
**DEDICATED
FREIGHT
CORRIDOR
CORPORATION
OF INDIA LIMITED**

**ANNUAL REPORT
2008-2009**

**डेडीकेटेड फ्रेट कोरीडोर
कॉर्पोरेशन ऑफ इंडिया लिमिटेड
(भारत सरकार का उपक्रम)**

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

कार्पोरेट कार्यालय: 5 मंजिल, प्रगति मैदान,
मैट्रो स्टेशन बिल्डिंग कम्प्लैक्स, नई दिल्ली-110001

वार्षिक रिपोर्ट

2008-2009

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LIST OF DIRECTORS

Name	Designation	Joined With effect from
Mr. S.S.Khurana	Chairman	18-02-2009
Mr. V.K. Kaul	Managing Director	15-09-2007
Mr. R.K. Sinha	Director(Finance)	17-09-2007
Mr. B.B. Saran	Director(Project Planning)	19-06-2008
Mr. P.N. Shukla	Director (Operations & Business Development)	15-10-2007
Mr. Pradeep Bhatnagar	Director	28-02-2008
Mr. Gajendra Haldea	Director	02-05-2008

FORMER DIRECTORS

Name	Designation	Ceased to be Director w.e.f.
Mr. K.C. Jena	Chairman	18-02-2009
Mr. R. Ashok	Director	07-04-2008
Mr. Deepak Krishan	Director	29-12-2008

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

M/s S.P. Gautam & Associates
Chartered Accountants
Noida

BANKERS

Union Bank of India
HDFC Bank
Axis Bank
Yes Bank
Corporation Bank
State Bank of India

CHAIRMAN'S MESSAGE

Dear Shareholders,

It is indeed a privilege for me to be associated with the most ambitious and mammoth project of the Ministry of Railways that has been described as a 'land mark project' which, will adorn the country like neckless, as described by Honble' Minister of Railways in her budget speech to the Lok Sabha. It is with great pleasure that I welcome you all to the Third Annual General Meeting of the Company. The report of the Board of Directors and audited annual accounts of the Company for the year ended 31st March 2009 together with the Auditor's Report have already been circulated to you, and with your permission, I take them as read.

With the pace of growth of railway transportation in the country, technological upgradation and innovative business and operational strategies, the railway system of India has emerged as one of the most vibrant rail networks in the whole world. Dedicated Freight Corridor Corporation of India Limited (DFCCIL), a special purpose vehicle created to undertake planning & development, mobilization of financial resources, construction, maintenance and operation of Dedicated Freight lines covering about 3289 route kms on two Corridors— Eastern Corridor (1806 kms) from Ludhiana to Dankuni and Western Corridor (1483 kms) from Jawahar Lal Nehru Port Mumbai to Tughlakabad/Dadri along with interlinking of two corridors at Dadri will be another milestone for the Indian Railways as it envisages 'state of the art' Construction Technology, upgradation of transportation systems, increase in productivity and reduction in unit transportation cost.

I feel proud to state that due to the concerted efforts of the field units and coordination and guidance of the Corporate Office, the assurance given by the Hon'ble Minister for Railways in his Budget Speech for the year 2008-09 has been met with. Inauguration of the construction work of Eastern Dedicated Freight Corridor by Smt. Sonia Gandhi, Hon'ble Chairperson, United Progressive Alliance, in the august presence of Shri Lalu Prasad, Hon'ble Minister for Railways and other dignitaries was done on February 10, 2009 from Karwandiya to

Ganjkhwaja on Sonnagar-Mughalsarai section. The work has commenced on western corridor also thereby setting the ball rolling in the execution of the DFC project. Hon'ble Minister for Railways has appreciated the progress of the project and has directed it to be put on fast track.

Further, to apprise that the Corporation has achieved the targets as set out in the Memorandum of Understanding for the year 2008-2009 signed between Ministry of Railways and DFCCIL. The final location Survey and stacking of alignment have been completed for almost the entire section on the Eastern and Western DFCs between Sonnagar and Ludhiana and Rewari and JNPT respectively barring a few locations requiring refinement of alignment. Highest priority is being given to Land acquisition of over 11535 hectares spread over 2793 kms for both the Corridors, as it is very essential for the success of the project. On the Eastern DFC, it is spread over an area of about 4295 hectare and on the Western DFC, it is spread over 7240 hectares. Notifications for land acquisition under Section 20A of Indian Railways (Amendment) Act, 2008 have been published for more than 2300 kms spread over 9000 hectares in the States of Uttar Pradesh, Rajasthan, Gujarat, Bihar and Maharashtra. Notification under Section 20E of Indian Railways (Amendment) Act, 2008, in terms of which the land now vests with Ministry of Railways, have been issued for 179 kms spread over about 476 hectares in the States of Uttar Pradesh and Rajasthan. Out of this, 343 hectares falls on Eastern Corridor and 133 hectares comes under the jurisdiction of the Western Corridor.

DFCCIL enforces best practices towards the adoption of new technology and has conducted Brain Storming sessions on important issues like "Safety", "Methodology of Track Construction", "System Integration" and the "Road Map for IT". The DFCCIL website has been redesigned in tune with the time. A concept IT plan has been detailed for establishment of a content Management System to cater to various designs/drawings, alignment along with land maps, their geo reference and asset management around GIS. It would improve information availability and project monitoring by the management.

I am happy to inform you that as per the guidelines issued by Department of Public Enterprises on Corporate Governance for Central Public Sector Enterprises in June 2007,

DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED

A Report on Corporate Governance and Management Discussion and Analysis Report, forms the part of the Annual Report for the year ended 31st March 2009.

Our company is poised to grow and reach the pinnacle of the Railway infrastructure industry ladder by deploying talent from both within and outside the Railways to continually improve our business processes. I take this opportunity to express our sincere thanks to all the stake holders, the officials of Ministry of Railways, the State Governments, the Zonal Railways, Bankers and Business associates for their cooperation and support to DFCCIL.

In the end, I would like to quote that all business operations can be reduced to three words: People, Product and Profits. With concerted efforts of the officers and staff under the able stewardship of the present management, DFCCIL is moving towards the attainment of its goals and objectives through a focused approach as it strongly believes in its motto “**Sincerity**”, “**Speed**” and “**Success**”.



(S.S. Khurana)
Chairman

NOTICE

NOTICE is hereby given that the 3rd Annual General Meeting of Members of Dedicated Freight Corridor Corporation of India Limited will be held on Tuesday, 15th September 2009 at 3.30 p.m. in the Board Room, Corporate office, 5th Floor, Pragati Maidan Metro Station Building Complex, New Delhi-110001 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2009 and the schedules annexed thereto together with the Directors' and Auditors' Report and comments of the Comptroller and Auditor General of India thereon.

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. The Proxy Form is attached herewith.

PROXY FORM

I.....of.....
resident/s of.....being the member of
Dedicated Freight Corridor Corporation of India Limited, hereby appoint Mr/Ms.....
.....of.....
.....or failing
him/her.....of
.....as my/our proxy to attend and vote for me on my behalf
at 3rd Annual General Meeting of the Company to be held on Tuesday, 15th day of September 2009
at 3:30 p.m. in the Board Room, Corporate Office, 5th Floor, Pragati Maidan Metro Station Build-
ing Complex, New Delhi-110001 and/or at any adjournment thereof.

Signed this.....day of2009,

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 3rd Annual Report of the Company for the financial year ended 31st March 2009 on the working of the Company along with the Audited Accounts for the year ended 31st March 2009.

INTEGRAL REPORTS

A “Corporate Governance Report “and a “Management Discussion and Analysis Report” form an integral part of this Directors’ Report as per the Guidelines on Corporate Governance issued by Department of Public Enterprises and have been placed at Annexure “A” & “B” respectively.

The Corporate Governance Report highlights the philosophy of the Company on the Corporate Governance, composition of Board of Directors and thereafter, attendance, remuneration of directors etc., and other relevant disclosures. It is supplemented by following compliance certificate.

- (i) Certificate of Compliance of Corporate Governance issued by the practicing Company Secretary in terms of the guidelines issued by the Department of Public Enterprises is placed at Annexure “C”.

The Management Discussion and Analysis Report provides an overview of the affairs of the Company, its business, mission & objectives, outlook, its strength, opportunities, risks, concerns and strategies etc.

1. SUMMARY OF ANNUAL ACCOUNTS 2008-09

The Corporation has incurred the following expenditure during the year.

- | | |
|--------------------------------------|--------------------|
| (1) Investment in Fixed Assets | : Rs. 12.25 Crores |
| (2) Expenditure on Project Execution | : Rs. 76.34 Crores |

Fixed Asset

The Investment in Fixed Assets is Rs. 13.22 crores as on 31st March,2009, which includes computers and peripherals amounting Rs,1.57 crores, Furniture & fixture Rs.0.85 crore, office equipment of Rs.3.19 crores & lease hold premises improvement Rs.7.61 crores.

The expenditure during the year on Fixed Assets is of Rs.12.25 crores which has been incurred mainly on computer equipment and peripherals (Rs.1.03 crores); Furniture and fixtures (Rs.0.61 Crores) and other office equipments like air-conditioners, fans, telephone instruments etc (Rs.3.00 Crores) and Leasehold premises Improvement (Rs. 5.25 Crore) and Leasehold premises Improvement in progress (Rs. 2.36 Crores).

1. Expenditure on Project Execution

The expenditure on Project Execution is Rs.78.01 crores as on 31st March, 2009 and the gross expenditure during the year 2008-09 on Project Execution is Rs.76.34 crores, which includes Preliminary Project Expenditure Rs.39.14 crores, Cost of Staff Rs. 8.37 crores, Rent Rs. 12.66 crores, Tour –Travel & Vehicle Rs. 2.75 crores, Advertisement expenses Rs. 2.68 crores, Depreciation on fixed assets Rs.1.48 crores, Taxes Rs.2.64 crores & other administrative expenses Rs. 6.62.

The Preliminary Project Expenditure of Rs.39.14 crores includes Survey, Project Consultancy, Detailed Designing expenses, Geo Technical survey & other survey etc.

The Corporation has earned Gross Revenue of Rs.7.65 crores during the year, which includes interest income of Rs.7.03 crores and other income of Rs.0.62 crore.

The net expenditure during the year 2008-09 is Rs.68.69 crores (Rs.76.34 – Rs.7.65 crores).

2. Snap Shot of the Projects awarded by the Company

During the period under review, the company awarded the following contracts :

WESTERN CORRIDOR

(A) Works/Consultancy Contracts

Design and Construction of Important and Major Bridges (54 Nos.) of Western Freight Corridor between Vaitarna and Utran (approx. 200 Kms.) on Vasai-Bharuch section in the states of Maharashtra and Gujarat, India on lump sum contract basis (Tender No. HQ/EN/WC/Bridges/D&B/1).

1. Engagement of Project Management Consultants for Design and Construction of Important and Major Bridges (54 Nos.) of Western Freight Corridor between Vaitarna and Utran (approx. 200 Kms.) on Vasai-Bharuch section in the states of Maharashtra and Gujarat (Tender Document No.HQ/EN/WC/Bridges/PMC/1 dated 01.10.2008).

(B) Preliminary Works Contracts

1. Design of Railway Bridges of DFCC Project between Vaitarna & Utran.
2. Feasibility of construction of Road Over Bridges in lieu of Level crossings.

EASTERN CORRIDOR

(A) Works/Consultancy Contracts

1. Design and Construction of formation including blanketing, Major Bridges, Minor Bridges, RUBs, ROBs, Supply and Spreading of Ballast and other related infrastructural works for Dedicated Freight Corridor from Chainage 14.108 Km (Near New Karwandiya) to Chainage 119.437 Km (Near New Ganj Khawaja) (Approx. 105 KMs) on Mughalsarai-Sonnagar Section of Eastern Corridor in the states of Bihar and Uttar Pradesh. ('0.00' Chainage starts at Km 550.245 near Sonnagar of IR track).

(B) Preliminary Works Contracts

1. Selection of Consulting firms to undertake Detailed Environmental Impact Assessment (EIA) of Mughalsarai-Khurja Section (about 726 km) on Eastern Dedicated Freight Corridor.
2. Selection of Consulting firms to undertake Detailed Social Impact Assessment (SIA) of Mughalsarai-Khurja Section (about 726 km) on Eastern Dedicated Freight Corridor.
3. Preparation of General Arrangement Drawings for proposed Road Over Bridges in lieu of level crossing gates (approx. 51 Nos) between Mughalsarai to Kalanaur in the state of Uttar Pradesh on Eastern Dedicated Freight Corridor comprising Engineering survey, Geotechnical investigations, preparation of GADs (General Arrangement Drawings), getting the GAD's approved from concerned State Government & Railway authorities etc. including temporary diversions, temporary Level Crossings, Preparation of Land Acquisition Plans, Estimate, Schedule of quantities etc.
4. General Consultancy services for the work of Double line Electrified railway track complete with S&T etc. for Bhaupur- Mandrak of Kanpur - Khurja section of Eastern Freight Corridor.

The following contract was awarded after the close of the financial year.

1. Project Management Consultancy Services to facilitate Construction of formation including blanketing, Major Bridges, Minor Bridges, RUBs, ROBs, Supply and Spreading of Ballast and other related infrastructural works for Dedicated Freight Corridor from Chainage 14.108 Km (Near New Karwandiya) to Chainage 119.437 Km (Near New Ganj Khawaja) (Approx. 105 KMs) on Mughalsarai-Sonnagar Section of Eastern Fright Corridor in the states of Bihar and Uttar Pradesh. ('0.00' Chainage starts at Km 550.245 near Sonenagar of IR track).

2. PROGRESS OF THE PROJECT

The assurance given by the Hon'ble Minister for Railways in his Budget Speech for the year 2008-09 that construction work on both Eastern and Western Dedicated Freight Corridors will commence in 2008-09 has been met with. Inauguration of the construction work of Eastern Dedicated Freight Corridor by Smt. Sonia Gandhi, Hon'ble Chairperson, United Progressive Alliance, in the August presence of Hon'ble Minister for Railways and other dignitaries was done on February 10, 2009 for Karwandiya to Ganjkhwaja on Sonnagar-Mughalsarai section. Work has commenced on both the corridors thereby setting the ball rolling in the execution of the DFC project. Hon'ble Minister for Railways appreciated the progress of the project.

3. CAPITAL STRUCTURE

As on 31st March 2009, 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 31.03.2009 is Rs 258,23,00,000 (Rupees Two Hundred Fifty Eight Crore Twenty Three lacs) divided into 25,82,300 (Twenty Five Lacs Eighty two Thousand Three Hundred only) 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. COMPLIANCES

(a) Raj Bhasha (Official Language)

In order to ensure the proper implementation of the Rajbhasha (Official Language), the Mukhya Rajbhasha Adhikari has been nominated and Raj Bhasha Samiti has been constituted. DFCCIL, Corporate Office has been notified under Rule 10(4) of Official Language 1976 Rules. A Number of steps have been taken to promote the use of Rajbhasha i.e Bilingual stamps, name plates and visiting cards are being utilized by all officers, bilingual sign Boards have been provided. All file covers, envelops and letter heads are in bilingual format. General Circulars, Land Acquisition and Gazette notifications are being issued in bilingual format. All

Computers have been provided with Hindi Software. To ensure compliance of official language rules, necessary check points have been established.

(b) Right to Information Act, 2005

The Right to Information Act seeks to provide for setting out the practical regime of right to information for citizens to secure access to information under the control of public authorities, in order to promote transparency and accountability in the working of every public authority.

The Company has, in the capacity of Government Company and in deference to the spirit behind the law, appointed Central Public Information Officer and one Public Information Officer, whose names are posted on the website of the Company.

(c) MCA 21E-filing

Ministry of Corporate Affairs (MCA), Government of India (GoI) has initiated MCA 21E-governance program, being the first mission mode e-governance project for easy and secure access to MCA services in a manner that best suits the businesses and citizens. This program builds on the Government of India vision to introduce a Service Oriented Approach in the design and delivery of Government services, establish a healthy business ecosystem and make the country globally competitive.

In terms of the notification G.S.R. No. 557(E) dated 14.09.2006, The Companies (Electronic Filing and Authentication of Documents) Rules, 2006, the Company has filed all the statutory forms and returns electronically under MCA 21 E-governance project during the year under review.

(d) Memorandum of Understanding

During the period under review, the Company has signed the Memorandum of Understanding with Ministry of Railways as per the Department of Public Enterprises (MOU) Guidelines, which was drafted in the light of the discussion with the DPE Task Force on 19th March 2009.

In terms of the MOU signed between Ministry of Railways and DFCCIL, there are certain set targets i.e Project related Parameters, Dynamic parameters, Sector Specific Variables and Enterprise Specific Variables, to be achieved in the year 2009-2010.

5. INFORMATION TECHNOLOGY AND DEVELOPMENT

DFCCIL envisages ‘state of the art’ Construction Technology, upgradation of transportation systems, increase in productivity and reduction in unit transportation cost. DFCCIL is keen to keep pace with the changing technology in order to achieve organizational goals and objectives. In this regard, the company has taken number of steps to implement the proposed applications.

The Company has organized various interactive sessions to make the officers and employees familiar with various proposed applications ie. training on Primavera based Project Management System, sessions on Document Management Systems, Geographical Information System, Portal Design and usage at the enterprise level, “The Methodology of Track Construction and Interlocking” and the “Road Map for IT”. The issues on IT, deployment of IT-based solutions within DFCC and the technologies that would improve information availability and project monitoring were deliberated upon. Consequently, a phased Action Plan for implementation of these technologies has been put in place for smooth availability and sharing of information as well as progress review.

The Company’s website was redesigned to make it more comprehensive and user-friendly.

6. INDUSTRIAL RELATIONS

During the year under review, the industrial relations remained harmonious and cordial.

7. BOARD OF DIRECTORS

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

- (1) Sh. Gajendra Haldea, Principal Adviser to Deputy Chairman, Planning Commission joined as part time official 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.

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- (2) Sh. B. B. Saran, IRSE (DITS 04.01.1975), 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.
- (3) Sh. S. S. Khurana, Chairman/Railway Board was nominated as part time Chairman on the Board of DFCCIL on 18.02.2009 vide Ministry of Railways' Letter No. 2009/Infra/6/2 dated February 18, 2009 vice Shri. K.C.Jena till he holds the post of Chairman, Railway Board or further orders whichever is earlier.

During the year under review, following ceased to be Directors of the Company.

- (a) Sh. R. Ashok, Additional Member (Finance), ceased to hold office as part time Official 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.
- (b) Sh. Deepak Krishan, Additional Member (CE)/Railway Board, ceased to hold office as part-time Official Director of the Company due to his promotion as General Manager/Eastern Railway.
- (c) Sh.K.C. Jena, Chairman/Railway Board ceased to hold office as part-time Chairman of the Company due to his superannuation vide Ministry of Railways' Letter No. No 2009/Infra/6/2 dated February 18, 2009

The Board places on record its sincere appreciation for the invaluable contribution, guidance and support from them and the professionalism and dedication put in by them during their tenure.

The following Directors are holding office as on date:

S.No.	Name of the Director	Designation	w.e.f.
1	Sh. S.S. Khurana	Part Time Chairman (Official)	18.02.2009
2	Sh. V.K. Kaul	Managing Director	15.09.2007
3	Sh. R.K. Sinha	Director (Finance)	17.09.2007
4	Sh. B.B. Saran	Director (Project Planning)	19.06.2008
5	Sh. P.N. Shukla	Director (Operation & Business Development)	15.10.2007
6	Sh. Pradeep Bhatnagar	Part time Director (Official)	28.02.2008
7	Sh. Gajendra Haldea	Part time Director (Official)	02.05.2008

8. 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 for the financial year 2008-2009. 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.

9. Auditors' Report

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

10. Comments of the Comptroller & Auditor General of India

The comments of the Comptroller & Auditor General of India on the accounts of the Company for the year ended 31st March, 2009 form an integral part of Annual Report 2008-2009.

11. 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 .

However, the Foreign Exchange Earnings and Outgo during the period under review are :

Foreign Exchange Earnings	- NIL
Foreign Exchange Outgo	- Rs. 18,02,291/-
out of which	
Subscription fees for IT	- Rs. 17,67,000/-
Travel	- Rs 35,291/-

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 therein.

13. Directors' Responsibility Statement under Section 217(2AA) of the Companies Act, 1956

As required in terms of 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.

14. Acknowledgement

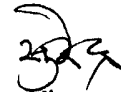
The Directors wish to place on record their sincere thanks to Ministry of Railways, State Governments, Zonal Railways, The Statutory Authorities and Government agencies for their continued support and patronage.

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The Board would also like to acknowledge with thanks the co-operation extended by C&AG, the Statutory Auditors and the Bankers of the Company.

The Board of Directors acknowledge and wish to place on record their appreciation for the co-operation and support extended by the associates, the DFCCIL employees and others who have extended their valued co-operation, support and guidance to the company, from time to time.

For and on behalf of the Board



(S.S. Khurana)
Chairman

Date : 12 August, 2009

Place : New Delhi

CORPORATE GOVERNANCE REPORT

1. A Brief Statement on Company’s Philosophy on Corporate Governance

DFCCIL’s philosophy on Corporate Governance enshrines the goal of achieving the highest levels of transparency, accountability and equity in all spheres of its operations and in all its dealing with the shareholders, employees, the government and other parties. DFCCIL is concerned with ensuring that business ethics, values and morals are adhered.

The key value is to believe in Speed, Sincerity and Success. The cardinal principal such as accountability, responsibility, transparency and fair disclosures serve as the means for achieving this.

2. Board of Directors

On the date of report, the total strength of the Board of Directors of the Company is Seven comprising four whole-time directors, three part-time official Directors as Government nominee including the part- time official Chairman.

In terms of Article 81 of the Articles of Association of the Company, The President of India makes the appointment of Directors of the Company. Presently, there is no independent director on the Board of the Company. As regards part time (Official Directors), Sh. Deepak Krishan ceased to be Director due to his promotion as General Manager, Eastern Railways.

Sh. K.C. Jena ceased to be Chairman DFCCIL w.e.f. 18.02.2009 consequent upon his superannuation from Railways vide Railway Board letter No 2009/Infra/6/2 dated 18.02.2009. Sh. S.S. Khurana, Chairman Railway Board joined as part-time Chairman DFCCIL w.e.f 18.02.2009 in terms of Presidential order dated 18.02.2009 issued by Ministry of Railways, Government of India.

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The composition of the Board of DFCCIL, on the date of report, along with directorships held by them and their attendance in the Board meetings held during the financial year 2008-09 and last Annual General Meeting is tabled below:

S. No.	Category of Directors	Name of Directors/Date of Appointment	Number of Directorships/ Chairmanships in public companies including DFCCIL and excluding private Companies :	Total No. of Committee Memberships/ chairmanships in public companies including DFCCIL and excluding private companies	No of Board Meetings during 2008-2009 Held (during their respective tenures)	No. of Board meetings attended	Last AGM attended
(I) Chairman (Part-time official)							
1.	Chairman/ Railway Board	Sh. S.S. Khurana Appointed on 18.02.2009	As Chairman-2	Nil	1	1	N.A
(II) Whole-time Director							
2	Managing Director	Sh.V.K. Kaul (Held office on 15.09.2007)	1	1	5	5	Yes
3.	Director (Finance)	Sh.R.K. Sinha (Held office on 17.09.2007)	1	1	5	5	Yes
4.	Director (Operations & Business Development)	Sh. P.N. Shukla (Held office on 15.10.2007)	1	2	5	5	Yes
5.	Director (Project Planning)	Sh. B.B. Saran (Held office on 19.06.2008)	1	1	4	3	Yes
(III) Director (Part-time official) :							
6.	Adviser (Infra) Railway Board	Sh. Pradeep Bhatnagar (held office on 28.02.2008)	1	1	5	5	Yes
7.	Advisor of Deputy Chairman , Planning Commission	Sh. Gajendra Haldea (Held office on 02.05.2008)	1	Nil	5	5	No

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The following Directors ceased to hold office during 2008-2009.

S. No.	Category of Directors	Name of Directors	Number of Directorships/ Chairmanships in public companies including DFCCIL and excluding private Companies 1	Total No. of Committee Memberships/ chairmanships in public companies including DFCCIL and excluding private companies	No of Board Meetings during 2008-2009 Held (during their respective tenures)	No. of Board meetings attended	Last AGM attended
(I) Chairman (Part-time official)							
1.	Chairman/ Railway Board (Held office from 19.09.2007 to 18.02.2009)	Sh. K. C. Jena	As Chairman - 2	Nil	4	2	Yes
(III) Director (Part-time official) 2							
2.	Addl. Member (Fin)/Railway Board (Held office from 30.10.2006 to 07.04.2008)	Sh. R. Ashok	1	1	Nil	Nil	NA
3.	Addl. Member (CE) Railway Board (Held office from 28.02.2008)	Sh. Deepak Krishan	1	1	4	2	Yes

NOTES:

1. The Directorships and memberships in the Committees being held by the Directors are within the limits laid down under Companies Act, 1956.
2. The term “part –time official” indicates the Government nominated Directors on the Board of DFCCIL who are the official of the Ministry of Railways and Planning Commission.
3. The membership in the Audit Committee, Shareholders Committee, Grievance Committee and Remuneration Committee are being considered for counting the number of memberships.

DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED

During the financial year 2008-2009, the Board of Directors met Five times to transact the business and atleast one meeting was held in each quarter, thus, complying with the provisions of Companies Act, 1956 relating to Board Meetings. In all the cases of absence of Director, Leave of Absence was granted under clause (g) of sub-section (1) of section 283 of the Companies Act, 1956. The meetings of Board of Directors of DFCCIL were held on following dates as mentioned below:

S.No	Quarter	Dates
1	For the quarter ended June 2008	07.05.2008 27.06.2008
2.	For the quarter ended September 2008	24.09.2008
3.	For the quarter ended December 2008	29.12.2008
4.	For the quarter ended March 2009	23.03.2009

Brief Resume of Directors appointed after the date of last Directors Report during the financial year 2008-2009.

Sh. S.S. Khurana, Chairman, Railway Board was appointed as Chairman, DFCCIL vide Railway Board's letter No 2009/Infra/6/2 dated 18.02.2009. An officer of 1971 batch of the Indian Railway Service of Electrical Engineering (IRSEE), Shri Khurana worked in various capacities in Indian Railways. Born in the year 1950, Shri Khurana did Electrical Engineering from University of Roorkee (Now IIT/Roorkee). He also served as General Manager, East Coast Railway, General Manager, Eastern Railway, Additional General Manager, Northeast Frontier Railway, Chief Electrical Engineer in the Central Organization for Railway Electrification (CORE), Allahabad, Divisional Railway Manager, Adra (South Eastern Railway), Additional Divisional Railway Manager, Dhanbad, Chief Project Manager, Railway Electrification at Ambala and has also worked in the research and design aspects of electric locomotives in the Research, Design & Standards Organization, Lucknow. He has also received valuable experience through training in Sweden, Japan and USA. He has also attended Advance Leadership Programme at Stern Business School, New York, USA. Sh. S.S. Khurana also holds the position of the Chairman /IRCON.

3. Audit Committee

Audit Committee was constituted on 14.03.2008. The Committee acts in accordance with the terms of reference of the Board which are:

- To discuss with the auditors periodically about internal control systems;
- To discuss and decide about the scope of audit including the observations of auditors;
- To review the half-yearly and annual financial statements before submission to the Board and also ensure compliance of internal control systems;
- To investigate into any matter relating to financial management including the Audit Report;
- To appoint an internal Auditor and to set the terms and conditions of appointment, including the remuneration payable;
- Any other matter brought to the notice of the Audit Committee by Board of Directors.

Audit Committee of the Board was re-constituted on 27.06.2008 with following as its members namely Sh. P. N. Shukla, whole time Director, Sh. Deepak Krishan & Sh. Pradeep Bhatnagar, part-time official Directors. Sh. Pradeep Bhatnagar, Adviser Infrastructure was appointed as member of the Audit Committee in place of Sh. R. Ashok, who has been transferred to Telecom Commission as Member Finance and was elected as Chairman of the Audit Committee at the meeting held on 29.12.2008.

Sh. Deepak Krishan, Ex-Additional Member (CE)/Railway Board was promoted as General Manager/Eastern Railway. Therefore, at the Board meeting held on 16.06.2009, Sh. B. B. Saran, Director (PP) was appointed as a member of the Audit Committee in his place till the independent Directors are appointed by the President of India.

During the year under review, the Audit Committee met 4 times on the following dates 07.05.2008, 21.07.2008, 29.12.2008 and 31.03.2009.

DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED

The attendance of the members of the Committee is produced below:

Member	Position	Meeting held**	Meeting attended ***
Sh. Deepak Krishan	Chairman	3	2
Sh. Pradeep Bhatnagar	Chairman*/Member	3	3
Sh.P.N. Shukla	Member	4	4

* Sh. Pradeep Bhatnagar was elected as Chairman of Audit Committee in place of Sh. Deepak Krishan at the meeting held on 29.12.2008.

** "Meeting held"- denotes the number of meetings held during the tenure of the member of the Committee.

*** "Meeting attended"- denotes the number of meetings attended by the member during his tenure.

4. Remuneration of Directors

DFFCIL, being a wholly owned Government Company under Companies Act, 1956, the whole-time Directors of the Company are appointed by President of India through Ministry of Railways. The functional Directors so appointed, draw remuneration under Industrial Dearness Allowance (IDA) pattern of pay scale pre-determined by the Government and as per the terms and conditions issued by Government of India from time to time.

The part-time official (Government Nominee) Directors on the Board of the Company do not draw any remuneration from the Company. They draw remuneration from the Government only as Government officials.

5. Disclosures

1. There has not been materially significant related party transaction having potential interest with the Company at large.
2. The Company has not been imposed penalty by any statutory authority owing to non-compliance under Laws.
3. The Company has taken full initiatives to comply with the guidelines on Corporate Governance issued by Department of Public Enterprises. In accordance with the guidelines, DFCCIL evolved a Code of Business Conduct and Ethics for its Board Members and Senior Management Personnel and has also included Corporate Governance and Management Discussion and Analysis Report in the Director Report for the year 2008-2009.

4. All items of expenditure debited in the books of accounts of DFCCIL are for the purpose of project execution entrusted to DFCCIL and are related to project execution.
5. There are no personal expenses incurred for the Board of Directors.

6. Means of Communication

The audited annual financial results and Annual Report are displayed on DFCCIL website www.dfcc.in. Tenders/EOIs, details of tenders/contracts awarded, Corporate Mission and other details are posted on the Website of the Company and are updated from time to time.

7. Audit Qualifications

The Company has been putting all the efforts towards ensuring a regime of unqualified financial statements and there have been no significant qualifications.

8. Training of Board Members

DFCCIL is committed to Ethical Corporate Governance. In this regard, it takes initiatives to train its Board members in the business model of the Company. As a practice, a set of documents relating to the Company including Annual Report, Memorandum and Articles of Association are furnished to a Director on his joining the Board.

9. Code of Business Conduct & Ethics

As per the guidelines of Department of Public Enterprises, the company has laid down its Code of Business Conduct and Ethics, approved and adopted by the Board of Directors of DFCCIL. The Code of Conduct came into force w.e.f. 1st day of April 2009. The Code of Conduct is also posted on the Website of the Company at www.dfcc.in.

10. Compliance Certificate

The Certificate obtained from a practicing Company Secretary regarding compliance of the conditions of Corporate Governance in accordance with the guidelines issued by Department of Public Enterprises has been included in the Annual Report.

MANAGEMENT DISCUSSION AND ANAYLSIS REPORT

Industry Structure and Developments

The country’s economy depends on the industrial development and growth of the country’s infrastructure. Infrastructure has many segments, and the Corporation belongs to the Rail Transport segment of Infrastructure.

Rail transport is one of the most common modes of long-distance travel freight transport and caters to transportation requirements of a substantial part of the Indian economy. The rail network in the country stretches for a total length of 63,140 km and transports nearly 7 billion passengers and over 800 million tonnes of freight annually. Indian Railways is the second largest utility and commercial employer in the world. With its pace of growth in recent years, railway system of India has emerged as one of the most vibrant rail networks in the whole world.

“Dedicated Freight Corridor Corporation of India Limited (DFCCIL)” is a Special Purpose Vehicle created to undertake planning & development, mobilization of financial resources and construction, maintenance and operation of Dedicated Freight lines covering approximately 3300 route kilometers on two Corridors - Eastern Corridor from Ludhiana to Sonnagar, which has now been extended upto Dankuni, and Western Corridor from Jawahar Lal Nehru Port, Mumbai to Tughlakabad/Dadri along with interlinking of the two corridors at Dadri. DFCCIL is a Schedule-‘A’ Central Public Sector Enterprise under the administrative control of Ministry of Railways.

Strength

A Dedicated Freight Corridor with independent management exclusively for freight movement along with the feeder routes will ensure availability of sufficient capacity in the face of rising demand for transport and will provide speedy and reliable services to various

freight customers. Feeder routes on the existing Indian Railways network will also be upgraded to provide seamless movement to and from DFCC. DFCCIL should be able to function with a market focus and business orientation in respect of construction, operation and maintenance of corridors.

Weakness

In order to execute a mammoth project of DFCCIL, land is to be acquired in a time bound manner, involving different States. This needs interactions with State Governments/Zonal Railways and other authorities to get clearances /approvals. Time bound execution of the project might be hindered on account of delays in getting approvals from the concerned authorities. Initially, the source of traffic would be the diverted traffic from the existing railway network. Independent incremental traffic would yield once the Logistics Parks come up along the freight corridors. The existing network would serve as the feeder link for the DFC – they need to be strengthened by Ministry of Railways to cater to heavy haul.

Opportunity

DFCCIL has the opportunity to provide and arrange integration of various freight systems, including, but not limited, to feeder transport services and ancillary arrangements like logistic parks, container terminals etc. These would yield incremental traffic from other modes of transport to Rail. Moreover, development of these parks on PPP module will bring more opportunities.

Threats

In the past, National Projects have suffered for non-availability of land in time as it is a time consuming procedure. Delay in funding of the project affects the progress of the implementation of the project.

Strategies

To ensure the timely execution of the project, Company would facilitate the land acquisition in different States, at the same time ensuring compliances with National Rehabilitation and

Resettlement Policy adopted by Government of India. Efforts would be made to secure detailed Social Impact & Environmental Impact Assessment (SIA & EIA) of the Project.

Outlook

Mission of the Corporation is to augment the freight capacity of the Railway infrastructure in the country in such a manner as will be conducive to increase in productivity and overall development of various sectors of the economy that depend upon Railway transportation for their freight movement needs.

The Corporation aims to create Dedicated Freight Corridors as required by Ministry of Railways. Such Corridors shall be constructed in a manner that will ensure: (a) optimal time and cost for each unit of freight movement; (b) Application of latest technologies in the field of Railway Infrastructure, and (c) such construction is in line with the government policies of promoting environmental conservation and development, (d) adoption of technologies that will reduce life cycle cost and unit cost of Operation and maintenance.

Road Ahead

- DFCC is going to be the nucleus of Industrial & Economic Growth of the Country
- It is bound to bring a paradigm shift in freight movement ensuring Railway's continued pivotal role in economic renaissance of the country
- DFCC is committed to its motto of 'SSS' – '**Sincerity, Speed and Success**' which would lead to fulfillment of the immediate core objective of timely completion of the project.

Risks and Concerns

Timely land acquisition is quiet essential for the success of the project. It is being given the highest priority. The main concern being faced by DFCCIL in the implementation of the project is non availability of land on time and further delay in funding of the project may affect the pace of the implementation of the project.

Internal Control Systems

An effective internal control system is desired in a Corporation to protect assets and other

resources (e.g. human resources) from misappropriation, inefficient use or exposure to unwarranted risks. An effective internal Control system is a fundamental component of good governance. The internal control system is adequate commensurate with the size of the Company. A system of internal audit by internal auditors ensures adequacy of internal control system. The reports of the internal auditor, comments of the statutory auditor and the Comptroller and Auditor General of India are also reviewed by the Audit Committee of the Board of Directors and implementation of the recommendations are monitored.

Human Resource Development and Industrial relations

During the year under review, Industrial Relations remained harmonious and cordial.

Corporate Social Responsibility

As a practice of Good Corporate Governance, the Corporation is committed towards the welfare of the society as a whole and owes a responsibility towards the society. Corporation donated Funds to Railway Minister's Relief Fund on account of floods in the North Indian state of Bihar.

CERTIFICATE ON CORPORATE GOVERNANCE

Navneet Arora

Company Secretary

JE-9, 104, (First Floor), Aashirwad Complex, Malviya Enclave,
(Opp. M-Block, Tikona Park), Malviya Nagar, New Delhi-110017
Website: www.navneetaroracs.com
Email: contact@navneetaroracs.com / aroranavneet@redif.mail.com
Phone: 011-29545877, 9810328141, Fax: 011-29542217

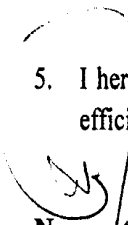
To the Members of
M/s. Dedicated Freight Corridor Corporation of India Limited
Regd Office: Room No 101/A,
Rail Bhawan, Raisina Road,
New Delhi-110001

REG: COMPLIANCE CERTIFICATE WITH REFERENCE TO COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE UNDER GUIDELINES ON CORPORATE GOVERNANCE FOR CENTRAL PUBLIC SECTOR ENTERPRISES 2007

1. This Certificate is in accordance with compliance of conditions of Corporate Governance by **M/s. Dedicated Freight Corridor Corporation of India Limited. (Hereinafter referred to as “Company”)** for the Financial year ended on **31st March, 2009** as stipulated in the **Guidelines issued for Central Public Sector Enterprises 2007 effective from 22nd June 2007 (Hereinafter referred to as “Guidelines”)**.
2. The Compliance of conditions of Corporate Governance is the responsibility of the Management. My examination is limited to review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said guidelines. It is neither an audit and nor an expression of opinion of the financial statement of the Company. My responsibility is to carry out an examination, on the basis of my professional judgment so as to award a reasonable assurance of the correctness and completeness of the records for the purpose of this certificate.

DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED

3. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of certification and have been provided with such records, documents, certifications etc as had been required by me.
4. I certify that in respect of the aforesaid financial year ended 31st March 2009, the company has complied with various provisions of the Guidelines in its Corporate Governance Report except:
- a) *Clause No. 3.1 relating to composition of Board of Directors by appointment of One Third of Board Members as Independent Director,*
 - b) *Clause No. 3.5 relating to defining functional role clarity between Board of Directors & Management,*
 - c) *Clause No. 3.6 relating to integration and alignment of Risk Management System and*
 - d) *Clause No. 4 relating to appointment of two third of members of the committee as independent directors, requisite quorum of two director in each committee meeting, appointment of Independent Director as Chairman of Audit Committee Meeting and defining role and power of Audit Committee members.*
5. I hereby state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.


Navneet Arora
Company Secretary
Place : New Delhi
Date: 28th July 2009



ANNUAL ACCOUNTS

2008-2009

DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED

BALANCE SHEET AS AT MARCH 31, 2009

	Schedule No.	AS AT 31.03.2009	AS AT 31.03.2008
(Amount in Rupees)			
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	258,23,00,000	88,00,00,000
TOTAL		<u><u>258,23,00,000</u></u>	<u><u>88,00,00,000</u></u>
APPLICATION OF FUNDS			
Fixed Assets	2		
Gross Block		14,82,28,376	1,10,12,735
Less: Depreciation		<u>1,60,13,624</u>	<u>12,23,020</u>
Net Block		13,22,14,752	97,89,715
Capital Work in Progress		<u>42,28,61,882</u>	<u>3,14,53,215</u>
		55,50,76,634	4,12,42,930
Development Expenditure(Pending Capitalisation)	3	35,71,79,792	6,17,25,640
Current Assets, Loans and Advances	4		
Cash and Bank balances		108,18,85,585	80,19,82,178
Other Current Assets		53,82,003	1,40,31,515
Loans and Advances		<u>78,33,77,784</u>	<u>99,20,050</u>
		187,06,45,372	82,59,33,743
Less: Current Liabilities and Provisions	5		
Current Liabilities		17,55,27,552	3,98,30,986
Provisions		<u>2,50,74,246</u>	<u>90,71,327</u>
		20,06,01,798	4,89,02,313
Net Current Assets		167,00,43,574	77,70,31,430
TOTAL		<u><u>258,23,00,000</u></u>	<u><u>88,00,00,000</u></u>

Significant Accounting Policies
Notes to the Accounts

6
7

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

For K.G. Somani & Co.
Chartered Accountants
(Signature)
(Bhuvnesh Maheshwari)
Partner
Membership No. 88155



For and on behalf of Board of Directors

(Signature)
(V.K.Kaul)
Managing Director

(Signature)
(R.K.Sinha)
Director Finance

Place: New Delhi

Date: 16 JUN 2009

(Signature)
(Manju Kapoor)
Company Secretary

DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED

Schedules forming part of Accounts

	AS AT 31.03.2009	AS AT 31.03.2008
(Amount in 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		
2582300 Equity shares of Rs 1000/- each fully paid up held by MOR(Previous year 880000 Equity shares of Rs. 1000 each)	258,23,00,000	88,00,00,000
TOTAL	258,23,00,000	88,00,00,000



DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED

Schedules forming part of Accounts

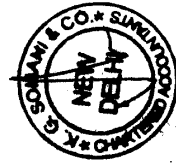
SCHEDULE :2

A - Fixed Assets

BLOCK OF ASSETS	GROSS BLOCK (At Cost)			DEPRECIATION			NET BLOCK	
	As at 31st March 2008	Additions	Deductions	As at 31st March 2009	For the year	Up To 31st March 2009	As at 31st March 2009	As at 31st March 2008
	(Amount in Rupees)			(Amount in Rupees)			(Amount in Rupees)	
TANGIBLE ASSETS								
Leasehold Premises Improvement	-	5,78,71,393	-	5,78,71,393	64,25,443	-	5,24,45,950	-
EDP Equipments	69,73,510	92,65,770	-	1,62,39,280	40,25,203	9,79,266	1,02,34,811	49,94,244
Office Equipment	20,05,144	3,28,05,383	15,000	3,47,95,527	27,75,802	2,648	3,19,25,365	19,08,136
Furniture and fixtures	25,07,303	74,91,702	-	99,99,005	14,11,519	-	84,80,896	24,00,713
Leasehold Premises Improvement in progress	-	2,36,35,034	-	2,36,35,034	-	-	2,36,35,034	-
INTANGIBLE ASSETS								
Computer Software	6,26,778	61,61,369	-	66,88,137	11,55,285	40,156	54,92,696	4,56,822
TOTAL	1,10,12,735	13,72,30,541	15,000	14,82,28,376	1,47,93,252	2,648	13,22,14,762	97,89,715
Previous Year	-	1,08,56,563	15,000	1,10,12,735	12,12,801	1,225	12,23,020	97,89,715

B- Capital Work in Progress

Project Expenditure	3,14,53,215	39,14,08,667	-	42,28,61,882	-	-	42,28,61,882	3,14,53,215
TOTAL	3,14,53,215	39,14,08,667	-	42,28,61,882	-	-	42,28,61,882	3,14,53,215
Previous Year	-	3,14,53,215	-	3,14,53,215	-	-	3,14,53,215	-



DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED

Schedules forming part of Accounts

SCHEDULE 3 : DEVELOPMENT EXPENDITURE (Pending Capitalisation)

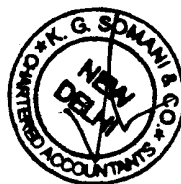
	For the year ended 31.03.2009	For the year ended 31.03.2008
	(Amount in Rupees)	
Opening balance	3,91,54,928	61,75,189
Preliminary Expenditure	2,25,70,712	2,25,70,712
Preliminary Expenditure written off	-22,570,712	-
Advertisement Expenses	2,67,52,429	69,22,186
Establishment	7,30,51,193	1,74,02,010
Gratuity	1,58,681	-
Staff Welfare	1,03,50,953	16,13,883
Communication Expenses	51,85,837	13,27,737
Printing & Stationary	78,15,012	17,62,365
Misc. Expenses	12,30,698	2,83,500
Books & Periodicals	5,79,235	2,14,010
Legal & Professional Charges	1,29,15,480	43,39,303
Electricity Expenses	41,26,665	4,84,092
Housekeeping Expenses	45,03,430	19,45,119
Auditor's Remuneration		
- Statutory Audit Fees	55,150	62,360
- Certification fees	55,150	-
Preliminary Expenditure written off	2,25,70,712	-
Meeting & Conference	3,77,286	4,19,075
Rates & Taxes	24,25,400	28,514
Rent	12,66,12,717	43,17,192
Tours , Travels and Conveyance	2,74,91,304	80,31,934
Satellite images Exp.	-	8,96,000
Repair & Maintenance	28,51,636	11,12,262
Software Expenses	18,11,236	-
Office Expenses	7,64,451	-
Office Security Expenses	24,66,141	-
Donation	18,83,288	-
Income Tax		
Current year	2,47,64,715	89,31,405
Earlier year	63,351	-
Fringe Benefit Tax	15,50,700	4,21,434
Depreciation	1,47,93,252	12,12,801
Prior Period Expenses	1,72,92,926	-
TOTAL	43,36,53,956	9,04,73,083
Less : Interest From FDR	7,03,14,282	2,71,50,333
Excess Income Tax Provision Written Back	-	93,110
Sale of Tender	15,06,100	13,44,000
Services Charges	36,66,291	-
Other Income	9,87,491	1,60,000
NET EXPENDITURE TRANSFERRED TO DEVELOPMENT ACCOUNT	35,71,79,792	6,17,25,640



DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED

Schedules forming part of Accounts

	AS AT 31.03.2009	AS AT 31.03.2008
(Amount in Rupees)		
SCHEDULE 4		
CURRENT ASSETS ,LOANS AND ADVANCES		
<u>CURRENT ASSETS</u>		
Cash and Bank balances-		
Balances with Scheduled banks		
Current accounts	14,57,88,985	4,72,17,337
Term Deposits	93,60,96,600	75,47,64,841
TOTAL	108,18,85,585	80,19,82,178
<u>OTHER CURRENT ASSETS</u>		
Interest Accrued/Receivable		
Term Deposits	49,96,917	1,40,31,515
Others	3,85,086	-
TOTAL	53,82,003	1,40,31,515
<u>LOANS AND ADVANCES</u>		
Advances recoverable in cash or in kind or for value to be received (Unsecured Considered Good)		
Security Deposits	3,67,61,084	22,01,451
Mobilisation Advances	69,31,05,000	-
Advance Income Tax	71,06,000	20,08,680
Tax Deducted at Sources	2,00,69,037	51,80,686
Others	2,63,36,663	5,29,233
TOTAL	78,33,77,784	99,20,050



DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED

Schedules forming part of Accounts

	AS AT 31.03.2009	AS AT 31.03.2008
(Amount in Rupees)		
SCHEDULE 5		
CURRENT LIABILITIES AND PROVISIONS		
<u>CURRENT LIABILITIES</u>		
Book Overdraft in Current Account with Scheduled banks	-	2,14,86,125
<u>Sundry Creditors</u>		
Micro & Small (Refer note no. 6)	-	-
Others	8,12,79,173	36,64,298
Other Deposit (Office space & EMD)	1,57,84,274	1,30,07,000
Security Deposites Received from Supplier & Service Providers	2,48,69,389	-
Other Liabilities	5,35,94,716	16,73,563
TOTAL	17,55,27,552	3,98,30,986
<u>PROVISIONS</u>		
Provision for Income Tax	2,47,64,715	89,31,405
Provision for Fringe benefit Tax (Net of advance paid)	1,50,850	1,39,922
Provision for Gratuity	1,58,681	-
TOTAL	2,50,74,246	90,71,327



DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED

SCHEDULE 6

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 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

Revenue is recognized based on the nature of activity when consideration can be reasonably measured and there exists reasonable certainty of its recovery.

- (i) Interest on investment is booked on a time proportion basis considering the amounts invested and the rate of interest.
- (ii) Other items of income are accounted for as and when the right to receive arises.
- (iii) Service charges income is recognized as per the terms of the contracts.

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 along with respective assets.
- b) 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 Rs. 5000/- or less is depreciated at the rate of 100%
- d) Depreciation is provided on the written down value method at the rates mentioned in specified in Schedule XIV to The 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. Intangible Assets and Amortization

- a) Computer Antivirus Software are amortized over its useful life i.e. one year on pro-rata basis.
- b) Intangible assets other than Antivirus are amortized over the period of three years on pro-rata basis.



DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED

6. Leasehold Premises Improvement

Leasehold Premises improvements are amortized over the period of lease from the month in which such leasehold improvements are put to use.

7. Employees' Benefits

a) Short term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages, and short-term compensated absences, etc. are recognized in the period which the employee renders the related service.

b) The provision for gratuity is made based on the actuarial valuation as at the end of the year.

8. Accounting For Lease

The Company's significant leasing arrangements are in respect of operating leases for premises (residential and office). The leasing arrangements which are not cancellable ranges between 11 months to six years generally, are usually renewable by mutual consent on agreed terms. The aggregate lease rentals payable are charged as rent.

9. 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.

10. Taxation

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.

11. Foreign currency transactions

Transactions in foreign currency are accounted for at the exchange rate prevailing on the date of transactions.

For K.G.Somani & Co.
Chartered Accountants


(Bhuvnesh Maheshwari)
Partner
Membership No. 088155



Place: New Delhi

Date: 16 JUN 2009

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

SCHEDULE 7

NOTES TO THE ACCOUNTS

1. The company is contingently liable on account of Capital Commitment of Rs. 1497,52,88,356/- (Previous Year Rs. 38,22,49,937)
2. Preliminary Expenditure incurred amounting to Rs.2,25,70,712 has been fully charged to Development Account during the year.
3. The Company has commenced work related to the project and related expenses have been shown under Development Expenditure Account to be apportioned on projects.
4. 40% of the sixth pay commission Arrear Salary has been paid and the provision for the remaining 60% amounting Rs 5500000 has been made.
5. Certain Debit and Credit balances of parties accounts are subject to confirmation/reconciliation and consequential adjustment ,if any.
6. There are no reported Micro, Small and Medium enterprises as defined in the " The Micro , Small & Medium enterprises Development Act 2006" to whom the company owes dues.
7. In the opinion of the board , value of current Assets , loans & advances if realized in the normal course of the business , shall not be less than the value stated in the accounts.
8. Provision for Income tax has been calculated on the interest income received /accrued, Rent Income and Service Charges during the year.
9. The liability of Deferred tax on timing difference between book profit and taxable profit for the year has not been provided as the company has not yet commenced the business operations.
10. Disclosures of provisions required by Accounting Standard -29 " Provisions , Contingent Liabilities and Contingent Assets" :

Movement of Provisions	Income Tax	FBT
	Rs.	Rs.
Balance as at 1-4-2008	8931405	421434
Provision made during the year	24828066	1550700
Provision Adjusted during the year	8994756	421434
Balance as at 31-3-2009	24764715	1550700



DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED

11. Employee Benefits.

Provision for gratuity liability for Rs.158681 has been made as per Actuarial Valuation as on 31-03-2009. The disclosure required under Accounting standard-15 "Employees Benefit" in respect of defined benefit plan is :

Gratuity Benefit is payable to employees on retirement or resignation or death. The amount of gratuity payable is based on past service and salary at time of exit as per Payment of Gratuity act, 1972. There is a vesting period of 5 years on the benefit.

ACTUARIAL ASSUMPTIONS:

Method Of Valuation :	Project Unit Credit Method
Discount Rate :	7%
Salary Escalation Rate:	5%
Retirement Age:	58 years
Withdrawal Rate:	5% at younger ages and reducing to 1% at older ages according to graduated scale
Mortality rate	LIC (1994-96) published table of Mortality rates

12. The Company has taken premises for its corporate office on operating lease effective from 15th February 2008. The lease is non-cancelable during the first Thirty Six months from the lease commencement date.

The total of future minimum lease payments under non-cancelable operating lease for each of the following period is :-

Particulars	Payable within one year Rs.		Payable between one to five years Rs.	
	As at 31 st March 2009	As at 31 st March 2008	As at 31 st March 2009	As at 31 st March 2008
Minimum lease Payments	11,80,20,118	12,02,24,301	10,32,67,605	22,54,20,564

13. Term Deposits of Rs.936096600 under Current Assets (schedule -4) includes FDRs in hand amounting to Rs.4717600 received by company as EMD and correspondingly Other Deposit of Rs.15784274 under Current Liabilities (schedule-5) includes EMD amounting to Rs.4717600 received in the form of FDRs.

14. An amount of Rs.93.61 crores out of share capital received from Ministry of Railway remained unutilized have been kept in Term deposits with scheduled Banks as on 31st March 2009.



DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED

15. 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. P. N. Shukla	Whole Time Director (OPR & BD)
Mr. B.B. Saran	Whole Time Director (PP) (w.e.f. 19.06.2008)
Mr. Deepak Krishan	Part Time Director
Mr. S.S. Khurana	Director & Part Time Chairman (w.e.f. 18.02.2009)
Mr. Pradeep Bhatnagar	Part Time Director
Mr. Gajendra Haldea	Part Time Director (w.e.f. 02.05.2008)
Sh. R. Ashok	Part Time Director (upto 07.04.2008)
Sh. K.C. Jena	Part Time Chairman (upto 18.02.2009)

b) Enterprises in which directors interest exist: **NIL**

c) Disclosure of transactions with related parties:-

Particulars	Transactions		Outstanding Amount	
	Year ended March 31/03/2009	Year ended March 31/03/2008	As at March 31, 2009	As at March 31, 2008
	Rs.	Rs.	Rs.	Rs.
Remuneration to key Personnel (a) above	See point 16	NIL	NIL	NIL

16. Managerial Remuneration

	Year ended March 31/03/2009	Year ended March 31/03/2008
	Rs.	Rs.
Salary & allowances	4655259	2109801



DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED

17. Expenditure in Foreign Currency

	Year ended March 31, 2009	Year ended March 31, 2008
	Rs.	Rs.
Subscription fees for IT	1767000	0
Travels	35291	0

18. Previous Year figures have been regrouped and rearranged to make them comparable with those of the previous year.

For K.G.Somani & Co.
Chartered Accountants


(Bhuvnesh Maheshwari)

Partner

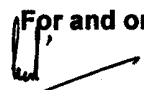
Membership No. 088155

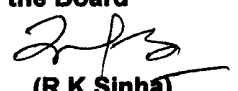
Place: New Delhi

Date: **16 JUN 2009**



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

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.	1,55,068	State code	55
Balance Sheet Date	31.03.09		
II. Capital Raised during the year (Amount in Rs. Thousands)			
Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	17,02,300
III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)			
Total Liabilities	27,82,902	Total Assets	27,82,902
Sources of Funds			
Paid-up Capital	25,82,300	Reserves & Surplus	NIL
Secured Loans	NIL	Unsecured Loans	NIL
Net Deferred Tax Liability	NIL		
Application of Funds			
Net Fixed Assets	9,12,256	Investments	NIL
Net Current Assets	16,70,044	Misc. Expenditure	NIL
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 Rate %	-
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	



DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2009

	2008-2009	2007-2008	
	(Amount in Rupees)		
1 Cash Flow from Operating Activities			
Net profit before taxation, and extraordinary items	-		
Adjustments for changes in Working Capital:			
(Increase) in other receivables	-764,808,222		41,46,959
Increase in current liabilities	13,56,96,566		3,21,16,383
Increase in Provision	1,60,02,919		89,16,007
(Decrease) in Deferred Tax liability	-		
Cash Generated from Operations	-		
Income Taxes paid/Received (Net of TDS)	-		
Cash flow from Operations (A)	-	-613,108,737	4,51,79,349
2 Cash from Investment Activities :-			
Purchase of Fixed assets /Development A/C	-809,287,856		-74,063,062
Interest income (Revenue)	-		
Net Cash generated from / (used in) Investing activities (B)	-809,287,856	-809,287,856	-74,063,062
3 Cash flow from Financing Activities :-			
Proceeds from issuance of share capital	170,23,00,000		86,00,00,000
Proceeds from grant from Tamil Nadu Government	-		
Proceeds from long term borrowings	-		
Net Cash generated from / (used in) Financing activities (C)	170,23,00,000	170,23,00,000	86,00,00,000
Net Increase/(Decrease) in cash & cash equivalent (A+B+C)		27,99,03,407	83,11,16,287
Cash & Cash equivalent at the beginning of the year		80,19,82,178	2,04,15,046
Cash & Cash equivalent at the closing of the year		108,18,85,585	80,19,82,178
Cash and Cash equivalents comprise		108,18,85,585	80,19,82,178
Cash and Cheques in Hand			
Balance with Scheduled Banks			
On Current Account	145788985		47217337
On term Deposit Account	936096600		754764841

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.

For K.G. Somani & Co.
Chartered Accountants
(Signature)
(Bhuvnesh Mareshwari)
Partner
Membership No. 88155

For and on behalf of Board of Directors
(Signature)
(R.K.Kaul)
Managing Director
(Signature)
(R.K.Sinha)
Director Finance

Place: New Delhi
Date:

(Signature)
(Meenu Kapoor)
Company Secretary

1 6 JUN 2009



DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED

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

TO,

The Members of Dedicated Freight Corridor Corporation of India Ltd.

1. We have audited the attached Balance Sheet of *M/S Dedicated Freight Corridor Corporation of India Limited* as at **31st March 2009** and related Development Expenditure (pending capitalisation) Account for the year ended 31st March 2009 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, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 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.



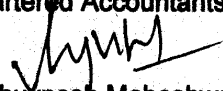
DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED

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 Expenditure Account dealt with by this report are in agreement with the books of account.
 - d. In our opinion, the attached Balance Sheet and Development Expenditure Account dealt with by this report comply with the Accounting Standards 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 accounts read together with the Significant Accounting Policies and read with Notes 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 2009,
 - ii) In the case of Development Expenditure 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
Date : 16 JUN 2010



For K.G. Somani & Co.
Chartered Accountants


(Bhuvnesh Maheshwari)
Partner
Membership No. 88155

DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED

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 Auditors' Report:

[Referred to in paragraph 3 of the Auditors' 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, 2009].

1. (a) The Company is maintaining proper records showing in most of the cases, full particulars including quantitative details and situation of fixed assets.

(b) The fixed assets situated at corporate office of the company have been physically verified by the management. The assets located at other offices were not significant but there is a regular programme of verification in a phased manner, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. As informed to us, no material discrepancies between the book records and the physical fixed assets have been noticed on such verification.

(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. According to information and explanation given to us 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 given 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 of 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) According to the information and explanations given to us, there are no contracts or arrangements referred to in Section 301 of the Act which are required to be maintained under that section.

(b) 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 generally commensurate with its size and nature of its business. *However, this system needs to be further strengthened.*
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. According to the information and explanations given to us, 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. 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 1702300 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.

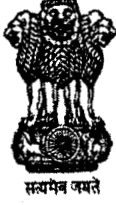
Place : New Delhi
Date : 16 JUN 2009



For K.G. Somani & Co.
Chartered Accountants


(Bhuvnesh Maheshwari)
partner
Membership No. 88155

DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED



गोपनीय
स./No स.ले.प. 111/प्रति/अकाउंट्स/23-2/2008-09/ 522

कार्यालय
प्रधान निदेशक, वाणिज्यिक लेखा परीक्षा
एवं पदेन सदस्य लेखा परीक्षा बोर्ड-III,
नई दिल्ली

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

दिनांक/Dated

10 AUG 2009

सेवा में,

अध्यक्ष एवं प्रबंध निदेशक
डेडिकेटेड फ्रेट कोरीडोर कॉरपोरेशन ऑफ इण्डिया लिमिटेड,
नई दिल्ली।

विषय: 31 मार्च 2009 को समाप्त वर्ष हेतु डेडिकेटेड फ्रेट कोरीडोर कॉरपोरेशन ऑफ इण्डिया लिमिटेड, नई दिल्ली, के वार्षिक लेखों पर कंपनी अधिनियम की धारा 619(4) के अंतर्गत भारत के नियंत्रक-महालेखापरीक्षक की टिप्पणियां।

महोदय,

मैं डेडिकेटेड फ्रेट कोरीडोर कॉरपोरेशन ऑफ इण्डिया लिमिटेड, नई दिल्ली, के वर्ष 2008-09 की समाप्ति हेतु कंपनी अधिनियम, 1956, की धारा 619(4) के अधीन लेखों पर भारत के नियंत्रक-महालेखापरीक्षक की टिप्पणियां अंग्रेषित करती हूँ। कृपया इस पत्र की संलग्नकों सहित प्राप्ति की पावती भेजी जाए।

भवदीया,

संलग्न: यथोपरि।

गुजाला मीनाई
(गुजाला मीनाई)
प्रधान निदेशक

'ए' ब्लॉक हटमेंट्स, नियर साउथ ब्लॉक, नई दिल्ली-110 011
'A' BLOCK HUTMENTS, NEAR SOUTH BLOCK, NEW DELHI-110 001
Tel: 23017027 • Fax: 23017342 • e-mail: mabnewdelhi3@cag.gov.in

DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED

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 2009

The preparation of financial statements of Dedicated Freight Corridor Corporation of India Limited, New Delhi, for the year ended 31 March 2009 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 16 June 2009.

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 2009. 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. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' report under Section 619(4) of the Companies Act, 1956.

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



(Ghazala Meenai)
Principal Director of Commercial Audit
& Ex-officio Member, Audit Board – III,
New Delhi

Place: New Delhi
Dated: August 2009

10 AUG 2009