
- (iv) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,
- (v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vii) The Company does not have any loans and advances in the nature of loans to promoters, directors, KMP and other related parties.
- (viii) The Company does not have any transaction which is not recorded in the books of accounts that has been subsequently surrendered or disclosed as income during the year as part of the on going tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (ix) The Company has not been declared as wilful defaulter by any bank or financial institution or government or any government authority.
- (x) The Company has complied with the number of layers prescribed under the Companies Act, 2013.
- (xi) The Company do not have any title deeds of immovable properties not held in name of the company.
- (xii) The Company does not have any investment property.
- (xiii) Company is not required to submit statement of current assets with the bank and therefore reconciliation of the statement filed by the company with bank and the books of accounts is not applicable.
- (xiv) The Company has not revalued any item of property, plant and equipment and Intangible Assets.
- (xv) The Company does not have any transactions where the company has not used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date
- (xvi) The Company have not entered into any scheme(s) of arrangements during the financial year.



NOTES FORMING PART OF THE FINANCIAL STATEMENT ENDED 31st March 2025

(xvii) The following accounting ratios are disclosed:

Particulars	Numerator	Denominator	Current Period	Previous Period	% Variance	Reason for Variance
Current ratio	Current Assets	Current Liabilities	0.76	0.78	-2.56%	NA
Debt-equity ratio	Total Debt	Shareholder's Equity	0.41	0.46	-10.87%	NA
Debt service coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal	3.13	3.43	-5.83%	NA
Return on equity ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	0.01	0.01		NA
Inventory turnover ratio	Cost of goods sold	Average Inventory	NA			
Trade receivables turnover ratio	Sales	Average Trade Receivable	NA			
Trade payable turnover ratio	Purchases	Average Trade Payables	3.18	2.89	10.03%	NA
Net capital turnover ratio	Sales	Working Capital	-9.62	-11.02	-12.70%	NA
Net profit ratio	Net Profit	Sales	0.01	0.02	-50.00%	Due to decrease in the Profit during the Current financial year.
Return on capital employed	Earnings before interest and taxes	Capital Employed	-0.11	-0.11		NA
Return on investment	Interest Income	Investment	-	-	-	NA

56 Carried Route and Booked Route

Since the financial year i.e. 2013-14, Western Railway has computed Company's share of apportioned earnings on the basis of 'carried route' instead of 'booked route'. Accordingly, apportioned earnings have been reduced by Rs. 3,875.09 Lakhs for the Year ending 31.03.2020. The Company has contested against this method of calculation of apportioned earnings at various levels in Railways. The approximate amount of Rs.2550.00 Lakhs may be deducted by on this account for earlier financial years (from 2006-07 to 2008-09). The same has been estimated as follows:-

NOTES FORMING PART OF THE FINANCIAL STATEMENT ENDED 31st March 2025

Financial Year	Loaded Trains (no.)	Approx. deduction in Apportioned Earning on the basis of No. of loaded trains (in Lakhs Rs.)	NTKM (Lakhs)	Approx. deduction in Apportioned Earnings on the basis NTKM (in Lakhs Rs.)
2006-07	3166	500.00	1,345.00	500.00
2007-08	6617	1,100.00	21,229.00	800.00
2008-09	7696	1,200.00	24,842.00	1,000.00
Total		2,800.00		2,300.00

Further Demands for the year from 2009-10 onwards has been claimed by WR on the subject and recorded by the Company in statement of profit and loss in the year of claim but no demand has been raised for the year 2006-07 to 2008-09 which is not provided for in the books.

Further, last Demands for the year from 2009-10 & 2010-11 has been claimed by WR on the subject matter dated 04.10.2022 and recorded by the Company in statement of profit and loss in the year of claim. No further demand has been raised by the WR in the subsequent years in the matter given above. Western Railway, in its communication dated 11.08.2021, indicated that the claim for FY 2010-11 was computed on a pro-rata basis due to non-availability of relevant data. Based on this, the Company reasonably believes that Western Railway does not possess the financial records required to raise demands for FY 2006-07 to FY 2008-09.

Accordingly, no provision or disclosure as contingent liability has been made in the financial statements for the said years, as the possibility of any further demand being raised by Western Railway is considered remote.

57 Goods and Services Tax

Based on the recommendation of the 53rd GST Council, vide notification no 04/2024 dated 12th July 2024, GST on the services provided by Special Purpose Vehicles (SPV) to Indian Railway by way of allowing Indian Railway to use infrastructure built & owned by SPV during the concession period and maintenance services supplied by Indian Railways to SPV are exempted w.e.f. 15th July 2024.

Further, vide Circular no. 228/22/2024-GST dated 15th July 2024, as recommended by the 53rd GST Council, GST on the supply of services by SPVS to Ministry of Railways (Indian Railways) by way of allowing it to use infrastructure built and owned by them during the concession period against consideration and maintenance services supplied by Ministry of Railways (Indian Railways) to SPVs in relation to such use of infrastructure built and owned by SPVS during the concession period against consideration is regularized for the period from 01.07.2017 to 14.07.2024 on 'as is where is' basis.

58 Previous year's figures are, regrouped to confirm and make them comparable with those of the current year.

The Company has made certain reclassifications to the comparative period's financial statements to enhance comparability with the current year's financial statements. As a result, certain line items have been reclassified in the balance sheet the details of which are as under:



NOTES FORMING PART OF THE FINANCIAL STATEMENT ENDED 31st March 2025

a) Items of Statement of Balance Sheet before and after reclassification as at 31st March 2025

Sl. No.	Particulars	Amount before reclassification	Reclassification	Restated amount after reclassification	Reason for reclassification
1	Other non-current assets	8,037.73	898.77	8,936.50	Reclassification has been done for better presentation.
2	Other Financial Liabilities	30,956.60	898.77	31,855.37	Reclassification has been done for better presentation.
3	Trade Payable-Non Current	21,934.09	1,820.52	23,754.61	Reclassification has been done for better presentation.
4	Trade Payable-Current	3,006.44	(1,820.52)	1,185.92	Reclassification has been done for better presentation.

59 Approval of Financial Statements

The financial statements were approved for issue by the Board of Directors on 18th August, 2025.

As per our report of even date attached

For SPMG & COMPANY
(Chartered Accountants)

FRN No. 509249C

Sd/-

Aseem Raj Gupta

Partner

M. No. : - 550490

Place: New Delhi

Date: 18th August, 2025

For & on behalf of the Board of Directors

Sd/-

R. K. Yadav

(Managing Director

(DIN : 11055654)

Sd/-

Sanjeev Sharma

(Company Secretary)

Sd/-

Ajit Singh

Director

(DIN : 8076926)

Sd/-

Gyanendra Shrivastav

(CFO)

प्रधान निदेशक लेखापरीक्षा
का कार्यालय,
रेलवे वाणिज्यिक,
4, दीनदयाल उपाध्याय मार्ग
नई दिल्ली - 110002



OFFICE OF THE
PRINCIPAL DIRECTOR OF
AUDIT, RAILWAY
COMMERCIAL,
4, DEEN DAYAL UPADHYAYA
MARG, NEW DELHI-110002

संख्या/ पी.डी.ए/आर.सी/ AA-KRCL/03-31/2025-26/454

दिनांक: 09.09.2025

सेवा में,

प्रबंध निदेशक,
कच्छ रेलवे कम्पनी लिमिटेड,
दूसरा फ्लोर, इंद्रा पैलेस, कनाट प्लेस,
नई दिल्ली - 110001.

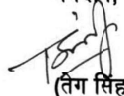
विषय: 31 मार्च 2025 को समाप्त वर्ष के लिए कच्छ रेलवे कम्पनी लिमिटेड के वित्तीय विवरणों पर कंपनी अधिनियम 2013 की धारा 143 (6)(b) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ।

महोदय,

मैं, कच्छ रेलवे कम्पनी लिमिटेड के 31 मार्च 2025 को समाप्त वर्ष के वित्तीय विवरणों पर कंपनी अधिनियम 2013 की धारा 143 (6)(b) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ अंग्रेषित कर रहा हूँ।

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

संलग्न : यथोपरी

भवदीय,

(तैग सिंह)
प्रधान निदेशक (रेलवे वाणिज्यिक)



COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143 (6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF KUTCH RAILWAY COMPANY LIMITED FOR THE YEAR ENDED 31 MARCH 2025.

The preparation of financial statements of Kutch Railway Company Limited for the year ended 31 March 2025 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143 (10) of the Act. This is stated to have been done by them vide their Revised Audit Report dated 17 September 2025, which supersedes their earlier Audit Reports dated 12 September 2025 and 18 August 2025.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Kutch Railway Company Limited for the year ended 31 March 2025 under Section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditor and is limited primarily to inquiries of the Statutory Auditor and company personnel and a selective examination of some of the accounting records. The Audit Report has been revised by the statutory auditor to give effect to some of my audit observations raised during supplementary audit.

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

A. Comments on Profitability

(1). Statement of Profit and Loss

Expenses - ₹ 1,39,015.80 lakh

Profit of the year – ₹1394.01 lakh

Balance Sheet

(d) Intangible assets under development- Note-6- ₹17,800 lakh

(b) Provisions- Note No. 15 – ₹ 277.99 lakh

- (i) As per Clause 4.3(d) of the Concession Agreement (Nov 2005) with MoR, the Company is obliged to keep project assets in working condition, including replacement of expired assets, in accordance with MoR standards. Further, as per IRPWM (para 702(d)), rails are required to undergo Complete Track Renewal (CTR) after specified traffic limits.

Western Railway (October 2022 and May 2023) raised demands for CTR works, against which the Company consented (October 2022 and July 2023) to expenditure of ₹376.87 crore for

133.56 km (Palanpur–Samakhlyali and Samakhlyali–Gandhidham sections). Further, the Company has also estimated ₹136.86 crore for works over and above the O&M. Additionally, in Feb 2025, WR raised a demand for CTR of 91.70 km (PNU–SIOB down line) requiring funds of ₹258.75 crore. Thus, the total CTR fund requirement as on 31.03.2025 works out to ₹772.48 crore for which no provision has been made in the accounts. Out of this the Company has already incurred and capitalised an amount of ₹156.59 crore (₹75.59 crore + ₹81.00 crore) under the head ‘Intangible Assets under development’.

Thus, due to not providing for the replacement obligations arising during the remaining concession period in violation of Ind AS 115, the ‘Provisions’ has been understated by ₹615.89 crore (₹772.48 crore - ₹156.59 crore) and overstatement of ‘Profit for the period’ to the same extent.

(ii) Further, the expenditure of ₹ 156.59 crore (₹75.59 crore + ₹81.00 crore) should have been charged to Profit and loss since as per the concession agreement of KRCL with the Railways, KRCL has no ownership of the railway infrastructure assets created by it. The expenditure incurred on CTR work would not result into any additional rights/ intangible assets to the Company. Therefore, it should have been charged to the Statement of Profit and Loss as expenses instead of booking the same as intangible assets. The same is in violation of Appendix D of Ind AS – 115 – Revenue from contract with customers.

This has resulted in overstatement of ‘Intangible Assets under development’, understatement of ‘Expenses’ by ₹156.59 crore and overstatement of Profit for the year’ to the same extent.

2. Balance Sheet

(c) Other Intangible Assets -Note 5- ₹ 3,67,429.32 lakh

Statement of Profit and Loss

Total Expenses – ₹1,39,015.80 lakh

Profit/ (loss) for the period – ₹1394.01 lakhs

The above head of Other Intangible assets includes ₹687.81 crore (₹526.89 crores pertaining to the financial year 2023-24 and ₹160.92 crore (pertaining to the financial year 2024-25) towards doubling & electrification works. As per the concession agreement of KRCL with the Railways, KRCL has no ownership of the railway infrastructure assets created by it. By doubling & electrifying the railway line, there would be no increase in the amount of freight revenue share to be received from MoR.

Therefore, it should have been charged to the Statement of Profit and Loss as expenses instead of booking the same as intangible assets in compliance to the requirement of Appendix D of Ind AS – 115 – Revenue from contract with customers.

This has resulted in overstatement of ‘Other Intangible Assets’, understatement of ‘Expenses’ by ₹687.81 crore and overstatement of Profit for the year’ by the same amount.



Kutch Railway Company Limited

CIN: U45202DL2004PLC124267

The observation was also raised on the Financial Statements of the Company for the financial year 2023-24. In response, the Company (September 2024) had given an assurance that an opinion on the same would be taken from the Expert Advisory Committee of ICAI. However, neither opinion in the matter was sought from the ICAI nor adjustments as mentioned above were made.

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

Teg Singh
Principal Director of Audit
Railway Commercial, New Delhi

Place: New Delhi
Dated: 09.09.2025

Annexure - A

S.N.	AUDIT OBSERVATION	MANAGEMENT'S REPLY
1.	Comments on Profitability (1) Statement of Profit and Loss Expenses - Rs. 1,39,015.80 lakh Profit of the year – Rs. 1394.01 lakh Balance Sheet (d) Intangible assets under development- Note-6- Rs. 17,800 lakh (b) Provisions- Note No. 15 – Rs. 277.99 lakh (i) As per Clause 4.3(d) of the Concession Agreement (Nov 2005) with MoR, the Company is obliged to keep project assets in working condition, including replacement of expired assets, in accordance with MoR standards. Further, as per IRPWM (para 702(d)), rails are required to undergo Complete Track Renewal (CTR) after specified traffic limits. Western Railway (October 2022 and May 2023) raised demands for CTR works, against which the Company consented (October 2022 and July 2023) to expenditure of Rs. 376.87 crore for 133.56 km (Palanpur–Samakhali and Samakhali–Gandhidham sections). Further, the Company has also estimated Rs. 136.86 crore for works over and above the O&M. Additionally, in Feb 2025, WR raised a demand for CTR of 91.70 km (PNU–SIOB down line) requiring funds of Rs. 258.75 crore. Thus, the total CTR fund requirement as on 31.03.2025 works out to Rs. 772.48 crore for which no provision has been made in the accounts. Out of this the Company has already incurred and capitalised an amount of Rs. 156.59 crore (Rs. 75.59 crore + Rs. 81.00 crore) under the head 'Intangible Assets under development'. Thus, due to not providing for the replacement obligations arising during the remaining concession period in violation of Ind AS 115, the 'Provisions' has been understated by Rs. 615.89 crore (Rs. 772.48 crore - Rs. 156.59 crore) and overstatement of 'Profit for the period' to the same extent. (ii) Further, the expenditure of Rs. 156.59 crore (Rs. 75.59 crore + Rs. 81.00 crore) should have been charged to Profit and loss since as per the concession agreement of KRCL with the Railways, KRCL has no ownership of the railway infrastructure assets created by it. The expenditure incurred on CTR work would not result into any additional rights/ intangible assets to the Company. Therefore, it should have been charged to the Statement of Profit and Loss as expenses instead of booking the same as intangible assets. The same is in violation of Appendix D of Ind AS – 115 – Revenue from contract with customers.	With reference to the audit observation, the Company respectfully submits the following: - Contractual Framework under Concession Agreement - In terms of Clause 4.3(d) of the Concession Agreement with Ministry of Railways (MoR), KRCL is required to ensure that the project assets remain in working condition, including carrying out replacements on expiry of codal life, in line with MoR standards. - The revenue mechanism under the Concession Agreement envisages that payments to KRCL are net of O&M expenditure, including CTR. Western Railway (WR) identifies, executes and certifies such works and their costs, following which the same are recognized in the Company's books. Provisioning without such confirmation would not be in consonance with the agreed framework. - Further, O&M including renewals and special works are determined by WR based on traffic density and track condition. Hence, KRCL cannot independently determine the requirement until WR assesses and communicates the same. - Practical Aspects of CTR Works - CTR works are highly complex field operations involving replacement of rails, sleepers and ballast under running train conditions, necessitating imposition of speed restrictions and phased execution over small stretches. - For CTR works consented by KRCL, WR has proposed upgradation of track standards (60 kg/m rails of 90 UTS in place of 52 kg/m rails of 72 UTS; heavier and wider PSC sleepers; reduced spacing to enable higher axle loads). - While granting consent, KRCL requested WR to restrict procurement to annual requirements and provide year-wise fund requirements. However, such details have not yet been furnished. Presently, WR is deducting ₹ 6 crore per month from KRCL's revenue bills towards the CTR works. - Applicability of Ind AS 115 and Ind AS 37 - Appendix D, para 21 of Ind AS 115 requires obligations relating to maintenance/restoration of infrastructure under concession arrangements to be accounted for as per Ind AS 37. - Ind AS 37, para 14 allows recognition of provision only where (a) a present obligation exists, (b) probable outflow of resources is expected, and (c) a reliable estimate can be made.



S.N.	AUDIT OBSERVATION	MANAGEMENT'S REPLY
	This has resulted in overstatement of 'Intangible Assets under development', understatement of 'Expenses' by Rs. 156.59 crore and overstatement of Profit for the year' to the same extent.	● Although the Company acknowledges its obligation, reliable year-wise estimates from WR are not presently available for all CTR works. Moreover, credit from disposal of scrap material from replaced track components also remains unascertained. 4. Current Status of CTR Works ● The Company has consented to CTR works of 133.56 km aggregating to Rs. 376.87 crore (Rs. 234.00 crore in October 2022 for PNU-SIOB section and Rs.142.87 crore in July 2023 for Samakhiali-Gandhidham section). ● Against this, expenditure of Rs. 75.59 crore has been incurred and capitalized under "Intangible Assets under Development" up to 31.03.2025. ● In February 2025, WR raised a further demand of Rs. 258.75 crore for CTR of 91.70 km on the PNU-SIOB down line. This is still under consideration and has not yet been formally accepted by the Company, and hence does not meet the recognition test of Ind AS 37. ● Additional works estimated at Rs. 136.86 crore (deep screening, waterways, etc.) have been disclosed, of which Rs. 81.00 crore has been incurred and capitalized; the balance will be accounted for on completion. ● It is to be also mentioned that company has spent lot of money on doubling and Railway Electrification and there are CTR demands from WR, if these amounts spent are charged to P&L Account, the net worth of the company will be eroded, the credit rating of the company will be affected. Company considers these works are of capital expenditure, the works when completed will be capitalized for the remaining period of concession period and if the concession period of the company is extended, the capitalization shall be made upto the extended period of concession period. 5. Disclosures in Financial Statements ● Note 49 to the financial statements discloses that while a cost estimate of Rs. 376.87 crore has been received, detailed year-wise expenditure breakup is not available as on 31st March 2025. Accordingly, provision has not been made. The Company is in correspondence with WR and will recognize necessary provisions in subsequent financial years based on confirmed data. ● Expenditure already incurred (Rs. 75.59 crore) has been capitalized under Intangible Assets under Development and will be transferred to Intangible Assets and amortized over the concession period upon completion. ● Capital commitments for CTR have been disclosed

S.N.	AUDIT OBSERVATION	MANAGEMENT'S REPLY
		in Note 37. 6. Future Course of Action ● The Company is actively pursuing WR for year-wise requirement of funds and project timelines, and will provide appropriate provisions on receipt of such reliable estimates. ● Company will appoint a technical person for consultation with MoR and Western Railway to ascertain the estimated cost and the period over the CTR activities are to be carried out and accordingly based on the total life of an asset beyond the existing concession period shall provide for the necessary provisioning in the financial statement of subsequent financial year. Additionally, it may be noted that our sister concern has already sought an opinion from the Expert Advisory Committee (EAC) of ICAI on a similar matter. KRCL will consider the outcome of this EAC opinion to apply the same approach to ensure consistency in accounting treatment. Conclusion: As of 31.03.2025, only expenditure of Rs. 75.59 crore has been incurred on CTR and capitalized under Intangible Assets under Development. Reliable estimates for the balance works are not presently available, and hence no provision has been recognized. The Company has made appropriate disclosures and will recognize provisions in subsequent years based on confirmed estimates and guidance, including the forthcoming EAC opinion.
2.	Balance Sheet (c) Other Intangible Assets -Note 5- Rs. 3,67,429.32 lakh Statement of Profit and Loss Total Expenses – Rs. 1,39,015.80 lakh Profit/ (loss) for the period – Rs. 1394.01 lakhs The above head of Other Intangible assets includes Rs. 687.81 crore (Rs. 526.89 crores pertaining to the financial year 2023-24 and Rs. 160.92 crore (pertaining to the financial year 2024-25) towards doubling & electrification works. As per the concession agreement of KRCL with the Railways, KRCL has no ownership of the railway infrastructure assets created by it. By doubling & electrifying the railway line, there would be no increase in the amount of freight revenue share to be received from MoR. Therefore, it should have been charged to the Statement of Profit and Loss as expenses instead of booking the same as intangible assets in compliance to the requirement of Appendix D of Ind AS – 115 – Revenue from contract with customers.	In this regard, it is respectfully submitted as under: 1. The provisions of Ind AS 115 permit recognition of revenue and related rights on the basis of contractual entitlements arising from concession arrangements. In the case of KRCL, the concession agreement entered with MoR grants the Company the right to receive a defined share of freight earnings on the project line. This right represents an intangible asset under Ind AS 115 as it is a contractual entitlement to future inflows of economic benefits over the concession period. 2. The doubling and electrification works executed by KRCL were necessitated due to severe congestion and bottlenecks on the existing single line, which had led to diversion of trains towards alternate routes and a resultant decline in revenue apportionments to the Company. 3. To address these constraints, the Company undertook the Palanpur–Samakhiali doubling project (247 RKM), which was commissioned on 24th February 2023. The project has already resulted in a significant increase in traffic throughput on account of DFCCIL connectivity and other factors, thereby reducing diversions and improving revenue



S.N.	AUDIT OBSERVATION	MANAGEMENT'S REPLY
	This has resulted in overstatement of 'Other Intangible Assets', understatement of 'Expenses' by Rs. 687.81 crore and overstatement of Profit for the year' by the same amount. The observation was also raised on the Financial Statements of the Company for the financial year 2023-24. In response, the Company (September 2024) had given an assurance that an opinion on the same would be taken from the Expert Advisory Committee of ICAI. However, neither opinion in the matter was sought from the ICAI nor adjustments as mentioned above were made.	apportionments by nearly 40–50%. 4. Similarly, the electrification works have provided enduring benefits in terms of lower operating costs, enhanced efficiency in train operations, and environmental advantages through energy savings. Such benefits are not confined to a single reporting period but will continue to accrue throughout the concession term. Accordingly, debiting the entire expenditure to one year's Statement of Profit and Loss would not present a true and fair view of the financial performance of the Company. 5. Further as per the amendment in the Concession agreement Project Railway means broad gauge rail link between Palanpur and Gandhidham including double line from the Palanpur to Samakhayali. This also includes all the Railway Electrification works on Project line from Gandhidham to Samakhayali and double line from Samakhayali to Palanpur. 6. The expenditure has therefore been capitalised as an intangible asset on the basis that future economic benefits are demonstrably expected to flow to KRCL. This is consistent with the recognition criteria laid down in Para 20 and 22 of Ind AS 38. 7. Further, Para 27 of Ind AS 38 stipulates that the cost of an intangible asset shall include: (a) purchase price, including duties and taxes (net of rebates/discounts), and (b) directly attributable costs of preparing the asset for its intended use. The expenditure on doubling and electrification is clearly of a directly attributable nature, being incurred to enhance the effective utilisation of the concession right. The same is therefore eligible for capitalization in compliance with Ind AS 38 read with Appendix D of Ind AS 115. 8. Though the benefits arising from doubling and electrification have not been separately quantified, the overall results in terms of increased apportionments and reduction in costs substantiate that substantial long-term benefits are accruing to the Company. 9. It is also pertinent to mention that the Company has already approached the Railway Board for extension of the concession period by at least 15 years, which further strengthens the expectation of sustained economic benefits over a longer horizon. Further Company is assured that during the current financial year, a detailed opinion will be sought from the Expert Advisory Committee (EAC) of ICAI on this matter. Based on the opinion so received, the Company shall take necessary action in the subsequent financial year. In view of the substantial and continuing economic benefits derived from the doubling and electrification projects, and considering that the expenditure is directly attributable to the concession right, the capitalization as intangible assets is appropriate.

