

DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED

**DEDICATED
FREIGHT
CORRIDOR
CORPORATION
OF INDIA LIMITED**

**ANNUAL REPORT
2009-2010**

डेडीकेटेर फ्रेट कोरीडोर
कॉर्पोरेशन ऑफ इंडिया लिमिटेड

(भारत सरकार का उपक्रम)
पंजीकृत कार्यालय: 101-ए, रेल भवन
नई दिल्ली-110001

कार्पोरेट कार्यालय: 5वां तल, प्रगति मैदान,
मैट्रो स्टेशन बिल्डिंग कम्प्लेक्स, नई दिल्ली-110001

**वार्षिक रिपोर्ट
2009-2010**



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LIST OF DIRECTORS

Name	Designation	Joined with effect from
Sh. Vivek Sahai	Part time Chairman (Official)	02.06.2010
Sh. V.K. Kaul	Managing Director	15.09.2007
Sh. R.K. Sinha	Director (Finance)	17.09.2007
Sh. B.B. Saran	Director (Project Planning)	19.06.2008
Sh. P.N. Shukla	Director (Operation & Business Development)	15.10.2007
Sh. A.K. Dutta	Director (Infra)	01.04.2010
Sh.R.N. Bartarya	Part time Director (Official)	12.07.2010
Sh. Gajendra Haldea	Part time Director (Official)	02.05.2008
Sh.M. Damodaran	Part time Director (Non -Official)	14.05.2010
Sh. D.T Joseph	Part time Director (Non -Official)	14.05.2010

FORMER DIRECTORS

Name	Designation	Ceased to be Director w.e.f.
Sh. S.S. Khurana	Part time Chairman (Official)	02.06.2010
Sh. Pradeep Bhatnagar	Part time Director (Official)	12.07.2010

GENERAL INFORMATION

REGISTERED OFFICE / CORPORATE OFFICE

Registered Office:

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

Corporate Office:

5th Floor, Pragati Maidan Metro Station Building Complex,
New Delhi - 110001

STATUTORY AUDITOR

M/s Jain Chopra & Co.
Chartered Accountants
105, Jyoti Bhawan,
Commercial Complex, Mukherjee Nagar
Delhi - 110009

INTERNAL AUDITOR

K.M. Agarwal & Co.
Chartered Accountants
36, Netaji Subhash Marg,
Darya Ganj,
New Delhi - 110002

BANKERS

Union Bank of India
State Bank of India
HDFC Bank
ICICI Bank

CHAIRMAN'S MESSAGE

Dear Shareholders,

It is indeed a great pleasure and privilege for me to be associated with the most ambitious and mammoth project of the Ministry of Railways. It is with great pleasure, I welcome you all to the Fourth 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 2010 together with the Auditor's report have already been circulated to you, and with your permission, I take them as read.

As you are aware that “Dedicated Freight Corridor Corporation of India Limited (DFCCIL)” is a Special Purpose Vehicle created to implement the most ambitious project of Indian Railways i.e. construction, maintenance and operation of Dedicated Freight lines covering approximately 3328 route kilometers on Eastern Corridor & Western Corridor. As on date, only two corridors have been sanctioned by the Ministry for construction. However, pre-feasibility studies for an additional four corridors have already been completed and Preliminary Engineering cum traffic Survey (PETS) has now been taken up.

I take this opportunity to throw some light on the major Project activities. The Business Plan of DFC sets out to define framework for conduct of business of DFC i.e. Vision, Mission, objectives and Supporting Strategies. Draft Business Plan duly approved by Board of Directors, is now being examined by the Ministry. Planning & implementation of DFC indicates a paradigm shift in railway efforts to improve productivity and efficiency. Dedicated Freight lines will not only bring in the latest maintenance & Operating technology available, but also it will increase overall productivity by segregating passenger and freight operations on the separate networks. In future DFCCIL may also facilitate development of Multimodal Logistic parks around its terminal to boost economic activities that will yield even higher level of freight traffic for Railways.

The financial features of the Business Plan highlight following facts:

- The O & M Cost of DFC will be substantially lower of that of IR.
- There substantial saving of rolling stock with efficient operations on DFCC.
- The better speed on DFCC will also result into substantial energy savings.
- DFCCIL will have a lean manpower organisation structure. Average staff will be 1.3 persons per track km whereas in Indian Railways, there are 14 persons per track km.
- This will help in reducing the unit cost of freight transportation which will be passed on to the Consumer.

Future DFCs

Ministry of Railways advised DFCCIL that Preliminary Engineering –cum-Traffic Survey (PETS) for future dedicated heavy haul freight corridor named as East Coast Corridor (between Kharagpur- Vijaywada, length about 1100 km), North-South Corridor (between Delhi-Chennai length about 2173 km.), Southern dedicated

freight Corridor (between Chennai-Goa, Length about 890 km) and East-West corridor (between Kolkata-Nagpur-Mumbai, length about 2000 km) to be arranged through M/s. RITES. The work in this direction has been started.

Land Acquisition

To ensure timely execution of the project, Company has been facilitating the land acquisition by Ministry in different states. The complexity can be judged from the fact that the Land acquisition involves over 11179 hectares spread over 49 districts in Seven States. The problem has become more acute as an equitable Land acquisition policy of the Central Government is still under finalisation, whereas both the demand from various projects for Land, as also the resistance to land acquisition is growing.

Under the circumstances, the progress made in issuing various notifications under the provisions of Railway Amendment Act, 2008 is satisfactory. About 6300 hectare, More than 50% of the overall requirement, now vests with the Ministry of Railway, and efforts will be made to further expedite the process.

Funding

- (i) Phase I (Vadodara – Rewari) 920 km (JICA)
Loan Agreement ID-P205 for Engineering Services Consultancy (Ph.I) for Two Billion Six hundred six million Japanese Yen and Loan Agreement ID-P209 for construction in the Phase I for Ninety Billion two hundred sixty two million Japanese Yen has been signed with JICA.
- (ii) Phase II (Vadodara – JNPT and Rewari – Dadri) 564 km (JICA)
Loan Agreement Id-P212 for Engineering Services Consultancy (Ph.II) for One billion six hundred sixteen million Japanese Yen has been signed with JICA.
- (iii) Funding for Mugalsarai-Kanpur-Khurja-Ludhiana section (1131 kms.) of Eastern Dedicated Freight Corridor is under discussion with World Bank. The loan agreement for 1st phase Bhaupur-Khurja section is targeted for finalisation in the financial year 2010-11. DFCCIL have moved ahead with the bidding process for Design-Build Contract for civil, structure & track works for phase-1 in consultation with the World Bank. The applications for Pre-Qualification of Design-Build contractors for civil, structure & track works have been received in July 2010. It is targeted to award the contract for civil, structure & track works for this section in May 2011. The loan agreement for Mugalsarai-Kanpur-Khurja-Ludhiana is targeted for finalisation in the financial year 2011-12.

Information Technology

DFCCIL plans to implement state of the art Information Technology Systems to bring efficiency, standardisation and transparency in the processes. As per the company vision, it is proposed to implement best practices in construction, program management as well as operation and maintenance. Company has appointed M/s. WIPRO Infotech as the prime IT Consultant with the support of World Bank. As per the terms of reference, the Consultant will assist in developing an IT Plan for DFCCIL, in selection of the appropriate technology stack and will be responsible for supervision of the implementation through a System

Integrator. Adequate emphasis on training would ensure that employees of DFCCIL are well equipped to shoulder the responsibility assigned to them.

Corporate Governance

I would also like to inform you that as per the guidelines issued by Department of Public Enterprises on Corporate Governance for Central Public Sector Enterprises in May 2010, “A Report on Corporate Governance” and “Management Discussion and Analysis Report”, forms the part of the Annual Report for the year ended 31st March 2010.

The Corporation has achieved the targets as set out in the Memorandum of Understanding for the year 2009-2010 signed between Ministry of Railways and DFCCIL. The Corporation has been graded as “Excellent” by Department of Public Enterprises under the MOU targets for the year 2008-2009.

Acknowledgments

I gratefully acknowledge the assistance and support extended to the Company by the Ministry of Railways, Zonal Railways and other Ministries under the Government of India & the State Governments and its Departments.

Further, I would like express my sincere thanks to the Shareholders of the Company for their support to the Company in all its initiatives. I look forward to their continued support in future too.

I sincerely thank my colleagues on the Board for their valuable advice and unstinted cooperation.

I must place on record my sincere thanks to our Bankers, Business associates for their cooperation and support to DFCCIL.

I acknowledge the dedicated, concerted and sincere efforts put in by all officers and employees of the Company. I am sure, with dedicated efforts from all of us, it would be possible to achieve the objectives of the Company through a focused approach.

Date : 29-09-2010
Place : New Delhi

Sd/-
Vivek Sahai
Chairman

NOTICE

NOTICE is hereby given that the 4th Annual General Meeting of the Members of Dedicated Freight Corridor Corporation of India Limited will be held on Wednesday, 29th day of September 2010 at 5.00 P.M at Committee Room, 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 2010 and the schedules annexed thereto together with the Directors' and Auditors' Report and comments of the Comptroller and Auditor General of India thereon.

SPECIAL BUSINESS

2. To consider and if thought fit, to pass with or without modification the following resolution as Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 293(1)(d) and other applicable provisions, if any, of the Companies Act 1956, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter called “the Board” and which term shall be deemed to include any Committee, which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution and with the power to delegate such authority to any person or persons) for borrowing from time to time, as it may think fit, any sum or sums of money not exceeding Rupees Sixty Thousand Crores on such terms and conditions as the Board may deem fit, notwithstanding that the monies to be borrowed, together with the monies already borrowed by the Company, exceed the aggregate, for the time being, of the paid up capital of the Company and its free reservation that is to say, reserve as not set apart for any specific purpose back to back from Ministry of Railways.

“RESOLVED FURTHER THAT the Board be and is hereby authorized for borrowing from time to time as it may think fit, any sum or sums of money but not exceeding Rupees Sixty Thousand Crores in aggregate or equivalent thereto in any foreign currency (including the monies already borrowed by the Company), on such terms and conditions as the Board may deem fit, by way of back to back loan from Ministry of Railways.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and to sign all such documents as may be necessary, expedient and incidental thereto to give effect to this resolution.”

Place: New Delhi
Date: 20.09.2010

By Order of the Board
Sd/-
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.
3. Explanatory statement pursuant to section 173(2) of the Companies Act, 1956 is annexed herewith.

Explanatory statement pursuant to section 173(2) of the Companies Act, 1956

Item No -2

As the members are aware that for funding the Dedicated Western Corridor, Ministry of Finance, Government of India has entered into Loan Agreements with JICA (Japan International Cooperation Agency). The Ministry of Railways and Dedicated Freight Corridor Corporation of India Limited are nominated as executing agencies for ensuring the implementation of the Project. Accordingly, DFCCIL has to take this loan on back to back basis from Ministry of Railways. The JICA funding status is as follows:

(I) Phase I (Vadodara – Rewari) 920 km

Loan Agreement ID-P205 for Engineering Services Consultancy (Ph. I) for Two Billion Six hundred and six million Japanese Yen and Loan Agreement ID-P209 for construction in the Phase I for Ninety Billion two hundred sixty two million Japanese Yen has been signed with JICA.

(ii) Phase II (Vadodara – JNPT and Rewari - Dadri) 564 km (JICA)

Loan Agreement ID-P212 for Engineering Services Consultancy (Ph.II) for One billion six hundred sixteen million Japanese Yen has been signed with JICA.

Further, funding of Mugalsarai-Kanpur-Khurja-Ludhiana section (1131 kms) of Eastern Dedicated Freight Corridor is under discussion with World Bank. The funding is estimated at 2.4 billion US dollars. The loan agreement for first phase Bhaupur- Khurja section is targeted for finalization in the financial year 2010-11. DFCCIL have moved ahead with the bidding process for design-build contract for civil, structure & track works for phase-1 in consultation with World Bank. The applications for Pre-Qualification of Design-Build contractors for civil, structure & track works have been received in July 2010. It is targeted to award the contract for civil, structure & track works for this section in May 2011. The loan agreement for Mugalsarai-Kanpur and Khurja-Ludhiana is targeted for finalization in the financial year 2011-12

In view of the above, the company needs to enter into various Loan agreements with the Ministry of Railways. In terms of the provisions of section 293(1)(d) of the Companies Act, 1956 consent of the members is required by way of Ordinary Resolution to borrow moneys, where the money to be borrowed together with the moneys already borrowed by the Company exceeds the aggregate of the paid up capital of the Company and its free reserves. At present, the paid up capital of the Company is

DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED

Rs. 358 Crores. Therefore, the Company needs approval of the members of the Company to borrow money from Ministry of Railways, from time to time upto an amount not exceeding Rs. Sixty Thousand Crores. Hence, the proposal for obtaining the consent of the members by way of Ordinary Resolution for borrowing money in excess of paid up capital is put up for consideration.

Your Directors recommend the resolutions as set out above for your approval. None of the Directors of the Company is, in any way, concerned or interested in the said resolution.

DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED

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 4th
Annual General Meeting of the Company to be held on Wednesday, 29th day of September 2010 at 5.00 P.M
in Committee Room, 2nd Floor, Rail Bhawan, New Delhi-110001 and/or at any adjournment thereof.

Signed this.....day of.....2010, Signature.....

Ledger Folio..... No of Shares held

Name :

Address :

Rs. 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 Fourth Annual Report of the Company along with the Annual Accounts for the year ended 31st March 2010.

1. SUMMARY OF ANNUAL ACCOUNTS 2009-10.

The Corporation has incurred the following expenditure during the year.

A) Expenditure on Project Execution

The cumulative expenditure on Project Execution is Rs.159.57 Crores as on 31st March, 2010. The gross expenditure during the year 2009-10 on Project Execution is Rs.98.51 Crores, which includes direct expenditure of Rs. 48.52 Crores; Overheads of Rs. 47.44 Crores and taxes on Interest Income of Rs. 2.55 Crore.

The Corporation has Gross Receipts of Rs.16.96 Crores during the year, which includes Interest income of Rs.12.69 Crores, Facility management charges & Rent Recovered on sub-lease Rs. 3.81 Crores and other Receipts Rs.0.46 crore.

Thus, the net expenditure during the year 2009-10 is Rs.81.55 Crores.

B) Investment in Fixed Assets

The Investment in Fixed Assets is Rs. 17.00 Crores as on 31st March,2010, which includes computers, Computer software & peripherals amounting to Rs. 2.61 Crores, Furniture & Fixture of Rs.1.18 Crore, office equipment of Rs.3.83 Crores & lease hold premises improvement Rs.9.38 Crores.

2. SNAPSHOT OF THE MAJOR PROJECTS.

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

(A) Works/Proof Consultancy Contracts

1. Consulting services for Civil Engineering Proof Consultancy for Khurja-Bhaupur section of Eastern Dedicated Freight Corridor.
2. Consultancy Services for Green House Gas Emission Reduction Analysis for Dedicated Freight Corridor Project has been awarded to M/s ERNST & YOUNG Ltd., India in January 2010.

(B) Preliminary Works Contracts

1. Detailed Engineering Construction Survey of the proposed alignment of the section, preparation of land plan and Land Acquisition proposal as per Railway (Amendment) Act, 2008, identifications of utilities and preparation of schedule of quantities for construction of Dedicated Freight Corridor from Dankuni at km 14.81 to Dhanbad at km 270.88 (approx. route length of 256 kms) on Eastern Dedicated Freight Corridor.
2. Detailed Engineering Construction Survey of the proposed alignment of the section, preparation of land plan and Land Acquisition proposal as per Railway (Amendment) Act, 2008, identifications of utilities and preparation of schedule of quantities for construction of Dedicated Freight Corridor from Dhanbad at km 270.88 to Sonnagar at km 549.04 (approx. route length of 278 kms) on Eastern Dedicated Freight Corridor.

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

“Contract for Engineering Consultancy Services for the project for Construction of Dedicated Freight Corridor (Rewari-Vadodara section) and Procurement of Electric locomotives .”

3. PROGRESS OF THE PROJECT

During the year under review, highest priority was being given to Land acquisition of over 11179 hectares spread over 3328 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 4592 hectare (excluding Sonnagar to Danakuni) and on the Western DFC, it is spread over 6587 hectares. Notifications for land acquisition under Section 20A of Indian Railways (Amendment) Act, 2008 have been published for more than 2,335 kms spread over 9700 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 more than 1500 kms spread over about 6200 hectares in the States of Uttar Pradesh, Rajasthan, Gujarat and Maharashtra.

During the period under review, the company has the following major contracts under progress:

Western Corridor

(A) Works/Consultancy Contracts

1. Design and Construction of Important and Major Bridges (54) 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). Out of the total No of 54 Bridges covered under above tender. Design has been approved for 20 Bridges and physical work is under progress on 16 Bridges.
2. Engagement of Project Management Consultants for Design and Construction of Important and Major Bridges (54) 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 Contracts

1. Design and Construction of formation including blanketing, Major Bridges, Minor Bridges, Rail Under Bridges, Rail Over Bridges, 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.

Preconstruction activities like setting up of camps, field laboratories, mobilization of men and machineries have been done. Designs of bridges have developed and majority of them have been approved for construction. The physical work of earthwork and bridges is going in full swing in 66 kms between New Karwandiya to Durgawati section.

(B) Consultancy Contracts

1. Project Management Consultancy services to facilitate Construction of formation including blanketing, Major Bridges, Minor Bridges, Rail Under Bridges, Rail Over Bridges, 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.
2. Selection of consulting firms to undertake detailed Environmental Impact Assessment (EIA) of Mughalsarai-Khurja Section (about 726 km) on Eastern Dedicated Freight Corridor.-For Bhaupur –Khurja section i.e World Bank Phase –I portion is under progress.
3. Selection of Consulting firms to undertake Detailed Social Impact Assessment (SIA) of Mughalsarai-Khurja Section (about 726 km) on Eastern Dedicated Freight Corridor.- For Bhaupur –Khurja section i.e World Bank Phase –I portion is under progress
4. Preparation of General Arrangement Drawings for proposed Road Over Bridges in lieu of level crossing gates (approx. 51) between Mughalsarai to Kalanaur in the state of Uttar Pradesh on Eastern Dedicated Freight Corridor comprising Engineering survey, Geotechnical investigations, preparation of GAD's (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.

Out of total scope of 82 level crossings, survey completed for 75. General Arrangement Drawings for 48 Road Over Bridges sent to State Government as well as Railway Authorities for approval.

(C) Preliminary Works Contracts:

1. Detailed Engineering Construction Survey of the proposed alignment of the section, preparation of land Plan and Land Acquisition Proposal as per Railway (Amendment) Act, 2008, identification of utilities & preparation of schedule of quantities for construction of Dedicated Freight Corridor from Dankuni at Km 14.81 To Dhanbad at Km 270.88 (Approx. route length of 256 Kms) on Eastern Dedicated Freight Corridor- Survey work is in progress.
2. Detailed Engineering Construction Survey of the proposed alignment of the section, preparation of land Plan and Land Acquisition Proposal as per Railway (Amendment) Act, 2008, identification of utilities & preparation of schedule of quantities for construction of Dedicated Freight Corridor from Dhanbad at Km 270.88 to Sonenagar at Km 549.04 (Approx. route length of 278 Kms) on Eastern Dedicated Freight Corridor -Survey work is in progress.

Loan Agreement ID-P205 for Engineering Services Consultancy (Ph. I) for Two Billion Six hundred & six million Japanese Yen and Loan Agreement ID-P209 for construction in the Phase I for Ninety Billion two hundred sixty two million Japanese Yen have been signed .

4. CAPITAL STRUCTURE

As on 31st March 2010, 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 31.03.2010 is Rs 358,00,00,000 (Rupees Three Hundred Fifty Eight Crore) divided into 35,80,000 (Thirty Five Lac Eighty Thousand 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.

5. COMPLIANCES

a) Raj Bhasha (Official Language)

In order to ensure the proper implementation of the Rajbhasha (Official Language) Rules, the Rajbhasha Cell under Mukhya Rajbhasha Adhikari has been constituted. Rajbhasha Karyayan Samiti has been constituted and their meetings are being held regularly. 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 printing of all the stationery (file covers, envelopes, stamps, visiting cards etc) is being done in bilingual form. 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. DFCC Website has been made bilingual.

In order to promote the use of Rajbhasha in the working of the Organization, Bilingual Dictionaries have been distributed to the staff. Hindi Nibandh Competitions was organized during the Rajbhasha Week and the winners were awarded Cash Prizes.

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 appointed Central Public Information Officer and Public Information Officer, whose names are posted on the website of the Company. During the year under review company received 107 RTI applications and all cases were disposed off within the stipulated time.

c) MCA21 E-filing

In terms of Companies (Electronic Filing and Authentication of Documents) Rules, 2006, the Company has filed all the statutory forms and returns electronically during the year under review.

d) Memorandum of Understanding

During the period under review, Company signed a Memorandum of Understanding with Ministry of Railways in terms of the MOU Guidelines issued by Department of Public Enterprises.

In terms of the MOU signed between Ministry of Railways and DFCCIL, Company is to achieve certain set targets i.e Project related Parameters, Dynamic parameters, Sector Specific Variables and Enterprise Specific Variables and to discharge the Corporate Social Responsibility.

The Company has been ranked under the “Excellent” grading of MOU for the year 2008-2009 by the Department of Public Enterprises.

e) Vigilance

Vigilance activities in the organization have commenced w.e.f September 2009 under the charge of a part time CVO. Action has been taken to set up an exclusive Vigilance Cell and a post of a full time CVO has been created in JS Grade and advised to DOPT through Ministry of Railways for posting full time CVO. The role of vigilance in DFCCIL is multifarious. The Vigilance Unit arranges Vigilance Awareness programmes. The Company observed the Vigilance Awareness Week from 3rd November 2009 to 7th November 2009. During the Vigilance Awareness Week, an essay competition titled “Preventive Vigilance through leveraging of technology in respect of all areas of function “was organized.

f) Presidential Directives

(i) Presidential directives for implementation of revised IDA scales of pay, allowances, etc. in terms of DPE's

O.M.No. 2(70)/08-DPE(WC) dated 26.11.2008 for Board Level and below Board level executives and non unionized supervisors was received vide letter no 2009/Infra/6/1 dated 03.08.2009.

- ii) In terms of Railway Board's letter no 2009/G(Acc.)/3/Report/Pt dated 12.10.2009, the President decided that only the rent @Rs.1100/- per square meter per month towards the office space of 1351 sq.mt. hired by Railway Board at Pragati Maidan Metro Station shall be paid to DFCCIL by the Ministry of Railways. In addition, the maintenance and housekeeping charges will be paid on proportionate basis. The expenditure incurred on account of electricity, water and communication facilities will be borne by the Ministry of Railways.

6. INFORMATION TECHNOLOGY AND DEVELOPMENT

One of the primary objectives of DFCCIL is to reduce the cost of transportation for the users of Railway freight services. In order for that to happen, DFCCIL envisages adoption of modern systems and processes for railway Construction, Operation and Maintenance. In this regard, the company has taken number of initial steps to implement critical IT applications.

As per the company vision, it is proposed to implement best practices in construction, program management as well as operation and maintenance. Functionally, and translated into information requirements as well as application areas, these best practices would cover areas related to document flow and management, common business applications, project monitoring and GIS based Asset management. The fact that DFCCIL is a green-field company with no legacy systems provides it with a rare opportunity to establish state of the art processes and systems in regard to Project management, Accounting, Human Resources, geo-referencing of assets and a system of documenting various versions of engineering drawings for each asset. In order to realize this objective, DFCCIL has appointed M/S WIPRO Infotech as the prime IT Consultant. As per the terms of reference, the Consultant will assist in developing an IT Plan for DFCCIL. The Consultant will also assist in selection of the appropriate technology stack and will be responsible for supervision of the implementation through a System Integrator.

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

7. INDUSTRIAL RELATIONS

During the year under review, the industrial relations remained peaceful and harmonious. The Foundation day of DFCCIL was celebrated on 31st October 2009 with austerity. On this occasion a cultural program was organized which was attended by various dignitaries, senior Railway Officers & Staff of DFCCIL.

8. BOARD OF DIRECTORS

During the year under review, there was no change in the composition of the Board of DFCCIL on account of appointments and cessation.

The following Directors have joined the Board after the closure of the financial year 2009-2010.

- a) The President of India has appointed Sh. A.K.Dutta, IRSEE (DITS 30.10.1978) as Director (Infra) vide Railway Board's Order No.2007/E(O)II/40/9 dated 29.03.2010 for a period of five years or till the date of his superannuation or until further orders, whichever is earlier, on immediate absorption basis. He assumed the charge of the post of Director (Infra) /DFCCIL on 01.04.2010 (FN) vide Office Order No. HQ/HR/ PFile/258.
- b) In pursuance of Article 81(1)(a) of the Memorandum and Articles of Association of the Company, the President of India has appointed Shri. D.T Joseph, Ex-Secretary, Government of India and Shri. M. Damodaran, Ex-Chairman, SEBI as Non official part time Directors on the Board of the Company for a period of three years or until further orders, whichever is earlier vide Railway Board order no 2008/Infra/6/1 dated 14.05.2010.
- c) In pursuance of Article 81(1) (a) of the Memorandum and Articles of Association of the Company, the President of India has appointed Shri. Vivek Sahai, Chairman Railway Board as part time Chairman on the Board of DFCCIL with immediate effect vice Shri. S.S. Khurana, till he holds the post of Chairman, Railway Board or further orders whichever is earlier vide Railway Board's letter no 2009/Infra/6/2 dated 02.06.2010.
- d) In pursuance of Article 81(1) (a) of the Memorandum and Articles of Association of the Company, the President of India has nominated Shri R.N. Bartarya, Adviser (Infrastructure)/Railway Board as part time Director on the Board of DFCCIL in place of Sh. Pradeep Bhatnagar, Ex-Adv. (Infra), who has since been transferred, vide Railway Board's letter no 2007/Infra/6/4 dated 12.07.2010.

The following Director ceased to be Director after the closure of the financial year.

- a) Shri. S.S. Khurana, ceased to hold the post of Chairman/DFCCIL w.e.f 02.06.2010 vide Railway Board's letter no 2009/Infra/6/2 dated 02.06.2010.
- b) Shri. Pradeep Bhatnagar, Ex-Adv (Infra) ceased to hold the office of the part time Director w.e.f 12.07.2010 vide Railway Board's letter no 2007/Infra/6/4 dated 12.07.2010.

DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED

The following Directors are holding office as on date:

S.No	Name of the Director	Designation	Date of holding office w.e.f
1	Sh. Vivek Sahai	Part Time Chairman (Official)	02.06.2010
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.A.K. Dutta	Director (Infra)	01.04.2010
7	Sh.R.N. Bartarya	Part time Director (Official)	12.07.2010
8	Sh. Gajendra Haldea	Part time Director (Official)	02.05.2008
9	Sh.D.T.Joseph	Part Time Director (Non official)	14.05.2010
10	Sh. M. Damodaran	Part Time Director (Non official)	14.05.2010

9. Auditors

M/s. Jain Chopra & Co. Chartered Accountants, New Delhi, were appointed as Statutory Auditor of the Company by the Comptroller and Auditor General of India for the financial year 2009-2010. 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.

10. Auditors' Report

The Auditors' Report submitted by M/s Jain Chopra & Co. Chartered Accountants, along with Notes to the Accounts is self-explanatory.

11. 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, 2010 along with the Management comments thereon form an integral part of Annual Report 2009-2010.

12. 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. 51,67,395/- out of which
Subscription fees for IT -	Rs. 18,72,000/-
Tour & Travel Expenses	Rs 18,01,687/-
Project Consultancy Services -	Rs. 14,93,708/-

13. 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 receipt of remuneration in excess of the limits prescribed therein.

14. 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.

15. Corporate Governance

As per the Guidelines on Corporate Governance issued by Department of Public Enterprises, following forms an integral part of this Directors' Report.

1. A "Corporate Governance Report " placed at Annexure "A" highlighting the philosophy of the Company on the Corporate Governance, composition of Board of Directors as well as attendance, remuneration of Directors etc., and other relevant disclosures.
2. Certificate of Compliance of Corporate Governance obtained from practicing Company Secretary placed at Annexure "B".
3. A "Management Discussion and Analysis Report" placed at Annexure "C".

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.

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

Place : New Delhi
Date : 13.09.2010

Sd/-
(Vivek Sahai)
Chairman

CORPORATE GOVERNANCE REPORT

1. A brief statement on Company's philosophy on Corporate Governance

The Corporate Governance is the application of best management practices, compliance of Laws, rules, regulation and adherence standard to achieve the objects of the Company. 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 dealings with the shareholders, employees, the government and other parties. DFCCIL is concerned with ensuring that business ethics, values and morals are adhered to.

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

2. Board of Directors:

2.1 Composition of the Board of Directors:

In terms of Article 80 of the Articles of Association of the Company, the President of India has determined in writing that there shall be a total of 12 Directors on the Board of DFCCIL The President of India vide letter no 2008/Infra/6/1 dated 14.05.2010 has approved the composition of the Board of Directors of DFCCIL as follows

- Chairman Railway Board (CRB) as a Part Time Chairman
- 5 Full Time Functional Directors including Managing Director
- One nominee of Ministry of Railways
- One Nominee of Planning Commission
- 4 Independent non official Directors including one from financial institutions depending on requirement.

2.2 Strength of the Board

On the date of the report, the total present strength of the Board of Directors of the Company is ten comprising five whole-time Directors, one part time Chairman, two part-time official Nominee Directors from Ministry of Railways and Planning Commission respectively and two Independent part time non

official Directors. In terms of Article 81 (1) (a) of the Articles of Association of the Company, The President of India has the power to appoint Directors of the Company.

Following directors have joined the Board after the closure of the financial year 2009-2010.

- a) The President of India has appointed Sh. A.K.Dutta, IRSEE (DITS 30.10.1978) as Director (Infra) vide Railway Board's Order No.2007/E(O)II/40/9 dated 29.03.2010 for a period of five years or till the date of his superannuation or until further orders, whichever is earlier, on immediate absorption basis. He assumed the charge of the post of Director (Infra) /DFCCIL on 01.04.2010 (FN) vide Office Order No. HQ/HR/ P File/258 dated 05.04.2010.
- b) In pursuance of Article 81(1) (a) of the Memorandum and Articles of Association of the Company, President of India has appointed Shri. D.T Joseph, Ex-Secretary, Government of India and Shri. M. Damodaran, Ex-Chairman, SEBI as Non official part time Directors on the Board of the Company for a period of three years or until further orders, whichever is earlier vide Railway Board order no 2008/Infra/6/1 dated 14.05.2010.
- c) In pursuance of Article 81(1) (a) of the Memorandum and Articles of Association of the Company, President of India has appointed Shri. Vivek Sahai, Chairman Railway Board as part time Chairman on the Board of DFCCIL with immediate effect vice Shri. S.S. Khurana, till he holds the post of Chairman, Railway Board or further orders whichever is earlier vide Railway Board's letter no 2009/Infra/6/2 dated 02.06.2010.
- d) In pursuance of Article 81(1) (a) of the Memorandum and Articles of Association of the Company, President of India has nominated Shri R.N. Bartarya, Adviser (Infrastructure)/Railway Board as part time Director on the Board of DFCCIL in place of Sh. Pradeep Bhatnagar, Ex-Adv. (Infra), who has since been transferred vide Railway Board's letter no 2007/Infra/6/4 dated 12.07.2010.

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 2009-10 and the last Annual General Meeting is tabled below

DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED

S. No.	Category of Directors	Name of Directors/ Date of Appointment	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 2009-2010 Held (during their respective tenures)	No. of Board meetings attended	Last AGM attended
(I) Chairman (Part-time official)							
1.	Chairman/ Railway Board Held office upto 02.06.2010	Sh. S.S. Khurana held office from 18.02.2009	As Chairman-2	Nil	4	4	Yes
2.	Chairman/ Railway Board	Sh.Vivek Sahai (held office from 02.06.2010)	NA	NA	NA	NA	NA
(II) Whole-time Director							
1	Managing Director	Sh.V.K. Kaul (Held office from 15.09.2007)	1	As Member -1	4	4	Yes
2.	Director (Finance)	Sh.R.K. Sinha (Held office from 17.09.2007)	1	As Member -1	4	4	Yes
3.	Director (Operations & Business Development)	Sh. P.N. Shukla (Held office from 15.10.2009)	1	As Member -2	4	4	Yes
4.	Director (Project Planning)	Sh. B.B. Saran (Held office from 19.06.2008)	1	As Member -1	4	4	Yes
5.	Director (Infra)	Sh.A.K. Dutta (held office from 01.04.2010)	NA	NA	NA	NA	NA

DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED

(III) Director (Part-time official)							
1.	Adviser (Traffic) Railway Board up to 12.07.2010	Sh. Pradeep Bhatnagar (held office from 28.02.2008)	1	As Chairman -1	4	3	Yes
2.	Adviser of Deputy Chairman, Planning Commission	Sh. Gajendra Haldea (Held office from 02.05.2008)	1	Nil	4	4	No
3.	Adviser (Infra) /Railway Board	Sh. R.N. Bartarya (held office from 12.07.2010)	NA	NA	NA	NA	NA
(IV) Independent Directors (Part Time non official)							
1.	Part Time non-official	Sh.D.T. Joseph (held office from 14.05.2010)	NA	NA	NA	NA	NA
2.	Part Time non-official	Sh.M.Damodaran (held office from 14.05.2010)	NA	NA	NA	NA	NA

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 nominee Directors on the Board of DFCCIL who are the officials of the Ministry of Railways and Planning Commission.
3. The term “non official part time “Directors means the Independent Directors.
4. The membership in the Audit Committee and Shareholders Grievance Committee are being considered for counting the number of memberships.
5. The word “NA” denotes “Not Applicable” as concerned Directors have joined the Board after the financial year.

During the financial year 2009-2010, the Board of Directors met four times to transact the business and have complied with the provisions of Companies Act, 1956 read with the DPE guidelines 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 the Board of Directors of DFCCIL were held on following dates as mentioned below:

S.No	Quarter	Dates
1	For the quarter ended June 2009	16.06.2009
2.	For the quarter ended September 2009	15.09.2009
3.	For the quarter ended December 2009	18.12.2009
4.	For the quarter ended March 2010	15.02.2010

Brief Resume of Directors appointed after the financial year 2009-2010.

I) Sh. Anil Kumar Dutta , Dir (Infra), DFCCIL, w.e.f 01.04.2010.

Sh. Anil Kumar Dutta is an officer of 1977 batch of IRSEE. He has a bachelor's degree in Physics from Ranchi University and a Bachelor of Engineering in Electrical Technology & Electronics from Indian Institute of Science, Bangalore. He is an Electric Traction Installation Specialist with 18 years' experience in Project Management of Railway Electrification projects of 25 KV & 2 X 25 KV AC traction systems from execution to policy formation. He has also implemented Transfer of Technology in the field of 3 phase propulsion technology of Electric Rolling Stock (Loco & EMU). He was deputed to Hindustan Fertilizers Corporation Limited as Executive Director (Vigilance) .He served Indian Railways as Divisional Railway Manager/ Ranchi for 3 years. He worked as Executive Director, Railway Electrification, Railway Board. He is also a Resource Person at Indian Institute of Coal Management, Ranchi in the field of Vigilance Management, Motivation & RTI, with keen interest in Administrative Laws & NURO LINGUISTIC PROGRAMMING (NLP).

ii) Sh.D.T. Joseph, Non official part time Director , DFCCIL w.e.f 14.05.2010

Shri D T Joseph belongs to 1968 batch of IAS of Maharashtra Cadre. Sh. D. T. Joseph holds Masters Degrees in English Literature and Economics from the University of Madras and University of Manchester, respectively He has served the Government of India and the Government of Maharashtra in various capacities, including as Secretary, Public Health Department, Urban Development Department and in other departments. He had worked in capacities such as Collector, Kolhapur, MD of Development Corporation of Konkan Ltd, Officer on Special Duty, Bombay University, Secretary Public Health, Secretary Urban Development, Govt of Maharashtra, MD of SICOM, Director General of Shipping, Secretary/Coordination in Cabinet Secretariat, and retired as Secretary, Shipping in Govt of India on 31.12.2005. After retirement, he was appointed Adviser, Ministry of Shipping during July 06 to July 07. He is now on the Board of a few companies such as Mundra Port & SEZ Ltd, Shreyas Shipping & Logistics Ltd, Ocean Sparkle Ltd, Tata Teleservices Maharashtra Ltd, West Asia Maritime Ltd. etc.

iii) **Sh. M. Damodaran, Non official part time Director , DFCCIL w.e.f 14.05.2010**

A member of the premier Indian Administrative Service (IAS), Manipur- Tripura cadre, since 1971, Mr. M. Damodaran has held a number of important positions in both the Central and State Governments and in India's Financial Sector, before demitting office as Chairman, Securities and Exchange Board of India (SEBI) on February 18, 2008. He graduated with distinction in Economics and Law from the Universities of Madras and Delhi respectively. He has won several awards for his scholastic achievements at both the school and university level.

After a career spanning several regulatory and developmental assignments in the state of Tripura, he was appointed as its Chief Secretary in 1992, the youngest ever in the country to hold such a position in the State Government. Thereafter, he worked as Joint Secretary in the Ministry of Finance, Banking Division, for five years, dealing with Government's ownership functions of Public Sector Banks.

In 2001, he was appointed as Chairman of Unit Trust of India (UTI) to rescue India's largest and oldest investment institution which had collapsed. His restoring of UTI to health and strength is widely acknowledged as the most successful turnaround story in India's Financial Sector. He was simultaneously given charge of Industrial Development Bank of India (IDBI), another of India's major financial institutions, which too was restructured by him in an innovative manner, pulling it back from the brink, transforming it to a bank, and merging it with another commercial bank.

As Chairman SEBI, he brought improved practices to India's securities market. He is widely acknowledged as one of the India's foremost champions of Corporate Governance. During his tenure at SEBI, he was elected Chairman of the International Organization of Securities Commissions (IOSCO), an eighty members Emerging Markets Committee, for two years.

In addition to being the Advisor on Strategy and Corporate Affairs at ING Group of the Netherlands, he is also its Advisor and Chief Representative in India. He is an Independent Director on the Boards of Hero Honda, Tech Mahindra and Mahindra Satyam and is also a part of their Audit Committees. He is the Chairman of Srei Sahaj e-Village Ltd and is on the Board of GMR Varalakshmi Foundation. He is a Member of Committees at INTACH, Experian Credit Information Co. of India, KPMG and Bessemer Venture Partners. He is also a part of the Development Evaluation Planning Committee of the Planning Commission. He has been appointed as a Non-official Part Time Director on the Board of Dedicated

Freight Corridor Corporation of India Ltd (DFCCIL). He has recently been appointed as the first Chairman of the Society and Board of Governors of the proposed Indian Institute of Management (IIM), Tiruchirappalli. He is also a member of Bharatiya Vidya Bhavan's Delhi Kendra Committee. As one of the foremost advocates of Corporate Governance in India, he advises on improving Boardroom performance and is the Chairman of the Taskforce on Corporate Governance constituted by Federation of Indian Chambers of Commerce and Industry (FICCI).

He has been a recipient of several prestigious awards for leadership, transformation and Public Services.

iv) Sh. Vivek Sahai , Part time Chairman, DFCCIL w.e.f 02.06.2010

Prior to joining as Chairman Railway Board and ex officio Principal Secretary to the Government of India on 31st May 2010 Shri Vivek Sahai was working as Member Traffic, Railway Board. Born on 5th June, 1951, Shri Vivek Sahai is a Post Graduate in Physics. He joined Indian Railway Traffic Service (IRTS) in 1973. Before joining as Member Traffic/Railway Board, he was the General Manager of Northern Railway and prior to that General Manager, North Central Railway, Allahabad.

An Officer of varied experience, Shri Vivek Sahai held various key positions on different Zonal Railways as well as in Railway Board. He has worked as Divisional Railway Manager, Mumbai Division, Central Railway and later on Additional General Manager, Western Railway. In the Railway Board, he held the assignments of Executive Director (Statistics & Economics) and also the post of Additional Member (Traffic).

He has rich experience in working on different Departments and his specialization includes Operations, Planning, Information Technology, Safety, besides General Management.

v) Sh. R.N.Baratraya, Part time Official Director, DFCCIL w.e.f 12.07.2010

Sh. R.N. Bartarya, officer of 1978 batch of Indian Railway Traffic Service has joined as Adviser Infrastructure, Railway Board on 01.07.2010. Sh. R. N. Bartarya is the nodal officer for the Dedicated Freight Corridor Corporation of India Limited in Ministry of Railways. His current assignment includes long term planning for Infrastructure creation over Indian Railways, coordination for implementation of PPP projects, International Railway cooperation and developing Long Range Decision Support System for Railways. He also represents Indian Railways on the Board of Directors of International Heavy Haul

Association, USA.

Besides he is also a member of Steering Committee formed as per MOUs between Indian Railways and Foreign Railways of Germany, France, China, South Africa, Austria, Russia, Italy and Korean Railways etc.

In his career of 32 years with Indian Railways, he has worked extensively at Divisional and Zonal levels. Before joining as Adviser Infrastructure, he has served Indian Railways as Chief Operations Manager in East Coast Railway, Divisional Railway Manager Bilaspur, South East Central Railway and Chief Freight Traffic manager, South Central Railway etc. During his service, he has been trained by CANAC in Computer training at Montreal in 1986-87 on TRACS and by HEC at Paris in “Strategic Management”.

3. **Audit Committee**

Corporate Governance is about commitment to values and ethical business conduct. In attainment of the organizational goals and objectives as a whole, the organization is committed to adhere to values and ethical Business Conduct. As a step towards it, Audit Committee of the Board of Directors was originally constituted on 14.03.2008. Sh. Pradeep Bhatnagar, Advisor Infra/Railway Board was appointed as a member of the Committee on 07.05.2008 in place of Sh. R. Ashok, the then Addl Member (Finance).

Audit Committee of the Board was re-constituted on 16.06.2009, Sh. B. B. Saran, Director (PP) was appointed as a member of the Audit Committee in place of Sh. Deepak Krishan, Ex-Additional Member (CE)/Railway Board, till the independent Directors are appointed by the President of India.

At present, with the appointment of the non official part time Directors on the Board of DFCCIL, Audit Committee of the Board was re-constituted on 25.06.2010 in terms of the provisions of Companies Act, 1956 read with DPE guidelines.

The composition of the Audit Committee as on date is as follows.

S.No	Member	Position	Date of holding the membership of the Committee
1	Sh. R.N. Baratarya in place of Sh. Pradeep Bhatnagar	Member	07.09.2010
2	Sh.M. Damodaran	Member	25.06.2010
3	Sh.D.T. Joseph	Member	25.06.2010

The Committee acts in accordance with the terms of reference of the Board (14.03.2008) 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.

Terms of Reference for the Audit Committee re-constituted on 25.06.2010.

The role of the Audit Committee shall include the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval.

5. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with legal requirements relating to financial statements;
 - Disclosure of any related party transactions; and
 - Qualifications in the draft audit report.
6. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
7. Reviewing, with the management, performance of internal auditors and adequacy of the internal control systems.
8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
9. Discussion with internal auditors and/or auditors any significant findings and follow up there on.
10. Reviewing the findings of any internal investigations by the internal auditors/auditors/agencies into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
11. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non -payment of declared dividends) and creditors.
13. To review the functioning of the Whistle Blower Mechanism.
14. To review the follow up action on the audit observations of the C&AG audit.
15. To review the follow up action taken on the recommendations of Committee on Public Undertakings (COPU) of the Parliament.

16. Provide an open avenue of communication between the independent auditor, internal auditor and the Board of Directors
17. Review all related party transactions in the company. For this purpose, the Audit Committee may designate a member who shall be responsible for reviewing related party transactions.

Explanation: The term “related party transactions” shall have the same meaning as contained in the Accounting Standard 18, issued by the Institute of Chartered Accountants of India.

18. Review with the independent auditor the co-ordination of audit efforts to assure completeness of coverage, reduction of redundant efforts, and the effective use of all audit resources.
19. Consider and review the following with the independent auditor and the management:
 - The adequacy of internal controls including computerized information system controls and security, and
 - Related findings and recommendations of the independent auditor and internal auditor, together with the management responses.
20. Consider and review the following with the management, internal auditor and the independent auditor: Significant findings during the year, including the status of previous audit recommendations Any difficulties encountered during audit work including any restrictions on the scope of activities or access to required information,
21. Carrying out any other function as is mentioned in the terms of reference of the Audit.

During the year under review, the Committee met 4 times on the following dates 07.05.2009, 19.08.2009, 09.12.2009 and 18.03.2010.

The attendance of the members of the Committee during 2009-2010 is produced below:

Member	Position	Meeting held**	Meeting attended ***
Sh. Pradeep Bhatnagar	Chairman	4	4
Sh.P.N. Shukla	Member	4	3
Sh. B.B. Saran	Member	3	3

** “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 Committee

i) In terms of chapter 5 of the DPE guidelines on Corporate Governance, the Remuneration Committee of the Board comprising Sh.D.T. Joseph, Sh. M. Damodaran and Sh. Gajendra Haldea, Part Time Directors of the Company as its members was constituted on 25.06.2010. Remuneration Committee will decide the annual bonus/variable pay pool and policy for its distribution across the executives and non unionized supervisors, within the prescribed limits. The Committee will be headed by an Independent Director”.

ii) 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 IDA pay scales (2007) and basket of allowances has been implemented in DFCCIL.

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. The part time non official Directors (Independent) draws the sitting fee for the Board meetings attended.

Disclosure on Remuneration package of whole time Directors:

S.No.	Name of the Director	Salary & Allowances (In Rs.)	Other Benefits & Perks (In Rs.)	Performance Linked Incentives (In Rs.)	Retirement Benefits	Bonus/ Commission /Ex-gratia	Total (in Rs.)
1	Sh.V.K. Kaul Managing Director	29,91,651	3,72,368	0.00	0.00	00.00	33,64,019
2	Sh.R.K. Sinha Director (Finance)	22,00,106	2,62,774	0.00	0.00	00.00	24,62,880
3	Sh.B.B.Saran Director(PP)	21,18,246	3,44,878	0.00	0.00	00.00	24,63,124
4	Sh.P.N. Shukla Director (Opn & BD)	24,09,690	2,77,095	0.00	0.00	00.00	26,86,785

5. Disclosures

- 1 There has not been a materially significant related party transaction.
- 2 The Company has not been imposed penalty by any statutory authority as a result of non-compliance under Laws during the last three years.
3. The Company has complied 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 Directors Report for the year 2009-2010.
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. i) Presidential approval was received during the year for implementation of revised IDA scales of pay, allowances etc in terms of DPE's O.M .No 2(70)/08-DPE(WC) dated 26.11.2008.

- ii) In terms of Railway Board's letter no 2009/G(Acc.)/3/Report/Pt dated 12.10.2009, the President decided that only the rent @Rs.1100/- per square meter per month towards the office space of 1351 sq.mt. hired by Railway Board at Pragati Maidan Metro Station shall be paid to DFCCIL by the Ministry of Railways. In addition, the maintenance and housekeeping charges will be paid on proportionate basis. The expenditure incurred on account of electricity, water and communication facilities will be borne by the Ministry of Railways.
6. There are no personal expenses incurred for the Board of Directors.
7. The administrative expenses as a percentage of total expenses have decreased from 28.83% in 2008-2009 to 20.69% in 2009-2010.

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. Mission and objectives of the Company are posted on the Website of the Company and are updated from time to time.

7. Audit qualifications

The Company seeks to ensure that targets are achieved with integrity. The Company has been putting all the efforts towards ensuring that financial statements are prepared in the most transparent manner resulting in unqualified financial statements. There have been no significant qualifications.

8. Training of Board Members

DFCCIL is committed to ensure good Corporate Governance. In this regard, it has adopted the practice of furnishing a set of documents/booklets to a director on his /her joining the Board. The set of documents provided includes Annual Reports for the last financial years, Memorandum and Articles of Association, a copy of the Memorandum of Understanding and MOU targets and achievements. This provides the basic information about the Company to the incumbent.

9. Code of Business Conduct & Ethics

The Company has in place the Code of Conduct for Board Members and Senior Level Management duly approved by the Board of Directors. The duly approved Code of Business Conduct and Ethics for Board members and Senior Management came into force w.e.f 1st day of April 2009. In terms of the Code of Business Conduct and Ethics, the annual affirmation that Code of Conduct has been complied with has been obtained from all the Board members and Senior Management Personnel. A declaration signed by the Managing Director affirming the compliance with the Code of Conduct by the Board members and Senior Management Personnel during 2009-2010 is placed at Annexure- “ D”. The Code of Conduct is also posted on the Website of the Company www.dfcc.in

10. Compliance Certificate

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

DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED

Ashish Kumar Gupta
ACS, LL.B.
Company Secretary

ANNEXURE - 'B'

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 2010**

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, 2010 as stipulated in the Guidelines issued for Central Public Sector Enterprises 2010 effective from May 2010 (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.
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 2010, 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 Directors. Further as explained, on appointment of Independent Director(s), the Company has complied the said clause w.e.f. May 14, 2010, the Company has complied with the said clause by re-constitution of Audit Committee.
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 the management has conducted the affairs of the Company.

Sd/-
Ashish Kumar Gupta
Company Secretary
Place : Delhi
Date : 13.09.2010

A-16, Jitar Nagar, Parwana Road, Delhi-110051 • Phone: 011 22025417, 9312210264

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and Developments.

The progress of the country could be judged by the pace of economic, industrial & infrastructural Development. Construction is an integral part of any country's infrastructure and industrial development, being the second largest economic activity next to agriculture. Railways are one of the sectors where construction plays an important role as it helps to establish and maintain the physical infrastructure for the sector. It plays an important role for the core sectors of the economy - these sectors being: crude petroleum, petroleum refinery products, coal, electricity, cement and finished steel - as it provides transportation for the same.

“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. As on date, only two corridors have been sanctioned by the Ministry for construction; however, feasibility studies for an additional four corridors have already been initiated.

Strength

A Dedicated Freight Corridor Corporation with independent management exclusively for construction of critical routes will enable Railways to provide additional capacity in the shortest possible time. Once completed, these corridors will enable a quantum improvement in quality of service, both for the freight segment, which will move over to the dedicated freight corridors and the passenger segment which will be augmented using the released capacity on existing Indian Railways Network. As such, it will be possible for Railways to provide substantially improved transit times, superior reliability and better availability of infrastructure. DFCCIL will enable Railways to develop a market oriented focus.

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. Further, funds are to be provided by bi-lateral/ multi-lateral agencies in the form of loan and because of various covenants which have to be adhered to, there may be additional costs/ delays. A project of this size and scale has not been undertaken by Indian Railways, post independence, and new systems and processes will have to be put in place to ensure that DFCCIL delivers in time and within budget. Initially, the source of traffic would be the diverted traffic from the existing railway network. As such, feeder routes for the DFC need to be strengthened in time so that the DFCs are well connected with the rest of the network.

DFCCIL will need to rely on Ministry of Railways for meeting its Human Resource Requirements. The staff and officers are loaned by Ministry of Railways and they are deployed to DFCCIL for a limited period of time. However, for a project of this size and scale, continuity of manpower is critical. As such, constant churn in staff of DFCCIL may lead to delays in implementation.

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. DFCCIL also provides an unprecedented opportunity to implement new process and product technologies in construction, operation and maintenance of tracks. Since DFCCIL is proposed to be at an 'arms-length' from Ministry of Railways, and since it is a green field company, it provides a great opportunity to institutionalize world class systems and processes without being saddled with legacy systems and 'old' ways of doing things.

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. There

are a number of stakeholders involved – the Ministry of Railways, Planning Commission, Ministry of Finance, State Governments, Japan International Co-operation Agency, World Bank - and each must perform its obligations in time to ensure that DFCs get constructed in time and within the estimated completion cost. Further, short tenures in DFCCIL by staff deputed from Railways may pose a challenge of continuity. Contracting strategies and systems, land acquisition, Rehabilitation & Resettlement, project monitoring mechanisms are quite different on DFCCIL in comparison to Indian Railways and there is a steep learning curve for these areas. As such, constant churn in manpower may seriously affect the progress of various works in DFCCIL.

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 the Government of India. Efforts would be made to secure detailed Social Impact & Environmental Impact Assessment (SIA & EIA) of the Project. DFCCIL plans to implement state of the art Information Technology Systems to ensure that decisions are taken in a transparent and efficient manner. Adequate emphasis on training would ensure that employees of DFCCIL are well equipped to shoulder the responsibility assigned to them.

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.

The outlook for DFCCIL is looking good particularly since it is now being recognized as a project of immense national importance. Land acquisition issues are being resolved amicably and adequate assistance is being provided by Ministry of Railways as well as funding agencies to ensure that the construction gets completed in time.

Road Ahead

- DFCC will provide the basic backbone around which a number of industrial and logistics parks are envisaged to come up.
- 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

While land acquisition process is proceeding well, timely land acquisition is essential for the success of the project. It is being given the highest priority. However, there are concerns related to availability of land in time. Further, tying up all funding resources of the project may affect the pace of the implementation of the project.

Internal Control Systems

In any organisation, an effective internal control system is regarded as a tool to ensure good Corporate Governance practices. 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. The company has robust internal systems and processes in place for the smooth conduct of business, which is adequate and commensurate with the size of the Company. 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. The management review the findings and

recommendations of the auditors and take corrective actions wherever necessary and monitor the implementation of the recommendations.

Human Resource Development and Industrial relations.

During the year under review, the relations remained harmonious and cordial. In the area of Human Resource Development various policies like LTC Policy, Leave Policy, Medical Policy, Company Leased House Policy, pay, Allowances and perks Policy have been notified. A total of 143 persons were employed, majority of whom were on deputation from Indian Railways.

Corporate Social Responsibility

As a practice of Good Corporate Governance, the Corporation is committed to operate in an economically, socially and environmentally sustainable manner, while recognizing the interest of its stakeholders and owes a responsibility towards the welfare of the society beyond the Statutory Obligations.

The Rehabilitation and Resettlement policy of DFCCIL is being designed in such a way so as to give adequate rehabilitation compensation to Project affected People (both the title holders and non title holders). As a policy, DFCCIL is ensuring that wherever common property/resources are getting affected by the project, suitable replacement is provided by DFCCIL so as to avoid any hardship to the community.

Environment Protection and Conservation

As per EA notification dated 14th September, 2006 under Environment Protection Act, 1986 issued by Ministry of Environment and Forest, Environment Impact Assessment is not mandatory for Railway projects. However, in view of World Bank and JBIC Guidelines, detailed EIA studies have been carried out for phase-I of both Eastern and Western Corridors and similar EIA studies are proposed for phase II of both the Corridors. The Alignment has been finalised to avoid/minimize intrusion in forests, wild life sanctuaries, water bodies etc. so as to avoid /minimize damage to important/endangered Flora & Fauna. Where it is unavoidable to fell trees on the proposed alignment, re-plantation activity and forest clearance would be undertaken as per government procedure. There would be negligible impact on the habitat of water body, wild life. Mitigation measures are proposed to minimize the disturbance whatsoever during construction period in order to avoid/minimize any pollution/damage to natural environment. There are no guidelines or standards for noise level from Railways in India. However, adequate mitigation measures are proposed to be adopted wherever noise level might exceed specified general limit.

DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED

Annexure - "D"

Declaration by Managing Director regarding compliance with the Code of Business and Ethics Conduct by BoD members and Senior Manangment during financial Year 2009-2010.

I, Vijay Kumar Kaul, Managing Director, Dedicated Freight Corridor Corporation Of India Limited, do hereby declare that all the members of the Board of Directors and the Senior Management Personnel have affirmed compliance of the Code of Business and Ethics Conduct during 2009-2010.

Place : New Delhi
Date : 23.06.2010

Sd/-
Vijay Kumar Kaul
Managing Director

DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED

DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED

BALANCE SHEET AS AT MARCH 31, 2010

	Schedule No.	AS AT 31.03.2010	AS AT 31.03.2009
(Amount in Rupees)			
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	358,00,00,000	258,23,00,000
Share Application Money		201,13,00,000	-
TOTAL		559,13,00,000	258,23,00,000
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	2	16,99,71,391	14,82,28,376
Less: Depreciation		4,62,75,082	1,60,13,624
Net Block		12,36,96,309	13,22,14,752
Capital Work in Progress		90,80,62,234	42,28,61,882
		103,17,58,543	55,50,76,634
Development Expenditure(Pending Capitalisation)	3	68,75,50,965	35,71,79,792
Current Assets, Loans and Advances			
Sundry Debtors	4	1,35,93,711	1,11,750
Cash and Bank balances		244,94,29,528	107,71,67,985
Other Current Assets		15,82,69,769	53,82,003
Loans and Advances		156,59,02,914	78,32,66,034
		418,71,95,922	186,59,27,772
Less:Current Liabilities and Provisions			
Current Liabilities	5	28,86,60,026	17,08,09,952
Provisions		2,65,45,404	2,50,74,246
		31,52,05,430	19,58,84,198
Net Current Assets		387,19,90,492	167,00,43,574
TOTAL		559,13,00,000	258,23,00,000
Significant Accounting Policies	6		
Notes to the Accounts	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 Jain Chopra & Company
Chartered Accountants

For and on behalf of Board of Directors

Sd/-
(Rajesh Kumar)
Partner
Membership No. 501860
Firm Registration No. 2198 N

Sd/-
(V.K.Kaul)
Managing Director

Sd/-
(R.K. Sinha)
Director / Fin

Place: New Delhi
Date: 30-06-2010

Sd/-
(Meenu Kapoor)
Company Secretary

DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED

DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED

Schedules forming part of Accounts

	AS AT 31.03.2010	AS AT 31.03.2009
(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		
3580000 (Previous year 2582300) Equity shares of Rs 1000/- each fully paid up	358,00,00,000	258,23,00,000
TOTAL	358,00,00,000	258,23,00,000

DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED

Schedules forming part of Accounts

SCHEDULE :2

A- Fixed Assets

BLOCK OF ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	Cost up to 31st March 2009	Additions during the year	Deletions / adjustments during the year	Cost up to 31st March 2010	Depreciation upto 31st March 2009	Depreciation during the year	Depreciation on sale / adjustments	As on 31st March 2010	As on 31st March 2009
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
TANGIBLE ASSETS									
Leasehold Premises Improvement	5,78,71,393	6,79,03,263	3,19,68,780	9,38,05,873	54,25,443	1,50,78,472	-	7,33,01,957	5,24,45,949
EDP Assets	1,52,39,280	34,41,014	1,45,178	1,85,35,116	50,04,469	49,94,357	17,390	85,53,679	1,02,34,811
Office equipment	3,47,95,527	98,69,644	64,20,268	3,82,44,903	28,70,162	62,27,811	14,207	2,91,61,137	3,19,25,365
Furniture and fixtures	99,99,005	19,24,709	87,514	1,18,36,200	15,18,109	18,92,192	1,946	84,27,845	84,80,896
Leasehold Improvement Premises in progress	2,36,35,034	-	2,36,35,034	-	-	-	-	-	2,36,35,034
INTANGIBLE ASSETS									
Computer software	66,88,137	8,61,163	-	75,49,300	11,95,441	21,02,168	-	42,51,691	54,92,696
TOTAL	14,82,28,376	8,39,99,792	6,22,56,774	16,99,71,391	1,60,13,624	3,02,95,001	33,543	12,36,96,309	13,22,14,752
Previous Year	1,10,12,735	13,72,30,641	15,000	14,82,28,376	12,23,020	1,47,93,252	2,648	13,22,14,752	

B- Capital Work In Progress

Earthwork	-	10,31,93,778	-	10,31,93,778	-	-	-	10,31,93,778	-
Bridges under progress	-	13,79,48,764	-	13,79,48,764	-	-	-	13,79,48,764	-
Other Project Expenditure	42,28,61,882	24,40,57,810	-	66,69,19,692	-	-	-	66,69,19,692	42,28,61,882
TOTAL	42,28,61,882	48,52,00,352	-	90,80,62,234	-	-	-	90,80,62,234	42,28,61,882
Previous Year	3,14,53,215	39,14,08,667	-	42,28,61,882	-	-	-	42,28,61,882	-

DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED

Schedules forming part of Accounts

SCHEDULE 3 : DEVELOPMENT EXPENDITURE (Pending Capitalisation)

	For the year ended 31.03.2010	For the year ended 31.03.2009
	(Amount in Rupees)	
Opening balance	35,71,79,792	3,91,54,928
Preliminary Expenditure		2,25,70,712
Preliminary Expenditure written off		-22,570,712
Advertisement Expenses	13,08,138	2,67,52,429
Establishment (Sch.-3A)	17,56,03,404	8,80,73,607
Gratuity	455,854	1,58,681
Staff Welfare	57,22,324	49,44,777
Communication Expenses	70,73,020	51,85,837
Printing & Stationary	86,97,313	78,15,012
Misc. Expenses	5,36,373	9,63,626
Books & Periodicals	24,70,176	5,79,235
Legal & Professional Charges	1,05,61,407	55,99,975
Consultancy Fees	13,86,139	15,81,690
Placement Consultancy Charges	89,96,567	62,64,726
Electricity Expenses	73,98,608	54,29,329
Power & Fuel	2,56,908	61,568
Housekeeping Expenses	73,17,496	48,92,896
Auditor's Remuneration		
- Statutory Audit Fees	441,200	55,150
- Statutory Audit Fees (Previous year)	165,450	-
- Certification fees	-	55,150
Preliminary Expenditure written off	-	2,25,70,712
Meeting & Conference	6,42,834	3,77,286
Rates & Taxes	10,03,755	24,25,400
Rent	12,72,24,247	13,88,14,207
Tours ,Travels and Conveyance	3,74,42,941	2,74,91,304
Repair & Maintenance-others	31,11,423	15,67,550
Annual Subscription Fees-IT Consultancy & Software	22,91,537	18,11,236
Office Expenses	5,41,813	7,64,451
Hospitality Expenses	2,14,112	2,05,504
Office Security Expenses	49,04,360	29,44,599
Loss on Sale of Fixed Assets	67,798	-
Donation	-	18,83,288
Income Tax		
Current year	2,59,30,869	2,47,64,715
Earlier year	(398,663)	63,351
Fringe Benefit Tax	-	15,50,700
Depreciation	3,02,95,001	1,47,93,252
Lease Hold Improvement Written Off	2,82,54,044	-
Prior Period Adjustment (Sch -3B)	-	1,72,92,926
TOTAL	85,70,96,240	45,68,89,097
Less: Interest From FDR (TDS Rs. 99,05,415)	7,61,89,544	7,03,14,282
Sale of Tender	3,12,000	15,06,100
Buisness Support services	77,69,494	31,84,126
Service Charges	23,80,259	33,12,500
Other Income	3,89,672	9,87,491
Foreign Currency Fluctuation	51,952	-
Prior Period Adjustment (Sch-3B)	13,92,925	-
Depreciation Written Back	3,157	-
Interest on Mobilization Advance(Accrued) (TDS Rs. 51,10,232)	5,07,17,224	-
Rent recovered on Sub Lease	3,03,39,048	20,404,806
NET EXPENDITURE TRANSFERRED TO DEVELOPMENT ACCOUNT	68,75,50,965	35,71,79,792

DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED

DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED

Schedules forming part of Accounts

SCHEDULE 3A

	AS AT 31.03.2010	AS AT 31.03.2009
	(Amount in Rupees)	
ESTABLISHMENT EXPENSES		
SALARY	7,13,36,913	4,61,24,199
SALARY ARREAR (40%)	-	37,80,518
SALARY ARREAR A/C	12,28,816	55,00,000
TA/DA - ALLOWANCE	37,70,521	11,44,727
TADK-ALLOWANCE	34,32,000	19,97,044
SALARY ARREAR 2 nd P.C. (IDA)	28,90,191	-
SALARY ARREAR (CDA TO IDA)	1,02,00,000	-
TAX ON PERQUISITES	39,12,337	21,74,600
FOREIGN SERVICE CONTRIBUTION	3,28,13,262	32,487
FURNISHING ALLOWANCES	55,40,009	32,47,550
HOUSE RENT ALLOWANCE	10,58,668	6,12,182
LEAVE ENCASHMENT	7,14,358	4,86,660
OTHER ALLOWANCE - SALARY	-	783
TRANSFER GRANT	-	1,88,974
TRANSPORT ALLOWANCE	24,93,174	13,85,420
CONSOLIDATED TRAVELLING ALLOWENCES	28,07,450	10,29,003
COMPOSIT TRANSF.GRANT	6,58,681	3,95,127
VEHICAL MAINT.	-	7,10,259
SUMPPUTARY ALLOWANCE	32,10,948	-
HOSTEL ALLOWANCE	72,000	-
LEAVE TRAVEL CONCESSION	10,617	-
COMPUTER TRAINING FEE	3,09,317	1,30,832
MEDICAL INDOOR	15,80,508	1,05,121
MEDICAL OUTDOOR	59,54,690	40,70,091
TUTION FEE	21,68,458	11,00,132
LICENSE FEE	58,49,516	42,41,660
LEASE RENT	1,25,19,322	82,03,316
ELECTRICITY -STAFF	4,56,400	
REPAIR & MAINT.-LEASE	6,15,248	14,12,922
TOTAL	17,56,03,404	8,80,73,607

DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED

DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED

Schedules forming part of Accounts

SCHEDULE 3B

Prior Period Adjustment

Particulars	2009-10		2008-09	
	Dr.	Cr.	Dr.	Cr.
Advertisement Expenses	5,053	13,63,284		
Establishment	3,64,815	6,75,177	9,50,498	80,649
Communication Expenses	58,614	68,741		4,466
Staff Welfare				
Printing & Stationery	1,11,404	55,709	4,982	
Books & Periodicals	3,270			
Legal & Professional Charges	3,25,275	35,275	78,651	
Consultancy Fee	13,835	43,000		
Placement Consultancy Charges	59,564	14,857		
Electricity Expenses	4,53,594	15,915		
Housekeeping Expenses	29,889	4,823	10,40,425	
Rent			1,53,29,360	
Tours, Travels and Conveyance	2,31,383	2,16,865	990	
Repair & Maintenance- other	12,144	9,839		1,15,068
Office Expenses	8,213	120		
Hospitality Expenses	44,390			
Office Security Expenses	14,250	70,231	54,437	
Employee Remuneration & Benefits	5,520	13,678		
Misc. Expenses	4,580	359		8,000
F.B.T. A.Y. (2008-09)	25,355		41,766	
Brokerage		1,900		
L.D.A.		6,50,528		
Other Expenses	76,228			
Total	18,47,377	32,40,301	1,75,01,109	2,08,183
Prior Period Adjustment 2009-10		(13,92,925)		
Prior Period Adjustment 2008-09			1,72,92,926	

DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED

DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED

Schedules forming part of Accounts

	AS AT 31.03.2010	AS AT 31.03.2009
(Amount in Rupees)		
SCHEDULE 4		
CURRENT ASSETS ,LOANS AND ADVANCES		
<u>CURRENT ASSETS</u>		
Sundry Debtors (Unsecured Considered Good)		
a.Debts outstanding for a period exceeding six months	-	-
b.Other Debts *	1,35,93,711	1,11,750
*(Debts represent Rent etc. receivable on account of Subleases)		
	1,35,93,711	1,11,750
Cash and Bank balances-		
Balances with Scheduled banks		
Current Accounts	5,23,12,078	14,57,88,985
Deposits A/c	239,71,17,450	93,13,79,000
TOTAL	244,94,29,528	107,71,67,985
<u>OTHER CURRENT ASSETS</u>		
Interest Accrued/Receivable on		
Term Deposits	1,79,32,302	49,96,917
Others (Mobilisation Advance)	4,53,46,543	3,85,086
Expenditure on Land Acquisition-Recoverable from MOR	9,49,90,924	-
TOTAL	15,82,69,769	53,82,003
<u>LOANS AND ADVANCES</u>		
Advances recoverable in cash or in kind or for value to be received (Unsecured Considered Good)		
Security Deposits	3,64,14,712	3,67,61,084
Mobilization Advances	149,58,46,933	69,31,05,000
Advance For PC Arrear Railway	1,69,142	16,95,484
Advance Tax & TDS	2,62,90,402	2,71,75,037
Refundable Income Tax A.Y.(2009-10)	28,08,985	-
Input Service Tax Credit	18,53,634	
Others	25,19,106	2,45,29,429
TOTAL	156,59,02,914	78,32,66,034

DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED

DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED

Schedules forming part of Accounts

	AS AT 31.03.2010	AS AT 31.03.2009
(Amount in Rupees)		
SCHEDULE 5		
CURRENT LIABILITIES AND PROVISIONS		
<u>CURRENT LIABILITIES</u>		
<u>Sundry Creditors</u>		
Micro & Small	-	-
Others	22,33,93,442	10,13,32,848
Other Deposit	41,61,268	1,10,66,674
Security Deposits Received from Supplier & Service Providers	3,52,06,177	2,48,69,389
Other Liabilities	2,58,99,139	3,35,41,041
TOTAL	28,86,60,026	17,08,09,952
 <u>PROVISIONS</u>		
Provision for Income Tax	2,59,30,869	2,47,64,715
Provision for Fringe benefit Tax (Net of advance paid)	-	1,50,850
Provision for Gratuity	6,14,535	1,58,681
TOTAL	2,65,45,404	2,50,74,246

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 generally accepted in India and complying with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India, as applicable and the relevant provisions of the Companies Act, 1956.

2. Use of Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles (GAAP) 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.

- (1) Interest on Bank Deposits is booked on a time proportion basis
- (2) Other items of income are accounted for as and when the right to receive is established.
- (3) Service charges income is recognized as per the terms of the contracts.

4. Fixed Assets & Amortisation

- 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 the same over costs of completed Assets.
- c) Depreciation on individual assets acquired for Rs. 5000/- or less is depreciated at the rate of 100%
- d) Depreciation on additions/deletions to Fixed Assets is provided on *pro-rata* basis from/to the date of addition/deletions.

- e) Depreciation is provided on the written down value method at the rates specified in Schedule XIV to The Companies Act, 1956 except the following in which depreciation is provided on pro-rata basis on the straight-line method over the estimated useful lives of the assets determined :

Laptop	30.00%
Mobile	90.00%

f) Intangible Assets and Amortization

Computer Antivirus Software is amortized over its useful life i.e. one year on pro-rata basis.

- 1) Other Computer software is amortized over the period of three years on pro-rata basis.

g) leasehold Premises Improvement

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

5. 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) Long term employee benefits

The annual gratuity liability is determined based on the actuarial valuation at the end of each year.

6. 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 three years generally, are usually renewable by mutual consent on agreed terms. The aggregate lease rentals payable are charged as rent.

7. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if

- (a) the Company has a present obligation as a result of a past event.
 - (b) a probable outflow of resources is expected to settle the obligation; and
 - (c) the amount of the obligation can be reliably estimated.
-
- (a) Contingent liability is disclosed in case of a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
 - (b) a present obligation arising from past events, when no reliable estimate is possible;
 - (c) a possible obligation arising from past events where the probability of outflow of resources is not remote.

Contingent assets are neither recognised, nor disclosed.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

8. Taxation

Income taxes are computed using the tax effect accounting method, where taxes are accrued in the same period the related revenue & expenses arise. A provision is made for income tax annually based on the tax liability computed, after considering tax allowances & exemptions as per applicable law.

9. Foreign currency transactions

Transactions in foreign currency are accounted for at the exchange rate prevailing on the date of transactions. All Monetary items outstanding at the end of the year are translated at the rates prevailing at the end of the year.

For Jain Chopra & Company

Chartered Accountants

Sd/-
Rajesh Kumar
(Partner)

For and on behalf of the Board

Sd/-
V.K.Kaul
Managing Director

Sd/-
R.K..Sinha
Director Finance

Sd/-
Meenu Kapoor
Company Secretary

DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED

SCHEDULE 7

NOTES TO THE ACCOUNTS

1. Estimated amount of contracts remaining to be executed on capital account and not provided for:

Company's own unexecuted capital commitment Rs.1588,84,38,556/- (Previous Year Rs.1497,52,88,356/-).

2. The Company is in construction stage for work relating to Eastern Section and Western Section for Dedicated Freight Corridor Project. Accordingly, no Profit & Loss Account is being drawn. Instead a Development Account is drawn showing the required information as required by Part II of Schedule VI in respect of Profit & Loss Account.
3. On the basis of information available there are no dues towards Micro, Small and Medium enterprises as defined in the "The Micro, Small & Medium enterprises Development Act 2006" to whom the company owes dues.
4. 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.
5. Provision for Income tax has been made in respect of Income from Interest on Fixed Deposits and Service Charges recovered. However no provision has been made on Interest on Mobilization Advance given to Contractor as the same has been considered as Capital Receipt based on opinion obtained from Consultants. No adjustment has been made for taxes on income as per AS 22, as the Company is in construction stage.

6. Employee Benefits

A sum of Rs. 4,55,854 (Previous Year Rs. 1,58,681) towards Provision for gratuity liability for the year has been made as per Actuarial Valuation as on 31-03-2010. The disclosure required under Accounting standard-15 "Employees Benefit" in respect of defined benefit plan is :

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

A reconciliation of opening & closing Balances of the present value of the retirement benefit (Gratuity) obligation and the effects during the period attributable to each are the following :

Particulars	Amount in RS.
Opening Balance as on 01/04/2009	1,58,681
Interest Cost	11,901
Current service cost	2,67,125
Benefit paid	--
Actuarial (Gain)/ Loss on obligation	1,76,828
Closing Balance as on 31/03/2010	6,14,535

DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED

ACTUARIAL ASSUMPTIONS:

Method Of Valuation :	Project Unit Credit Method
Discount Rate :	7.50%
Salary Escalation Rate:	3%
Mortality rate	LIC (1994-96) published table of Mortality rates

7. 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.

- (a) 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 2010	As at 31 st March 2009
Minimum lease Payments	9,36,24,300	10,69,99,200	-	9,36,24,300

- (b) The Company has sub leased part of premises taken on lease. The total of future minimum sublease payments Rs. 3,45,87,977 (Previous Year Rs . 3,34,37,250) expected to be received under non-cancellable subleases at the balance sheet date.

- (c) Sub lease payments received (or receivable) recognised in the statement of Development Account for the period 2009-10 is Rs. 3,03,14,048 (Previous year Rs. 1,78,33,200)

8. The Company has obtained security deposits amounting to Rs. 2,01,09,779 from Contractors and Sub Tenants in the shape of Fixed Deposit Receipts. Accordingly the same has not been shown as part of assets or liabilities.
9. Security Deposits shown under Loans & Advances include Rs. 2,67,49,800 given to DMRC by way of Fixed Deposit under their lieu. Interest Accrued thereon amounting to Rs. 46,65,282 is included in Interest on Fixed Deposits in Development Account.

10. 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)

DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED

Mr. B.B. Saran	Whole Time Director (PP)
Mr. A. K.Dutta	Whole Time Director (INFRA) w.e.f 01-04-2010
Mr. Deepak Krishan	Part Time Director
Mr. S.S. Khurana	Director & Part Time Chairman
Mr. Pradeep Bhatnagar	Part Time Director
Mr.Gajendra Haldea	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 31/03/2010 Rs.	Year ended March 31/03/2009 Rs.	As at March 31, 2010 Rs.	As at March 31, 2009 Rs.
Remuneration to key Personnel (a) above	See point 11	NIL	NIL	NIL

11. Managerial Remuneration

	Year ended March 31/03/2010 Rs.	Year ended March 31/03/2009 Rs.
Salary & allowances(Including PC & IDA Arrear)	97,19,693	37,20,301
Value of Perks	12,57,115	9,34,958

12. Expenditure in Foreign Currency

	Year ended March 31, 2010 Rs.	Year ended March 31, 2009 Rs.
Subscription fees for IT	18,72,000	17,67,000
Tour & Travel expenses	18,01,687	35,291
Project Consultancy Services	14,93,708	—

13. Land

(a) As per Directions of Ministry of Railways (MOR), the Company is acquiring Land on behalf of MOR in association with Competent Authority nominated by MOR. The Company has incurred expenses amounting Rs. 9.50 crore in connection with acquisition of Land up to 31.03.2010. The same has been shown as recoverable from MOR subject to their confirmation.

(b) Further, Bank accounts have been opened and operated jointly by the Competent Authority & a nominee of the Company. Such Bank Accounts do not form part of the Company's accounts.

14. During the year company has leased part of the 3rd floor to the Ministry of Railways. As advised by MOR as per Presidential Directives vide letter No. 2009/G(Acc.)/31 dated 12.10.2009, Capital expenditure of Rs. 2.83 crores attributed to said leased part premises will not be paid by them, as such the same has been charged to Development Account.

15. During the year the Company has changed the Depreciation policy on Mobile and Laptop. Earlier depreciation on these assets was charged as per Companies Act, 1956 on WDV method. From this year depreciation on these assets has been charged on Straight Line Basis @ 90% Per year in case of Mobile and @30% in the case of Laptop. The net impact of changes in accounting policy on depreciation has resulted in increase in depreciation by Rs. 506309/-.

16. The Company has sent letters to obtain confirmation from respective parties to which few parties have responded. The rest of personal balances are subject to their respective Confirmation.

17. An amount of Rs. 239.71 crores out of share capital / share application money received remained unutilized, and kept in Term deposits with scheduled Banks as on 31st March 2010.

18. Previous Year figures have been regrouped wherever considered necessary.

For Jain Chopra & Company
Chartered Accountants

Sd/-
Rajesh Kumar
Partner

Place: New Delhi
Dated : 30-06-2010

For and on behalf of the Board

Sd/-
(V.K.Kaul)
Managing Director

Sd/-
(R.K.Sinha)
Director Finance

Sd/-
(Meenu Kapoor)
Company Secretary

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	31.03.10		
II. Capital Raised during the year (Amount in Rs. Thousands)			
Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	9,97,700
III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)			
Total Liabilities	59,06,505	Total Assets	59,06,505
Sources of Funds			
Paid-up Capital(Including Share Application Money)	55,91,300	Reserves & Surplus	NIL
Secured Loans	NIL	Unsecured Loans	NIL
Net Deferred Tax Liability	NIL		
Application of Funds			
Net Fixed Assets	17,19,310	Investments	NIL
Net Current Assets	38,71,990	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, 20 10

S.N. PARTICULARS	2009-10 (Amount in Rs.)		2008-2009 (Amount in Rs.)	
1 Cash Flow from Operating Activities				
Net profit before taxation, and extraordinary items			-	
Adjustments for changes in Working Capital:				
Increase in other receivables	(949,006,607)		(764,808,222)	
Decrease in current liabilities	11,78,50,074		13,09,78,966	
Decrease in Provision	14,71,158		1,60,02,919	
(Decrease) in Deferred Tax liability	-		-	
Cash Generated from Operations	-		-	
Income Taxes paid/Received (Net of TDS)	58,70,467		46,9 5,678	
Cash flow from Operations (A)	-	(823,814,908)	-	(613,130,659)
2 Cash from Investment Activities :-				
Purchase of Fixed assets /Development A/C	(812,923,549)		(813,983,534)	
Interest income (Revenue)	-		-	
Net Cash generated from / (used in) Investing activities (B)	(812,923,549)	(812,923,549)	(813,983,534)	(813,983,534)
3 Cash flow from Financing Activities :-				
Proceeds from issuance of Share capital	99,77,00,000		170,23,00,000	
Proceeds from Share Application Money	201,13,00,000		-	
Proceeds from long term borrowings	-		-	
Net Cash generated from / (used in) Financing activities	300,90,00,000	300,90,00,000	170,23,00,000	170,23,00,000
Net Increase/(Decrease) in cash & cash equivalent (A+B+C)		137,22,61,543		27,51,85,807
Cash & Cash equivalent at the beginning of the year		107,71,67,985		80,19,82,178
Cash & Cash equivalent at the closing of the year		244,94,29,528		107,71,67,985
Cash and Cash equivalents comprise		244,94,29,528		107,71,67,985
Cash and Cheques in Hand				
Balance with Scheduled Banks				
On Current Account	5,23,12,078		14,57,88,985	
On term Deposit Account	239,71,17,450		93,13,79,000	

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 Jain Chopra & Company
Chartered Accountants

(Rajesh Kumar)
Partner
Membership No. 501860
Firm Registration No. 2198 N

Place: New Delhi
Date: 30-06-2010

For and on behalf of Board of Directors

Sd/-
(V.K.Kaul)
Managing Director

Sd/-
(R.K. Sinha)
Director / Finance

Sd/-
(Meenu Kapoor)
Company Secretary

Jain Chopra & Company

Chartered Accountants

105, Jyoti Bhawan, Commercial Complex,
Mukherjee Nagar, Delhi-i 10 009
Phone : 27652776, 27652091 Fax : 011-27650155
E-mail jc_company@SifY.COM

AUDITORS' REPORT

TO THE MEMBERS,

DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED.

1. We have audited the attached Balance Sheet of DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LTD as at 31st March, 2010, and the Development Expenditure (Pending Capitalisation), prepared in lieu of the Profit and Loss Account, and the Cash Flow Statement for the year ended on that date, annexed thereto, 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, (The ORDER) issued by the CENTRAL GOVERNMENT in terms of Section 227 (4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate, we enclose in the Annexure a statement on the matters specified in paragraphs 4 of the said Order.
4. Further to our comments in .the Annexure referred to in paragraph 3 above, attention is drawn as under:
 - a) Refer Note No. 5 to Notes to Accounts regarding non provision of Income Tax on Interest on Mobilisation Advances given to contractors

- b) Refer Note No. 13 regarding claim of a sum of Rs.9.50 crores from Ministry of Railways (MOR) towards expenses incurred by the company in the past and shown recoverable from MQR, is subject to the confirmation by MOR.
- c) The company has recognized an income of Rs. 46,65,282/- being interest on security deposit given as per lease agreement with Delhi Metro Railways Corporation Limited (DMRC) by way of a fixed deposit. The terms of lease however provides that an interest free deposit will be provided as security deposit. In absence of a written confirmation from DMRC we are unable to comment on the recognition of the said income. Likewise no income has been recognized in respect of such deposits obtained from the sub tenants.
- d) The company has charged a sum of Rs. 2,82,54,044/- to Development Expenditure (Pending Capitalisation) being the value of assets installed in premises leased to Ministry of Railways and for which no reimbursement has been received by the corporation

Subject to the foregoing we further report that:

- (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes 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 those books.
- (c) The Company's Balance Sheet, Development Expenditure (Pending Capitalisation) prepared in lieu of Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- (d) In our opinion, the Balance Sheet, Development Expenditure (Pending Capitalisation) prepared in lieu of Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956
- (e) In pursuance to the notification No. GSR 829(E) dated 17.7.2003, issued by the Department of Company Affairs; clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956, pertaining to disqualification of Directors is not applicable to a Government Company.

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 principal accounting policies and notes forming part. of the accounts appearing under Schedules 6 and 7 and subject to the consequential effect of, if any, on account of our observations in paragraph 4 above, give the information required by the Companies Act, 1956 in the manner so required and give 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 2010;
- (ii) In the case of the Development Expenditure (Pending Capitalisation) prepared in lieu of Profit and Loss Account, of the Net Expenditure of the. Company for the year ended on

that date ; and

(iii) In the case of the Cash Flow Statement, of the cash flows for the period ended on that date,

Sd/-

Rajesh Kumar

Partner

Membership No. 501860

For Jain Chopra & Company

Chartered Accountants

FRN 02198N

Place : New Delhi

Date : 30-06-2010

ANNEXURE TO THE AUDITORS' REPORT
[Referred to in Paragraph 3 of our report of even date]

1. a) The Company has generally maintained proper records to show the full particulars including quantitative details of fixed assets. However details of exact locations are not available in all cases.
- b) As explained to us, the fixed assets have been physically verified by the Management during the year. We are informed that no material discrepancies were noticed on such verification. The discrepancies noticed have been properly dealt with in the books of account.
- c) The company has not disposed off substantial part of its fixed assets during the year.
2. As informed to us, no loan has been granted or taken, secured or unsecured, to/from Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
3. As per information and explanations given the company has purchased and obtained services for which comparative quotations have not been obtained, We are unable to comment on the same, Subject to the same, in our opinion and according to the information and explanations given to us, the internal control procedures are generally adequate and commensurate with the size of the Company and the nature of its business for the purchase of inventories and fixed assets and for the sale of goods. During the course of our audit, we have not noticed any continuing failure to correct major weaknesses in internal controls.
4. a) According to the information and explanation given to us, there are no contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under the said section.
- b) According to the information and explanation given to us, the Company has not entered into any transaction in pursuance of contracts or arrangements required to be entered in the registers maintained under section 301 of the Companies Act, 1956.
5. During the year, the Company has not accepted any deposit from the public.
6. In our opinion, the internal audit system is commensurate with the size of the Company and nature of its business.
7. a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employee's state insurance, income-tax, sales-tax, wealth tax, custom duty, excise duty, cess and service tax.

According to the information and explanations given to us, there are no undisputed amounts payable in respect of income-tax, wealth tax, sales tax, customs duty, excise duty and cess.

8. The Company does not have accumulated losses at the end of the financial year and has not incurred cash losses during the year and in the immediately preceding year.
9. In our opinion and according to the information and explanation given to us, the Company has no dues towards any financial institution or bank.
10. Based on our examination and according to the information and explanation given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
11. The Company is not a chit fund, Nidhi, mutual benefit fund or a society.
12. The Company is not dealing or trading in shares, securities, debentures and other investments.
13. On the basis of the information and explanations given to us, the Company has not given any guarantees.
14. On the basis of the information and explanations given to us, the Company has not obtained any term loan.
15. In our opinion and on the basis of the information and explanations given to us, the Company has not raised short / long term funds.
16. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained' under section 301 of the Act.
17. The,Company has not issued any debentures during the year.
18. The Company has not raised any money by public issues during the year.
19. We are informed that there has been no fraud committed by or on the company during the year.

Sd/-

Rajesh Kumar

Partner

Membership No. 501860

For Jain Chopra &Company

Chartered Accountants

FRN 02198N

Place : New Delhi

Dated: 30.06.2010

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 2010

The preparation of financial statements of Dedicated Freight Corridor Corporation of India Limited, New Delhi, for the year ended 31 March 2010 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 30 June 2010.

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 2010. 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

Sd/-

(M.K Biswas)

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

Place: New Delhi

Dated: 9 August 2010