
**DEDICATED
FREIGHT
CORRIDOR
CORPORATION
OF INDIA LIMITED**

**ANNUAL REPORT
2007-2008**

**डेडिकेटेड फ्रेट कोरिडोर
कॉरपोरेशन लिमिटेड**

(भारत सरकार का एक उपक्रम)

पंजीकृत कार्यालय: 101-ए, रेल भवन, नई दिल्ली -110001

कार्पोरेट कार्यालय: पालिका भवन, सेक्टर - XIII

आर. के. पुरम, नई दिल्ली-110066

**वार्षिक रिपोर्ट
2007-2008**

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LIST OF DIRECTORS

Name	Designation	Joined with effect from
Mr. K. C. Jena	Chairman	19.09.2007
Mr. V.K. Kaul	Managing Director	15.09.2007
Mr. R. K. Sinha	Director (Finance)	17.09.2007
Mr. B. B. Saran	Director (Project Planing)	19.06.2008
Mr. P. N. Shukla	Director (Operation & Business Development)	15.10.2007
Mr. Pradeep Bhatnagar	Director	28.02.2008
Mr. Deepak Krishan	Director	28.02.2008
Mr. Gajendra Haldea	Director	02.05.2008

FORMER DIRECTORS

Name	Designation	Ceased to be Director w.e.f.
Mr. R. Ashok	Director	07.04.2008
Mr. Ravindra Nath Verma	Director	28.02.2008
Mr. Rakesh Chopra	Director	28.02.2008

GENERAL INFORMATION

REGISTERED OFFICE

Room No 101-A, Rail Bhawan,
Raisina Road, New Delhi -110001

STATUTORY AUDITORS

M/s K.G. Somani & Co.
Chartered Accountants
3/15 Asaf Ali Road
New Delhi

INTERNAL AUDITORS

S.P. Gautam & Co.
Chartered Accountants
Noida

BANKERS

Union Bank of India
Centurion Bank
Axis Bank
Yes Bank
Corporation Bank

CHAIRMAN'S MESSAGE

Dear Shareholders,

It gives me great pleasure to welcome you all at the Second Annual General Meeting of the Company. It is indeed a matter of pride for us to be associated with the most ambitious and biggest project of the Ministry of Railways.

As you all know, Dedicated Freight Corridor Corporation of India Limited (DFCC) is a special purpose vehicle created to undertake planning & development, mobilization of financial resources, construction, maintenance and operation of Dedicated Freight lines covering about 3236 route kms on two Corridors-Eastern Corridor (1767 kms) from Ludhiana to Dankuni and Western Corridor (1469 kms) from Jawahar Lal Nehru Port Mumbai to Tughlakabad/Dadri along with interlinking of two corridors at Dadri. It envisages 'state of the art' Construction Technology, upgradation of transportation systems, increase in productivity and reduction in unit transportation cost.

I am happy to announce that our Corporation has already done a substantial amount of preparatory and preliminary work during the short period of eight months since the present management was put in charge in Sept/Oct. 2007. I am delighted to share with you the overall update on the progress made during the year. During the year, Company has set up eight field units at Mumbai, Vadodra, Ahmedabad, Jaipur, Kanpur, Ludhiana, Allahabad, Ajmer at the Eastern and Western Corridors under the supervision of the Chief Project Managers for ensuring efficient and timely execution of the work. The Company has awarded contracts for detailed Engineering Survey including Geo technical investigations, collection and compilation of field data relating to L-section, utilities, GAD for bridges, hydrological data and preparation of land plans for acquiring land wherever required. Land acquisition is spread over 7 states of Bihar, U.P, Haryana, Punjab, Rajasthan, Gujarat and Maharashtra covering 48 districts.

Land plans for 600 kms are ready and due for notification and another 500 kms will be available shortly. First Gazette notification for acquisition of Land for 100 kms on Bhaupur-Madrak was issued in June, and 'Competent Authority' for 3 districts, namely, Itawa, Kanpur & Aurya in the State of Uttar Pradesh have been notified. Notification of 'Competent Authority' for 11 more districts is under issue. Engagement of General Consultants for preparation of Bid document for EPC/Design & Build Contract for Bhaupur-Mandrak section on Eastern Corridor is being finalized.

As per Budget announcement, work on Eastern and Western Corridor, is to commence during 2008-2009. Towards achievement of this objective, tender notices for Construction of DFC lines on Sonnagar-Mughalsarai (102 kms) on Eastern Corridor for Rs.568 Crs and Construction of major bridges in Vaitarna-Surat section of Western Corridor for Rs.419 Crs have been issued. The Corporation expects construction work to start on both the Corridors during Oct/Nov 08.

The Corporation is committed to time bound execution of the project through focused planning, financing, construction and maintenance of the project as "Time" is the essence of any project management.

Dedicated Freight Corridors would, I am sure, provide a fillip to the national economy and would help to tap the growing demands of transportation with economical and environment friendly techniques. I am confident that with your unstinting support and with the commitment and dedication of officers and employees, DFCC will achieve greater heights in times to come.


K.C. Jena
Chairman

NOTICE

NOTICE is hereby given that the 2ND Annual General Meeting of Members of Dedicated Freight Corridor Corporation of India Limited will be held on Monday, 21st July 2008 at 3.00 P.M. at Committee Room No1, 2nd Floor, Rail Bhawan, Raisina Road, New Delhi-110001 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2008 and the schedules annexed thereto together with the Directors' and Auditors' Report and comments of the Comptroller and Auditor General of India thereon.
2. To fix the remuneration of the Statutory Auditors of the Company reappointed by the Comptroller & Auditor General of India and to pass the following resolution as Ordinary Resolution.

"Resolved that the remuneration of the Statutory Auditor of the Company, reappointed by Comptroller and Auditor General of India be fixed as Rs. 50000/- (Rupees Fifty Thousand) for the financial year 2008-2009."

"Resolved further that pursuant to section 224(8)(aa) of the Companies Act, 1956, the Board of Directors of the Company be and are hereby authorized to fix the remuneration and reimbursement of out of pocket expenses in connection with the audit work, to the Statutory Auditors as reappointed by Comptroller & Auditor General of India in future."

SPECIAL BUSINESS

3. **To consider and if thought fit, to pass with or without modification, the following resolution as Special Resolution.**

"Resolved that pursuant to section 17 of the Companies Act, 1956 & subject to the confirmation of the Company Law Board (powers delegated to the Registrar of Companies) consent of the members be and is hereby accorded to amend Clause III(A)1(ix) of the Memorandum of Association as follows.

- ix) To carry on the business of providers of rail infrastructure for carriage of goods in particular, and to generally carry on all businesses relating to a Railway Administration in relation to Non-Government Railways (as defined in The Railways Act, 1989 as amended from time to time), including but not limited to

FURTHER RESOLVED that the Company Secretary be and is hereby authorized to incorporate the amendments/modifications in the Memorandum and Articles of Association of the Company and to take further necessary actions to comply with the relevant laws and provisions of the Companies Act, 1956."

4. **To consider and if thought fit, to pass with or without modification, the following resolution as Special Resolution.**

"Resolved that pursuant to section 31 of the Companies Act, 1956 and subject to the approval from the concerned authority, if any, consent of the members be and is hereby accorded to alter the Articles of Association of the Company by replacing

- **Exiting Article 1(g) of the Articles**

"The Company or this Company means Dedicated Freight Corridor Corporation of India Ltd."

DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED

By the following new Article

Article 1

The Company (g) "The Company or this Company means Dedicated Freight Corridor Corporation of India Limited, and at all times be deemed to be a Railway Administration as defined under The Railways Act, 1989 as amended from time to time or equivalent definition of Railway Administration in the new or amended Act which may come into force.

FURTHER RESOLVED that the Company Secretary be and is hereby authorized to incorporate the amendments/modifications in the Memorandum and Articles of Association of the Company and to take further necessary actions to comply with the relevant laws and provisions of the Companies Act, 1956.

Place: New Delhi
Date: 30.06.2008

By Order of the Board


Meenu Kapoor
Company Secretary

Note :

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a Proxy to attend and vote on a poll instead of himself and the Proxy need not be the member of the Company. The instrument appointing the Proxy should, however, be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the Meeting.
2. An Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 relating to special business to be transacted at the meeting is annexed herewith.
3. The Proxy Form is attached herewith.

**AN EXPLANATORY STATEMENT PURSUANT TO
SECTION 173(2) OF THE COMPANIES ACT, 1956**

Item No 3

Your Directors placed before the Board the proposal to alter Clause III(A)(1)ix of the Memorandum of Association of the Company as According to The Railways Act, 1989 there is no definition for the word Railway Company as it is replaced by the word Railway Administration. Therefore, it was proposed to make changes in clause III(A)(1)ix of the Memorandum of Association of the Company by replacing the existing words 'Railway Company' with ' Railway Administration in relation to non Government Railway.'

According to the provisions of section 17 of the Companies Act, 1956. A Company may, by Special Resolution, alter its Memorandum with respect to the objects of the Company subject to the confirmation of the Company Law Board. The company can alter its Memorandum of Association by passing Special Resolution at the General Meeting of the Members. Therefore, your Directors propose the aforesaid Resolution for your approval at the upcoming Annual General Meeting.

None of the Directors are interested in the above Resolution.

Item No 4

Your Directors placed before the Board the proposal to replace Article 1(g) of Articles of Association of the Company by new Article in order to get the protection and authority available to a Railway Administration under the Act.

According to the provisions of section 31 of the Companies Act, 1956 a company can alter

the Articles of Association of the Company by passing Special Resolution at the General Meeting of the Members of the Company. Therefore your Directors proposed the aforesaid Resolution for your approval at the upcoming Annual General Meeting.

None of the Directors are interested in the above resolution.

Place: New Delhi
Date : 30.06.2008

PROXY FORM

Iof.....
resident/s of.....being the member of
Dedicated Freight Corridor Corporation of India Limited, hereby appoint Mr.
.....of.....
.....or failing
him/her.....of
.....as my/our proxy to attend and vote for me on my behalf at the
2nd Annual General Meeting of the Company to be held on Monday, 21st day of July 2008, at
300 P.M at Committee Room No1, 2nd Floor, Rail Bhawan, Raisina Road, New Delhi-
110001and/or at any adjournment thereof.

Signed this.....day of2008, Signature.....

Ledger Folio.....

No of Shares held

Name :

Address :

Re. 1/-
Revenue Stamp

NOTE :

The Proxy in order to be effective must be received by the Company at the registered office, not less than 48 hours before the time of the meeting. The proxy need not be a member of the Company.

DIRECTORS' REPORT

Ladies /Gentlemen,

Your Directors have pleasure in presenting the 2nd Annual Report of the Company for the financial year ended 31st March 2008 on the working and operations of the Company along with the Audited Accounts for the year ended 31st March 2008.

1. SUMMARY OF ANNUAL ACCOUNTS 2007-08

The Corporation has incurred the following expenditure during the year.

1) Investment in Fixed Assets	:	Rs.1.09 crores
2) Expenditure on Project Execution	:	Rs.9.24 crores

1. Fixed Assets

The expenditure has been incurred mainly on computer equipment and peripherals (Rs.63.73 lakhs); Furniture and fixtures (Rs.25.07 lakhs) and other office equipments like air-conditioners, fans, telephone instruments etc (Rs.19.76 lakhs).

2. Expenditure on Project Execution

The gross expenditure is Rs.9.24 crores which includes expenditure on preliminary project expenses (Rs.3.15 crores), Cost of staff (Rs.1.85 crores), vehicles (Rs.0.65 crores), taxes (0.94 crores), depreciation on fixed assets (0.12 crores). The remaining expenditure is on office contingencies like telephones, stationery, books & periodicals, electricity expenses, houses keeping expenses, rents, travelling & conveyance (Rs.2.53 crores) etc. Expenditure on taxes includes Rs.0.89 crores towards income tax payable on interest earnings and Rs.0.04 crores towards fringe benefit taxes.

The Corporation has earned gross revenue amounting to Rs.2.72 crores through interest. After deducting the interest earned during the year, the net expenditure on project execution is Rs.6.44 crores.

2. SNAP SHOT OF THE PROJECTS AWARDED BY THE COMPANY

During the period under review the company awarded the following tenders

Tender No.	Name of work	Awarded to
HQ/EN/Pre(Works)/LDH	Staking out alignment, detailed engineering construction survey for detour from Ambala to Doraha on left side of GT Road at any other location(s) as directed by the Engineer in Charge, preparation of land Plan for Section 4 & 6 notification under Indian Land Acquisition Act, 1894, identification and preparation of Land Acquisition Plan for dumping locations for ballast/blanket material etc. Geotechnical investigation, preparation of GAD for Minor & Major bridges along with preparation of schedule of quantities & tender document for construction of Dedicated Freight Corridor from Talheri at Km. 156 to Ludhiana on Eastern Freight Corridor.	M/s Scott Wilson India Pvt Ltd. vide letter No.HQ/EN/Pre(Works)/LDH dated 07.03.2008 A-26/4 Mohan Cooperative Indl. Estate, Mathura Road, New Delhi
HQ/EN/Pre.(Works)/MTC	Staking out alignment, detailed engineering construction survey for detour at any location(s) as directed by the Engineer in Charge,	M/s Monarch Surveyors & Contractors Pvt Ltd. vide letter No.HQ/EN/Pre.(Works)/MTC

	preparation of Land Plan for section 4 & 6 notification under Indian Land Acquisition Act, 1894, Identification and preparation of Land acquisition plan for dumping locations for ballast/blanket material etc. Geotechnical investigation, preparation of G.A.D. for Minor and Major bridges along with preparation of schedule of quantities & Tender document for construction of Dedicated Freight Corridor from Kulwa to Khurja, Khurja to Dadri and Khurja to Talheri at Km. 156 on Eastern Freight Corridor.	67, Panmala, Flat No.3, Rujeta Apartment, Near Sahawas Hall, Sinhagarh Road, Pune - 411030
HQ/EN/Bridges/ Model Study	Consultancy for Model Studies for five important river bridges at detour portion of Eastern and Western Dedicated Freight Corridor.	M/s RITES Ltd. vide letter No.HQ/ EN/Bridges/Model Studies dt. 08.01.08 Gurgaon, Haryana
HQ/EN/PW/Bridges/ Surat	Preliminary Works of Important and Major Bridges on Vaitarna-Utran Section.	M/s Stup Consultants Pvt. Ltd. vide letter No. HQ/ EN/PW/Bridges/Surat dated 11.02.2008 Plot No. 22A, Sector 19C, Palm Beach Marg, Vashi, Navi Mumbai-400705
HQ/EN/Pre.(Works)/ BRC	Preliminary works from Sachin at Km 251/6 to Nadiad at Km 451/6 on Western Freight Corridor.	M/s Consulting Engineers Group Ltd. vide letter No.HQ/EN/Pre.(Works)/ BRC/ 2008 dtd. 04.03.08 E-12, Moji Colony, Malviya Nagar, Jaipur

DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED

HQ/EN/Pre.(Works)/JP	Preliminary works from Km 10 to Km 290 between Khori & Madar on Western Corridor	M/s Wilbur Smith Associates vide letter No. HQ/EN/Pre.(Works)/JP dt. 07.03.08 2 nd floor, 80 Feet Road Rt. Nagar, Bangalore
HQ/EN/Pre.(Works)/ADI	Preliminary works from Nadiad (Km 451.6) to Palanpur (Km 648.4 ex Rewari) on Western Freight Corridor.	M/s RODIC Consultants vide letter No. HQ/EN/Pre.(Works)/ADI dt. 07.03.08
HQ/EN/Pre.(Works)/All	Preliminary works from Madar at Km 290.0 to Palanpur at Km 648.0 on Western Freight Corridor.	M/s Consulting Engineers Group Ltd. vide letter No. HQ/EN/Pre.(Works)/All dt. 07.03.08 E-12, Malviya Nagar, Jaipur
HQ/EL/Tender-AC/1	Design, Supply, Installation, Testing and Commissioning of Heating, Ventilation and Air Conditioning (HVAC) system at DFCC office complex, Pragati Maidan, New Delhi and Operation of HVAC System for five years and Comprehensive Maintenance for four years after warrantee period of one year.	M/s Voltas Limited Electro Mechanical & Refrigeration Business Group vide letter No. HQ/EL/Tender-AC/1/Pt-III A-43 Mohan Cooperative Industrial Estate, Mathura Road, New Delhi-110044
2007/DFCCIL/Engg./Consultancy/Geotech-1	Staking out alignment, detailed engineering construction survey for detour alignment at Rura, Phapund & Bharthana, preparation of Land Plan for section 4 notification, identification & preparation of Land acquisition plan for dumping locations for ballast/blanket etc, Geotechnical	M/s Monarch Surveyors & Contractors Pvt. Ltd. vide letter No. 2007/DFCCIL/Engg/Consultancy/Geotech-1 dt. 26.11.07

	investigation, preparation of G.A.D. for Minor & Major bridges along with preparation of schedule of quantities & Tender document for construction of Dedicated Freight Corridor from Bhaupur at KM 1039.93 to Ekdil at KM 1146.69 on Eastern Freight Corridor.	67, Panmala, Flat No.3, Rujeta Appartments, Near Sehwas Hall Sinhagad Rd., Pune-411030
2007/DFCCIL/Engg.III/ Consultancy/Br. Std. Span Design 1	Designing and developing detailed design drawings for superstructure of various different standard RDSO, PSC, composite girders, welded steel plate girders spans/box type culverts and proof checked from independent proof consultant as per the design criteria and loading approved by DFCCIL (i.e for 32.5 tonne axle load operations) for the proposed Dedicated Freight Corridor on Indian Railways.	M/s L&T-Ramboll Consulting Engineers Ltd. vide letter No.2007/DFCCIL/Engg.III/ Consultancy/Br. Std. Span Design 1 39/340 Anna Salai, Nandram, Chennai-600035
HQ/EN/BD/PC - 1	Proof Consultancy of detailed design & drawings for superstructure of different standard RDSO spans consisting of PSC, Composite Girders, Welded Steel Plate Girders/Box Type Culverts both for pre cast as well as for cast in situ as per the approved design criteria and loading for DFC.	M/s Stup Consultants Pvt. Ltd.vide letter No. HQ/EN/BD/PC - 1 Plot No. 22A, Sector 19C, Palm Beach Marg, Vashi, Navi Mumbai-400705
HQ/EN/Pre.(Works)/ALD (W)	Staking out alignment, detailed engineering construction survey for detour at Bharwari, Sirathu, Khaga Fatehpur and at any other location(s) as directed by the Engineer-in-Charge, preparation of Land Plan for section 4	M/s Monarch Surveyors & Contractors Pvt. Ltd. vide letter No. HQ/EN/Pre.(Works)/ALD (W) dated 07.03.08

	<p>& 6 notification under Indian Land Acquisition Act, 1894, identification & preparation of Land acquisition plan for dumping locations for ballast/blanket material etc, Geotechnical investigation, preparation of G.A.D. for Minor & Major bridges along with preparation of schedule of quantities & Tender document for construction of Dedicated Freight Corridor from Karchana at Km 807.43 to Prempur at Km 991.2 on Eastern Freight Corridor.</p>	<p>67, Panmala, Flat No.3, Rujeta Appartments, Near Sehwas Hall Sinhagad Rd., Pune-411030</p>
<p>HQ/EN/Pre.(Works)/CNB</p>	<p>Staking of alignment, detailed engineering construction survey for identified detour or detour at any location(s) as directed by the Engineer-in-Charge, preparation of Land Plan for section 4 & 6 notification under Indian Land Acquisition Act, 1894 or any other Act subsequently amended to accelerate the acquisition of land, identification & preparation of Land acquisition plan for dumping locations for ballast/blanket material etc, Geotechnical investigation, preparation of G.A.D. for Minor & Major bridges along with preparation of schedule of quantities & Tender document for construction of Dedicated Freight Corridor from Prempur at Km 991.20 to Bhaupur at Km 1037.6 and from Ekdil at KM 1146.69 to Kulwa at Km 1338.40 on Eastern Freight Corridor.</p>	<p>M/s Monarch Surveyors & Contractors Pvt. Ltd.vide letter No.HQ/EN/Pre.(Works)/CNB dtd 14.03.08</p> <p>67, Panmala, Flat No.3, Rujeta Appartments, Near Sehwas Hall Sinhagad Rd., Pune-411030</p>

Mum/EN/Tem/1	Preliminary works for Section II (i.e. from Vaitarna to Bhilad)	M/s S. N. Bhobe & Associates Pvt. Ltd. vide letter No. MUM/EN/LT/Pre. (Works) dated 12.03.2008 Banking Complex No 11, Unit No 10, Plot No 9 & 10, Sector 19A, Vashi, Navi Mumbai-400705
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3. CAPITAL STRUCTURE

As on 31st March 2008, the Authorized Share Capital of Company stands at Rs. 4000,00,00,000 (Rupees Four Thousand Crore) divided into 4,00,00,000 (Four Crore) Equity shares of Rs. 1,000/- each.

The Company's Paid Up Share Capital as on 31.03.2008 is Rs. 88,00,00,000 (Rupees Eighty-eight Crore) divided into 8,80,000 (Eight Lacs Eighty Thousand) Equity Shares of Rs. 1000/- each. The Paid Up Capital of the Company has been enhanced on account of equity contribution from Ministry of Railways.

4. AUDIT COMMITTEE

Corporate Governance is a reflection of a Company's culture, policies and its commitment to values. Accordingly, we always seek to ensure that, we attain our performance rules with integrity. Therefore during the period under review, the Audit Committee of the Board was constituted which comprises of 3 directors namely

- | | | |
|----|--------------------|--|
| 1. | Sh. P. N. Shukla | Director/Operations & Business Development |
| 2. | Sh. R. Ashok | Additional Member (Fin.), Ministry of Railways |
| 3. | Sh. Deepak Krishan | Additional Member (CE), Ministry of Railways |

The scope of Audit Committee in the Company is in accordance with the terms of reference of the committee which include

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

5. INVESTMENT COMMITTEE

During the period under review, a committee called the Investment Committee was constituted with Managing Director, Director (Finance) and Director (OP&BD) as its members subject to the following terms and conditions:-

- 1) All mandatory instructions that may be issued by various agencies of the Government from time to time shall be followed.
- 2) Any guidelines (not mandatory) may be followed to the extent possible without adversely affecting the interest of the Corporation.
- 3) Such procedures may be followed as will ensure optimal returns through competitive rates/quotations.

- 4) For the purpose of Section 292(3) of the Companies Act, the maximum amount invested in all instruments cumulatively shall not exceed Rs.1,500 crores at any time.

The maximum period of investment for any instrument shall not be more than 360/365 days.

It is also directed that any such investment shall be reported in the next meeting of the Board for information. The Board shall also be given a quarterly report on result of such investments cumulatively, with total outstanding investments.

6. MEMORANDUM OF UNDERSTANDING

During the period under review, Company has signed the Memorandum of Understanding with Ministry of Railways as per the DPE Guidelines, which was drafted in the light of discussion with DPE Task Force on 7th March 2008.

As per the signed MOU, the Company is committed to achieve Project related Parameters, Dynamic parameters, Sector Specific Variables and Enterprise Specific Variables in the year 2008-2009.

7. PRESIDENTIAL DIRECTIVES

No Presidential Directives has been issue to the Company during 2007-2008.

8. AUDITORS' REPORT

The Auditors' Report submitted by M/s K. G. Somani & Co. along with Notes to the Accounts is self-explanatory and no separate comments are required.

9. BOARD OF DIRECTORS

During the period under review, the composition of the Board of DFCCIL has undergone some changes due to appointments/cessations as mentioned below:

1. Mr. Pradeep Bhatnagar, Adviser (Infrastructure) joined DFCCIL as a Part Time Director on the Board on 28.02.2008 vide Ministry of Railways' Letter No. 2008/Infra/6/1 dated 28.02.2008 in place of Mr. Ravindra Nath Verma former Adviser (Infrastructure).
2. Mr. Deepak Krishan, Additional Member (CE) has joined DFCCIL as Part Time Director on the Board w.e.f 28.02.2008 vide Ministry of Railways' Letter No.2008/Infra/6/1 dated 28.02.2008.

The association of both with the management of the Company will prove fruitful to the company.

- (a) Mr. Ravindra Nath Verma, Adviser (Infrastructure), who joined the organization as nominee of the Ministry of Railways ceased to be a Director on the Board of DFCCIL due to his transfer w.e.f 28.02.2008 vide Ministry of Railways' Letter No.2008/Infra/6/1 dated 28.02.2008.
- (b) Mr. Rakesh Chopra, a nominee of Ministry of Railways ceased to be the nominee director on the Board of DFCCIL due to his transfer w.e.f 28.02.2008 vide Ministry of Railways' Letter No.2008/Infra/6/1 dated 28.02.2008.
- (c) Mr. R. Ashok, Additional Member (Finance) ceased to be the Director of the Company w.e.f 07.04.2008 vide Ministry of Railways' Order No.2008/E(O)II/4/18 dated 07.04.2008.

The Board places on record its deep appreciation for the invaluable contribution and advice rendered by them to the Board during their tenure.

The following Director joined Board of DFCCIL after the Closure of the financial Year.

- 1) Mr. Gajendra Haldea, Principal Adviser to Deputy Chairman, Planning Commission joined as Director of the Company w.e.f 02.05.2008 vide Ministry of Railways' Letter No.2007/Infra/6/4 Pt.I dated 02.05.2008.
- 2) Mr. B. B. Saran, IRSE (DITS 04.01.1975), is appointed as Director (PP) in terms of Ministry of Railways (Railway Board's) Order No.2007/E(O)II/40/10 dated 18.06.2008, and has joined as Director (PP) in the Company on 19.06.2008 vide Office Order No.HQ/HR/ Posting-MD/D/1 dated 19.06.2008.

10. AUDITORS

M/s. K. G. Somani & Co. Chartered Accountants, New Delhi, were reappointed as Statutory Auditor of the Company by the Comptroller and Auditor General of India. The Board would like to express sincere thanks to the audit teams for their guidance during the audit of accounts for the period under review.

11. COMMENTS OF THE COMPTROLLER & AUDITOR GENERAL OF INDIA

The comments of the C&AG on the accounts of the Company for the year ended 31st March, 2008 shall also form the part of this report.

12. PARTICULARS OF EMPLOYEES/DIRECTORS REMUNERATION

Information as per section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended from time to time is not required to be disclosed as none of the employees and Directors was in the receipt of remuneration in excess of the limits prescribed.

13. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

The particulars required to be disclosed pursuant to section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the report of the Board of Directors) Rules, 1988 in respect of the Conservation of Energy and Technology Absorption shall be treated as Nil as the company is presently neither energy intensive nor technology intensive.

14. DIRECTORS' RESPONSIBILITY STATEMENT UNDER SECTION 217(2AA) OF THE COMPANIES ACT, 1956

As required under section 217 (2AA) of the Companies Act, 1956, The Directors confirm that :

- a) In preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures.
- b) The Directors have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the company for that period.
- c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- d) The Directors have prepared the annual accounts on a going concern basis.

15. ACKNOWLEDGEMENT

The Directors wish to place on record their sincere thanks to CAG, MOR, all other business partners, Banks and various Government agencies for their continued support and patronage.

The Board would also like to acknowledge the co-operation & commitment rendered by all the associates & employees of the Company.

For and on behalf of the Board

**Place : New Delhi
Date : 27.06.2008**


**K.C. Jena
Chairman**

ANNUAL ACCOUNTS

2007 - 2008

DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED

DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED

BALANCE SHEET AS AT MARCH 31, 2008

	Sch	AMOUNT AS AT 31.3.2008 Rupees	AMOUNT AS AT 31.3.2007 Rupees
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	88,00,00,000	2,00,00,000
TOTAL		<u>88,00,00,000</u>	<u>2,00,00,000</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	2	1,10,12,735	1,71,052
Less: Depreciation		12,23,020	11,445
Net Block		<u>97,89,715</u>	<u>1,59,607</u>
Development Expenditure(Pending Capitalisation)	3	9,31,78,855	2,87,45,901
Current Assets, Loans and Advances			
Cash and Bank Balances	4	79,45,27,568	2,04,15,046
Loans and Advances	5	1,02,01,562	35,494
		<u>80,47,29,130</u>	<u>2,04,50,540</u>
Less: Current Liabilities and Provisions			
Current Liabilities	6	1,83,44,861	2,92,00,728
Provisions	7	93,52,839	1,55,320
		<u>2,76,97,700</u>	<u>2,93,56,048</u>
Net Current Assets		<u>77,70,31,430</u>	<u>-8,905,508</u>
TOTAL		<u>88,00,00,000</u>	<u>2,00,00,000</u>
		0	0
Significant Accounting Policies	8		
Notes to the Accounts	9		

This is the Balance Sheet referred to in our report of even date

The schedules referred to above form an integral part of the Balance Sheet

K.G. Somani & Company
Chartered Accountants

Vinod Somani (FCA)
Membership No: 85277
Partner

Place: New Delhi

Date: 7 MAY 2008

For and on behalf of the board

V.K. Kaul
(Managing Director)

R.K. Sinha
(Director Finance)

Meenu Kapoor
Company Secretary

DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED

Schedules attached to and forming part of Balance Sheet as at March 31,2008

	Amount as at 31.03.2008 Rupees	Amount as at 31.03.2007 Rupees
SCHEDULE 1		
SHARE CAPITAL		
Authorized capital		
4,00,00,000 equity shares of Rs 1000/- each	4000,00,00,000	4000,00,00,000
Issued, subscribed and paid up capital		
8,80,000 equity shares of Rs 1000/- each fully paid up held by MOR(Previous year 20,000 Equity Share of Rs. 1000/- each)	88,00,00,000	2,00,00,000
TOTAL	88,00,00,000	2,00,00,000



DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LTD..

Schedules attached to and forming part of Balance Sheet

SCHEDULE :2

Fixed Assets

BLOCK OF ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost up to March 31, 2007	Additions during the year	Deletions / adjustments during the year	Cost up to March 31, 2008	Up to March 31, 2007	Depreciation during the year	Depreciation on sale / adjustments	Up to March 31, 2008	As at 31 MAR'2008	As at 31 MAR'2007
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Tangible Assets										
Furniture and fixtures	-	2,507,303	-	2,507,303	-	106,590	-	106,590	2,400,712	-
Computer - Hardware and software	127,056	6,373,232	-	6,500,288	10,909	1,008,513	-	1,019,422	5,480,867	116,147
Office equipment	43,996	1,976,148	15,000	2,005,144	536	97,698	1,225	97,008	1,908,136	43,460
TOTAL	171,052	10,856,683	15,000	11,012,735	11,445	1,212,801	1,225	1,223,020	9,789,715	159,607

Previous Year 171,052

11,445

159,607



DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED

DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED

Schedules attached to and forming part of Balance Sheet as at March 31, 2008

SCH. 3 : STATEMENT OF DEVELOPMENT EXPENSES FOR THE YEAR ENDED TO MARCH 31, 2008

	For The year ended March 31,2008	For the Period from November 13, 2006 to March 31, 2007
	Rupees	Rupees
Opening balance	6,175,189	-
Preliminary Expenditure	22,570,712	22,570,712
Expenditure Incurred During the Year		
Preliminary Project Expenditure	31,453,215	-
Advertisement Expenses	6,922,186	3,124,092
Establishment	17,402,010	-
Staff Welfare	1,152,704	-
Telephone Expenses	1,282,829	56,250
Stationery Expenses	1,762,365	3,791
Office Facility	-	1,073,942
Annual Maint. Charges	-	8,068
Books & Periodicals	214,010	278
Consultancy Fee	3,758,807	99,835
Electricity Expenses	484,092	52,351
Housekeeping Expenses	1,945,119	35,510
Misc. Expenses	283,500	614
Detailed Design Engineering	-	825,317
Project Management Consultancy	-	1,122,400
Audit Fees	62,360	50,000
Meeting & Conference	419,075	-
Rates & Taxes	28,514	-
Rent	4,317,192	-
Tours ,Travels and Conveyance	1,523,440	-
Web Site Development	580,496	-
Satellite images Exp.	896,000	-
Postage & Courier	44,908	-
Entertainment	461,179	-
Repair & Maintenance	1,112,262	-
Office Expenses	-	5,013
Office Security Expenses	-	47,979
Vehicle Hiring Charges	6,508,494	261,970
Income Tax	8,931,405	155,320
Fringe benefit tax	421,434	-
Depreciation	1,212,801	11,445
TOTAL	121,926,298	29,504,887
Less : Interest From FDR(TDS Deducted Rs. 5155508/-)	27,150,333	415,046
Less : Tender Processing Fee	1,344,000	343,940
Less : Excess Income Tax Provision Written Back	93,110	-
Less : Misc Income	160,000	-
NET EXPENDITURE TRANSFERRED TO DEVELOPMENT ACCOUNT	93,178,855	28,745,901

DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED

Schedules attached to and forming part of Balance Sheet as at March 31, 2008

	Amount As at 31.3.2008 Rupees	Amount As at 31.3.2007 Rupees
SCHEDULE 4		
CASH AND BANK BALANCES		
Balance with bank in current account	2,57,31,212	
Balance with bank in Fixed Deposit	75,47,64,841	2,00,00,000
Interest accrued on Fixed Deposit	1,40,31,515	4,15,046
TOTAL	79,45,27,568	2,04,15,046

SCHEDULE 5**LOANS AND ADVANCES**

Advances recoverable in cash or in kind or for value to be received(Unsecured Considered Good)

Security Deposits	22,01,451	
Advance Fringe Benefit tax	2,81,512	5,494
Other Advances	5,14,135	30,000
Advance Income Tax /Tax Deducted at Sources	71,89,366	
Other Current Asset	15098	
TOTAL	1,02,01,562	35,494



DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED

Schedules attached to and forming part of Balance Sheet as at March 31, 2008

	Amount as at 31.03.2008	Amount as at 31.03.2007
	Rupees	Rupees
SCHEDULE 6		
CURRENT LIABILITIES		
Sundry Creditors *	36,64,298	
Other Deposit (Office space & EMD)	1,30,07,000	2,92,00,728
Other Liabilities	16,73,563	
TOTAL	1,83,44,861	2,92,00,728

SCHEDULE 7

PROVISIONS

Provision for Income Tax	89,31,405	1,55,320
Provision for Fringe benefit Tax	4,21,434	
TOTAL	93,52,839	1,55,320

* There is no Small Scale Undertaking to which the Company owe Rs. 1 Lac or more ,which are outstanding more than 30 days



DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED

SCHEDULE 8

SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Preparation of Financial Statements

These financial statements have been prepared on an accrual basis under historical cost convention in accordance with the generally accepted accounting principles standard in India including the mandatory accounting Standards issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956.

2. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenses for the years presented. Actual results could differ from those estimates.

3. Revenue Recognition

Interest on investment is booked on a time proportion basis considering the amounts invested and the rate of interest.

4. Fixed Assets & Depreciation

- a) Fixed assets are stated at historical cost and all directly attributable expenses relating to the acquisition of the assets are capitalized alongwith respective assets.
- d) All development cost being incurred on construction and acquisition of Assets forming part of the railway infrastructure will be capitalized by distributing it pro-rata in proportion to the direct costs of a completed Assets.
- c) Depreciation on individual assets acquired for less than Rs. 5000/- is entirely depreciated in the year of acquisition.
- d) Depreciation is provided on the written down value method at the rates mentioned in Companies Act, 1956.
- e) Depreciation on additions/deletions to Fixed Assets is provided on *pro-rata* basis from/to the date of addition/deletions.



5. Provisions

In accordance with the Accounting Standard-29 (AS-29) issued by The Institute of Chartered Accountants of India, provisions are made for the present obligations where amount can be estimated reliably.

6. Taxation

- a. Taxes including current income tax are computed using the applicable tax rates and tax laws. Liability for additional taxes, if any, is provided/ paid as and when assessments are completed.
- b. The Company have income under the head of "income from other sources" so the liability of deferred tax has not been taken.

7. Miscellaneous Expenditure

Preliminary and other expenses incurred will be written off over a period of five years from the year of commencement of Business operations.

For and on behalf of the Board

K.G.Somani & Company
Chartered Accountants



Vinod Somani (FCA)
Membership No. :- 85277
Partner



V.K.Kaul
Managing Director



R.K.Sinha
Director Finance



Meenu Kapoor
Company Secretary

Place: New Delhi
Date: **7 MAY 2008**

DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED**SCHEDULE 9****NOTES TO THE ACCOUNTS****1. Related Party Disclosures:**

a) Key Management Personnel

Mr. V.K.Kaul	Managing Director (Whole Time Director)
Mr. R.K.Sinha	Whole Time Director (Finance)
Mr. Shri Prakash	Part Time Director (He was Director till 01/06/2007)
Mr. Rakesh Chopra	Part Time Director (He was Director till 28/02/2008)
Mr. R. Ashok	Part Time Director
Mr. Ravinder Nath Verma	Part Time Director (He was Director till 28/02/2008)
Mr. J.P. Batra	Part Time Director (He was Director till 31/07/2007)
Mr. Kalyan Coomer Jena	Part Time Director
Mr. P. N. Shukla	Whole Time Director
Mr. Pradeep Bhatnagar	Part Time Director
Mr. Deepak Krishan	Part Time Director

b) Enterprises in which directors interest exist:

NIL

c) Disclosure of transactions with related parties:-

Particulars	Transactions		Outstanding Amount **	
	Year ended March 31/03/2008 Rupees	Period ended March 31/03/2007 Rupees	As at March 31, 2008 Rupees	As at March 31, 2007 Rupees
Remuneration to key Personnel (b) above	See point 2	NIL	NIL	NIL



DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED


2. Managerial Remuneration

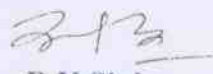
	Year ended March 31/03/2008 Rupees	Period ended March 31/03/2007 Rupees
Salary & allowances	21,09,801/-	NIL
Provident fund and other fund	NIL	NIL


3. Provision for Income tax has been calculated on the interest income received /accrued during the year.
4. Previous year figure are not comparable as, The Company was incorporated on November 13, 2006. And the first accounts were prepared for the period from November 13, 2006 to March 31, 2007.
5. The Company has commenced work related to the project and related expenses have been shown under Development Expenditure Account to be apportioned on projects.
6. Previous Year figures has been regrouped and rearranged to make them comparable with those of the previous year.
7. Company is contingently liable on account of Capital Commitment of Rs. 38,22,,49,937/-.
(Previous Year Rs. NIL)


For and on behalf of the Board

K.G.Somani & Company
Chartered Accountants


V.K.Kaul
Managing Director


R.K.Sinha
Director Finance


Vinod Somani (FCA)
Membership No. :- 85277
Partner

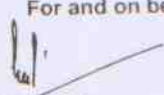





Meenu Kapoor
Company Secretary

Place: New Delhi
Date:

7 MAY 2008

DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED

DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED

BALANCE SHEET ABSTRACT AND A COMPANY'S GENERAL BUSINESS PROFILE			
SCHEDULE VI PART IV			
COMPANIES ACT, 1956			
I. Registration Details			
Registration No.	155,068	State code	55
Balance Sheet Date	31.03.2008		
II. Capital Raised during the year (Amount in Rs. Thousands)			
Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	8,60,000
III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)			
Total Liabilities	9,07,698	Total Assets	9,07,698
Sources of Funds			
Paid-up Capital	8,80,000	Reserves & Surplus	0
Secured Loans	NIL	Unsecured Loans	0
Deferred Tax Liability	NIL		
Application of Funds			
Net Fixed Assets	1,02,969	Investments	0
Net Current Assets	7,77,031	Misc. Expenditure	0
Accumulated Losses	NIL		
IV. Performance of company (Amount in Rs. Thousands)			
Turnover	-	Total expenditure	-
Profit/(Loss) Before tax	-	Profit/(Loss) After tax	-
Earning per Share in Rs.	-	Dividend	-
V. Generic Names of Three Principal Products/ Services of Company (as per monetary terms)			
Item Code No. (ITC Code)	98.09	Product Description	Turnkey construction
Item Code No. (ITC Code)	NIL	Product Description	NIL
Item Code No. (ITC Code)	NIL	Product Description	NIL
For and on behalf of the board			
K.G. Somani & Company, Chartered Accountants			
 Vinod Somani (FCA) Membership No: 85277 Partner		V.K. Kaul (Managing Director)	
		 R.K. Sinha (Director Finance)	
Place: New Delhi		 Meenu Kapoor Company Secretary	
Date: 7 MAY 2008			

DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED,

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2008

S.N. PARTICULARS	2007-2008		2006-2007	
	AMOUNT	AMOUNT	AMOUNT	AMOUNT
1 Cash Flow from Operating Activities				
Net profit before taxation, and extraordinary items				
Adjustments for changes in Working Capital:				
(Increase) in other receivables	(10,166,068)		(35,494)	
Increase in current liabilities	(10,855,867)		29,200,728	
Increase in Provision	9,197,519		35,494	
(Decrease) in Deferred Tax liability				
Cash Generated from Operations	-			
Income Taxes paid/Received (Net of TDS)	-			
Cash flow from Operations (A)	-	(11,824,416)		29,200,728
2 Cash from Investment Activities :-				
Purchase of Fixed assets /Development A/C	(74,063,062)		28586294.21	
Interest income (Revenue)				
Net Cash generated from / (used in) Investing activities (B)	(74,063,062)	(74,063,062)	28,586,294	28,586,294
3 Cash flow from Financing Activities :-				
Proceeds from issuance of share capital	860,000,000		20,000,000	
Proceeds from grant from Tamil Nadu Government				
Proceeds from long term borrowings				
Net Cash generated from / (used in) Financing activities (C)	860,000,000	860,000,000	20,000,000	20,000,000
Net Increase/(Decrease) in cash & cash equivalent (A+B+C)		774,112,522		77,787,022
Cash & Cash equivalent at the beginning of the year		20,415,046		0
Cash & Cash equivalent at the closing of the year		794,527,568		20,415,046
Cash and Cash equivalents comprise		794,527,568		20415046
Cash and Cheques in Hand				
Balance with Scheduled Banks				
On Current Account		25,731,212		
On term Deposit Account		768,796,356		

Notes :

1. The above Cash flow statement has been prepared under the indirect method set out in AS-3 issued by The Institute of Chartered Accountants of India.
2. This is the Cash Flow Statement referred to in our report of even date.

K.G. Somani & Company
Chartered Accountants


Vinod Somani (FCA)
Membership No: 85277
Partner


Place: New Delhi

Date: 7 MAY 2008

For and on behalf of the board


V.K. Kaul
(Managing Director)


R.K. Sinha
(Director Finance)


Meenu Kapoor
Company Secretary

K.G. SOMANI & CO.
CHARTERED ACCOUNTANTS

Off. : 23252225
23277677

Fax : 23260086

E-Mail : kgsomani@vsnl.com
3/15, ASAF ALI ROAD,
NEW DELHI-110002

AUDITORS' REPORT

1. We have audited the attached Balance Sheet of *M/S Dedicated Freight Corridor Corporation of India Limited* as at *31st March 2008* and related Development Expenses Account for the year ended 31st March 2008 which we have signed under reference to this report.. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956. We give in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order to the extent applicable to the company.
4. Further to our comments in the annexure referred to in paragraph 3 above, we report that:



- a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b. In our opinion proper books of account as required by law have been kept by the company so far as appears from our examination of such books.
- c. The Balance Sheet and Development Expenses Account dealt with by this report are in agreement with the books of account.
- d. In our opinion, the attached Balance Sheet and Development Expenses Account dealt with by this report comply with the Accounting Standard referred to in Section 211 (3C) of the Companies Act 1956.
- e. In our opinion and to the best of our information and according to the explanations given to us, the said account read together with the Significant Accounting Policies and read with Note thereon, give the information required by the Companies Act, 1956 in the manner so required and present a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) In the case of the Balance Sheet, of the State of Affairs of the Company as at 31st March 2008;
 - ii) In the case of Development Expenses Account, of the Expenditure for the year ended on that date; and.
 - iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Place :New Delhi
Dated: 07.05.2008

For K. G. SOMANI & CO.
Chartered Accountants



(VINOD SOMANI)
Membership No. 85277

K.G. SOMANI & CO.
CHARTERED ACCOUNTANTS

Off : 23252225
23277677
Fax : 23260086
E-Mail : kgsomani@vsnl.com
3/15, ASAF ALI ROAD,
NEW DELHI-110002

Annexure to the Auditor's Report:

[Referred to in paragraph 3 of the Auditor's Report of even date to the members of Dedicated Freight Corridor Corporation of India Limited on the Financial Statements for the year ended March 31, 2008].

1. (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
(b) Fixed assets are physically verified by the management, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets and no material discrepancies between the book records and the physical fixed assets have been noticed.
(c) In our opinion and according to the information and explanations, given to us, a substantial part of fixed assets has not been disposed off by the company during the year.
2. The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Consequently, clauses (iii)(b), (iii)c, (iii)d, (iii)f and (iii)g of paragraph 4 of the Order are not applicable.
3. In our opinion and according to the information and explanations give to us, having regards to the explanation certain items purchased are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase fixed assets. Further, on the basis of our examinations of the books and records of the Company carried out in accordance with the



auditing standards generally accepted in India and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weakness in the aforesaid internal control system.

4. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
(b) In our opinion and according to the information and explanations given to us, there are no transactions made in pursuance of such contracts or arrangements and exceeding Rs. Five lakhs in respect of any party during the year, which have been made at prices which are not reasonable having regard to the prevailing market prices at the relevant time.
5. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
6. (a) According to the information and explanations given to us and records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues as applicable with the appropriate authorities.
(b) According to the information and explanations given to us and records of the Company examined by us, there are no statutory dues which have not been deposited on account of any dispute.
7. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.



8. The Provision of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the company.
9. In our opinion and according to the information and explanations given to us, the company is not a dealer or trader in shares, securities, debentures and other investments.
10. In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
11. On the basis of an overall examination of the Balance Sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis, which have been used for long-term investment.
12. The Company has made allotment of shares during the year and the entire share capital is held by Ministry of Railways, Govt. of India.
13. The Company has not issued any debentures during the year.
14. The Company has not raised any money by public issue during the year.
15. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

16. The other clauses of CARO are not applicable since the Company is still in the process of implementing the project.

New Delhi
Dated: 07.05.2008

For K. G. SOMANI & CO.
Chartered Accountants



Vinod Somani

(VINOD SOMANI)
Membership No. 85277



गोपनीय

स. No. स. ले. प. III/प्रति/अकाउंट्स/23-1/2007-08/325

कार्यालय

महानिदेशक, वाणिज्यिक लेखा परीक्षा
एवं पदेन सदस्य लेखा परीक्षा बोर्ड-III,
नई दिल्ली

OFFICE OF THE
DIRECTOR GENERAL OF COMMERCIAL AUDIT
& EX-OFFICIO MEMBER, AUDIT BOARD-III,
NEW DELHI

सेवा में,

दिनांक/Dated : 24 JUN 2008

प्रबंध निदेशक,
डेडिकेटेड फ्रेट कोरिडोर कॉरपोरेशन ऑफ इंडिया लिमिटेड
कमरा संख्या 101-ए,
रेल भवन, रेल बोर्ड,
रायसीना रोड,
नई दिल्ली।

विषय: कंपनी अधिनियम की धारा 619(4) के अधीन डेडिकेटेड फ्रेट कोरिडोर कॉरपोरेशन ऑफ इंडिया लिमिटेड, नई दिल्ली के वर्ष 2007-08 के लेखाओं पर भारत के नियंत्रक-महालेखापरीक्षक की टिप्पणियां।

महोदय,

मैं डेडिकेटेड फ्रेट कोरिडोर कॉरपोरेशन ऑफ इंडिया लिमिटेड, नई दिल्ली के वर्ष 2007-08 की समाप्ति हेतु कंपनी अधिनियम 1956 की धारा 619(4) के अधीन लेखों पर भारत के नियंत्रक-महालेखापरीक्षक की टिप्पणियां अग्रेषित करती हूँ।

2. कृपया इस पत्र की संलग्नकों सहित प्राप्ति की पावती भेजी जाए।

भवदीया,

संलग्न: यथोपरि।

गुजाला मीनाई
(गुजाला मीनाई)
प्रधान निदेशक

'ए' ब्लॉक हटमेंट्स, निकट साउथ ब्लॉक, नई दिल्ली - 110 011

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COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED, NEW DELHI FOR THE YEAR ENDED 31 MARCH 2008.

The preparation of financial statements of Dedicated Freight Corridor Corporation of India Limited, New Delhi for the year ended 31 March 2008 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 7 May 2008.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 619(3)(b) of the Companies Act, 1956 of the financial statements of Dedicated Freight Corridor Corporation of India Limited, New Delhi for the year ended 31 March 2008. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matter under section 619(4) of the Companies Act, 1956, 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:

Comment on Disclosure

The share capital of Rs.88.00 crore included Rs.78.05 crore which remained unutilized and were kept as term deposits with the scheduled banks as on 31 March

2008. This fact should have distinctly been disclosed in the Balance Sheet as required by the Schedule VI to the Companies Act, 1956.

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



(Ghazala Meenai)

Principal Director of Commercial Audit
& Ex-officio Member, Audit Board - III,
New Delhi

Place: New Delhi

Dated: June 2008

24 JUN 2008

REPLY OF THE MANAGEMENT ON COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED, NEW DELHI FOR THE YEAR ENDED 31ST MARCH, 2008

COMMENTS	REPLY OF THE MANAGEMENT
<p>The Share Capital of Rs. 88.00 Crore included Rs. 78.05 Crore which remained unutilized and were kept as term deposits with the Scheduled Banks as on 31st March 2008. This fact should have been distinctively been disclosed in the Balance Sheet as required by the Schedule VI to the Companies Act, 1956</p>	<p>Noted for Compliance.</p>



Sh. R. K. Sinha

Director (Finance)