



डेडीकेटेड फ्रेट कोरीडोर

Dedicated Freight Corridor Corporation of India Limited

A Govt. of India (Ministry of Railways) Enterprises

ANNUAL REPORT

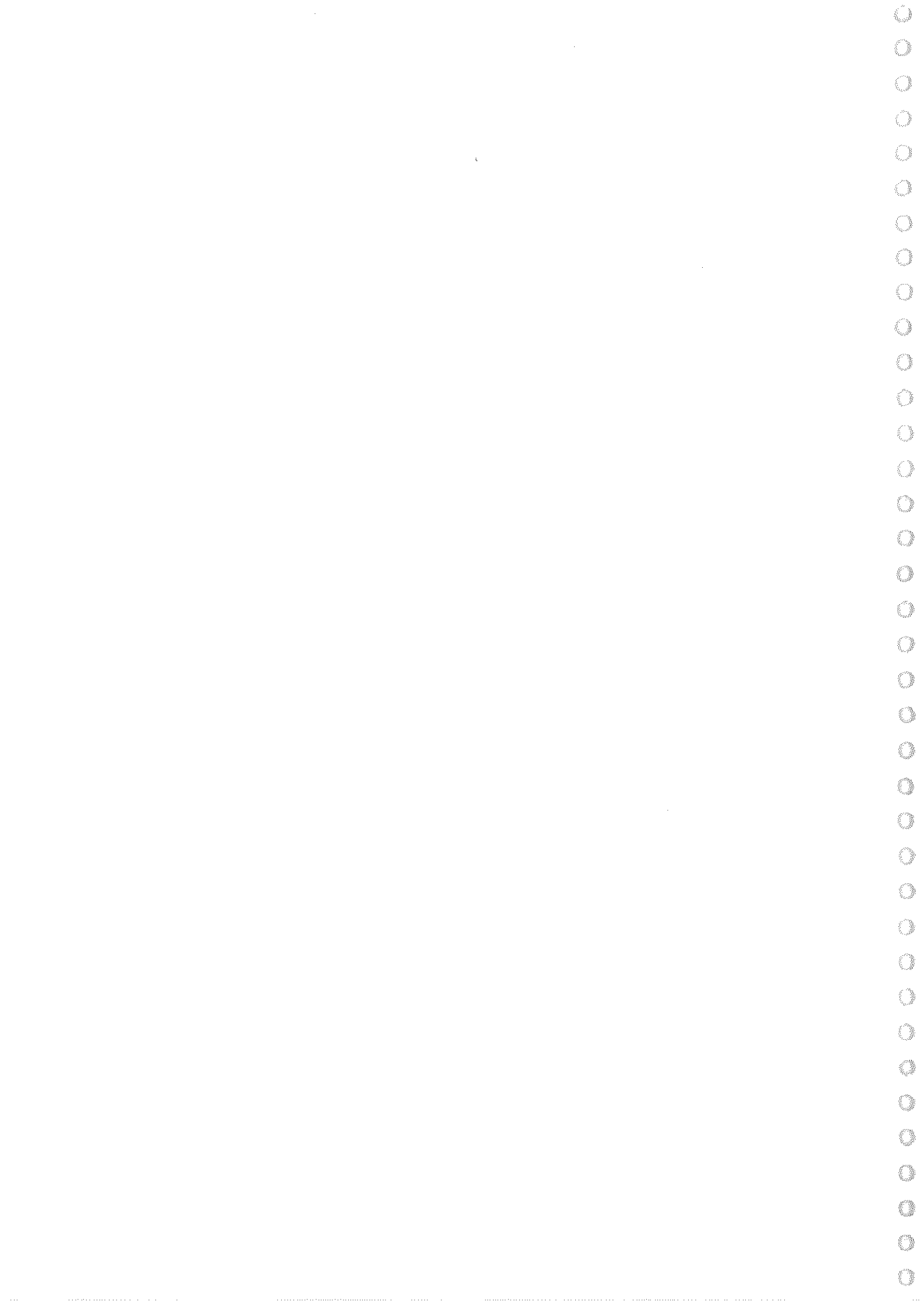
2015-2016

**Regd. Office & Corp. Office : 5th Floor, Pragati Maidan Metro Station Building Complex,
New Delhi -110001**



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NOTICE

NOTICE is hereby given that 10th Annual General Meeting of the Members of Dedicated Freight Corridor Corporation of India Limited (CIN : U60232DL2006GOI155068) will be held on Monday, 26th day of September 2016 at 12:30 Hrs. in Board Room, 5th Floor Pragati Maidan Metro Station Building Complex, New Delhi – 110001 to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statements of the Company for the year ended 31st March, 2016, together with the Report of the Directors' and Auditors' thereon and comments of the Comptroller and Auditor General of India thereon.
2. To take note of the appointment of the Statutory Auditor of the Company and to fix the remuneration by adopting the following resolution.

"Resolved that Members be and hereby took note of appointment of M/s Baweja & Kaul, Chartered Accountants, as Statutory Auditor of the Company for the financial year 2016-2017, by the Comptroller and Auditor General of India, on a remuneration as may be decided, by the Board of Directors on the recommendations of the Audit Committee."

"Resolved further that for future appointments, the "Board" of the Company be and is hereby authorised to fix the remuneration of the Statutory Auditor of the Company on the recommendations of the Audit Committee, as may be appointed, by the Comptroller and Auditor General of India in future."

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the provisions of Section 152(2) and other applicable provisions, if any, of the Companies Act 2013 read with Article 81 of Articles of Association of the Company, the consent of the Company be and is hereby accorded to the appointment made by the President of India vide Railway Board's order no. 2008/Infra/6/1 (Pt. 1) dt, 01.04.2016, of

Sh. Ravi Mathur, as part time Non-Official Director on the Board of Company with immediate effect, for a period of three years or until further orders whichever is earlier.

"RESOLVED FURTHER THAT the Director Finance/ Company Secretary 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."

4. 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 152(2) and other applicable provisions, if any, of the Companies Act 2013 read with Article 81 of Articles of Association of the Company, the consent of the Company be and is hereby accorded to the appointment made by the President of India vide Railway Board's order no. 2008/Infra/6/1 (Pt. 1) dt, 01.04.2016, of Smt. Shakti Munshi, as part time Non-Official Director on the Board of Company with immediate effect, for a period of three years or until further orders whichever is earlier.

"RESOLVED FURTHER THAT the Director Finance/ Company Secretary 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."

5. 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 152(2) and other applicable provisions, if any, of the Companies Act 2013 read with Article 81 of Articles of Association of the Company, the consent of the Company be and is hereby accorded to the appointment made by the President of India vide Railway Board's order no. 2016/PL/61/4 dt, 30.06.2016, of Sh. Y.S. Malik, Additional Secretary, Niti Aayog as part time Government Director on the Board of Company with immediate effect till the holding of the post of Additional Secretary, Niti Aayog or further orders whichever is earlier.

"RESOLVED FURTHER THAT the Director Finance/ Company Secretary 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."

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

"RESOLVED THAT pursuant to provisions of Section 13 and all other applicable provisions, if any, of the Companies Act, 2013 read with relevant Rules for the time being in force, the reviewed Memorandum of Association of the Company be and is hereby approved and replaced with the new Memorandum of Association.

"RESOLVED FURTHER THAT the Dir (Fin) /Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be necessary, proper, expedient, required or incidental thereto".

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

"RESOLVED THAT pursuant to provisions of Section 14 and all other applicable provisions, if any, of the Companies Act, 2013 read with relevant Rules for the time being in force, the reviewed Articles of Association of the Company be and hereby approved and replaced with the new Articles of Association.

RESOLVED FURTHER THAT the Dir (Fin) /Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be necessary, proper, expedient, required or incidental thereto".

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

"Resolved that in terms of section 13, section 61(1)(a) of the Companies Act, 2013 and subject

to approval of the President of India under Article 6 of the Articles of Association of the Company, the consent of the Company be and is hereby accorded to increase the Authorized Share Capital of the Company from Rs. 8000,00,00,000/- (Rupees Eight Thousand Crores) to Rs. 220,00,00,00,000/- (Rupees Twenty Two Thousand Crores) and to make consequent amendments in clause V (Capital Clause) of Memorandum of Association of the Company".

"RESOLVED FURTHER THAT the Dir (Fin) /Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be necessary, proper, expedient, required or incidental thereto".

Place: New Delhi

Date: 31.08.2016

By Order of the Board


Meenu Kapoor

Company Secretary

NOTE:

- 1) The relative Explanatory Statement pursuant to section 102 of the Companies Act, 2013 in respect of the business under Item Nos. 3 to Item 8 of the Notice, are annexed hereto.
- 2) A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company. The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY EIGHT HOURS before the meeting.
- 3) The Notice of the AGM along with the Annual Report 2015-16 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.

Special Case

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

ITEM NO.3

1. Section 152 (2) of the Companies Act, 2013 provides that "*Save as otherwise expressly provided in this Act, every director shall be appointed by the company in general meeting.*" Accordingly, it is mandatory to take the appointments made by the President of India for consent of the shareholders.

2. In terms of Article 81 of Articles of Association of the Company -

(1) The President shall have powers to appoint:

(a) Full time Chairman or, Part time Chairman, full time Managing Director(s) or a full time Chairman-cum-Managing Director and other full time Directors.

(b) The Directors representing the Government of India and / or any State Government; and

(c) Other Directors including independent Directors in consultation with the Chairman.

The Directors appointed by the President shall hold office until removed by him or until their resignation, retirement, death or otherwise.

3. In terms of Railway Board's order no. 2008/Infra/6/1 (Pt. 1) dt, 01.04.2016, the President of India has appointed of Sh. Ravi Mathur, as part time Non-Official Director on the Board of Company with immediate effect, for a period of three years or until further orders whichever is earlier.

No Director or Key Managerial Personnel of the Company and/or their relatives are concerned or interested financially or otherwise in this item of business except Shri Ravi Mathur.

ITEM NO. 4

1. Section 152 (2) of the Companies Act, 2013 provides that "*Save as otherwise expressly provided in this Act, every director shall be appointed by the company in general meeting.*"

Accordingly, it is mandatory to take the appointments made by the President of India for consent of the shareholders.

2. In terms of Article 81 of Articles of Association of the Company -

(1) The President shall have powers to appoint:

- (a) Full time Chairman or, Part time Chairman, full time Managing Director(s) or a full time Chairman-cum-Managing Director and other full time Directors.
- (b) The Directors representing the Government of India and / or any State Government; and
- (c) Other Directors including independent Directors in consultation with the Chairman.

The Directors appointed by the President shall hold office until removed by him or until their resignation, retirement, death or otherwise.

3. In terms of Railway Board's order no. 2008/Infra/6/1 (Pt. 1) dt, 01.04.2016, the President of India has appointed of Smt. Shakti Munshi, as part time Non-Official Director on the Board of Company with immediate effect, for a period of three years or until further orders whichever is earlier.

No Director or Key Managerial Personnel of the Company and/or their relatives are concerned or interested financially or otherwise in this item of business except Smt. Shakti Munshi.

ITEM NO. 5

1. Section 152 (2) of the Companies Act, 2013 provides that *"Save as otherwise expressly provided in this Act, every director shall be appointed by the company in general meeting."* Accordingly, it is mandatory to take the appointments made by the President of India for consent of the shareholders.

2. In terms of Article 81 of Articles of Association of the Company -

(1) The President shall have powers to appoint:

- (a) Full time Chairman or, Part time Chairman, full time Managing Director(s) or a full time Chairman-cum-Managing Director and other full time Directors.
- (b) The Directors representing the Government of India and / or any State Government; and
- (c) Other Directors including independent Directors in consultation with the Chairman.

The Directors appointed by the President shall hold office until removed by him or until their resignation, retirement, death or otherwise.

3. In terms of Railway Board's order no. 2016/PL/61/4 dt, 30.06.2016, the President of India has appointed Sh. Y.S. Malik, Additional Secretary, Niti Aayog as part time Government Director on the Board of Dedicated Freight Corridor Corporation of India Limited with immediate effect till the holding of the post of Additional Secretary, Niti Aayog or further orders whichever is earlier.

No Director or Key Managerial Personnel of the Company and/or their relatives are concerned or interested financially or otherwise in this item of business except Shri Y.S. Malik.

ITEM NO. 6

1. Section 13(1) of the Companies Act, 2013 deals with the alteration of Memorandum of Association – it provides that "Save as provided in section 61, a company may , by a special resolution and after complying with the procedure specified in this section, alter the provisions of its memorandum."
2. The existing Memorandum of Association are based on the Companies Act, 1956 and some clauses of Memorandum in the existing MoA are no longer in conformity with the new Companies Act, 2013.
3. With the enactment of the Companies Act, 2013, few clauses of the Memorandum needed alterations/deletions/modifications, as the case may be, in view of Companies Act, 2013 read with the Rules prescribed therein.

4. The existing MoA was examined by the consultant M/s SGS Associates, Company Secretaries who were hired for the alignment of MoA in line with the provisions of Companies Act, 2013.
5. At 55th Board meeting held on 13.06.2016, vide item no. 55.3.1, the Board considered and approved the proposal for alteration of existing Memorandum of Association of the Company and recommended the adoption of the same in the General Meeting

No Director or Key Managerial Personnel of the Company and/or their relatives are concerned or interested financially or otherwise in this item of business

ITEM NO. 7

1. Section 14(1) of the Companies Act, 2013 deals with alteration of Articles of Association. It provides that subject to the provisions of this Act and the conditions contained in its memorandum, if any, a company may, by a special resolution alter its articles including alterations having the effect of conversion of –

- a) A private company into a public company; or
- b) A public company into a private company;

Provided that where a company a company being a private company alters its articles in such a manner that they no longer include the restrictions and limitations which are required to be included in the articles of private company under the Act, the company shall, as from the date of such alteration, cease to be a private company:

Provided further that any alteration having the effect except with the approval of the Tribunal which shall make such order as it may deem fit.

- 2. The existing Articles of Association ("AoA") is based on the Companies Act, 1956 and several regulations in the existing Articles of Association contain reference to specific sections of the Companies Act, 1956 and some articles in the existing Articles of Association are no longer in conformity with the Act.
- 3. With the enactment of the Companies Act, 2013, few regulations of Articles of Association needed alterations/deletions/modifications, as the case may be, in view of Companies Act, 2013 read with the Rules prescribed therein.
- 4. The existing AoA was examined by the consultant M/s SGS Associates, Company Secretaries who were hired for the alignment of AoA in line with the provisions of Companies Act, 2013.
- 5. At 55th Board meeting held on 02.06.2016, the Board considered and approved the new set of reviewed Articles of Association of the Company and recommended the adoption in the General Meeting of altered Articles of Association of the Company along with the modifications suggested by Dir(OP&BD) and Director (Finance).

No Director or Key Managerial Personnel of the Company and/or their relatives are concerned or interested financially or otherwise in this item of business

ITEM NO. 8

1. At present the Authorized Share Capital of the Company is Rs. 8000, 00, 00,000/- (Rupees Eight Thousand Crores) divided into 800, 00,000/- (Eight Crore) Equity Shares of Rs. 1000 (Rupees One Thousand) each.
2. As on 31.03.2016, the paid Share Capital of the Company was Rs. 4802.67 Crores and Share application money pending allotment was Rs. 2855.60 Crore
3. As per Annual Plan approved by MoR for the year 2016-2017, the expected inflow will be Rs. 11722 Crore including land cost of Rs. 2920 Crore. The detail is as below:

Rs in Crores

Budget Estimate 2016-17				
		EDFC	WDFC	Total
1	Equity	1321	1388	2709
2	Debt (Through MoR)	919	3972	4891
3	Total Excluding land (1+2)	2240	5360	7600
4	Land	1420	1500	2920
5	Total including Land (3+4)	3660	6860	10520
6	Add EDFC II Loan (Direct Funding Loan Component)	898		898
7	Add EDFC III Loan (Direct Funding Loan Component)	304		304
8	Total BE including debt portion of EDFC II/EDFC III to be given by World Bank (5+6+7)	4862	6860	11722

4. After the issue of shares in respect of share application money pending allotment, (i.e Equity of Rs. 2855.6041 crores received in FY 2015-2016) the issued, subscribed and paid up capital of the company would be Rs. 7658.27 Crore and with inflow of funds (budgeted-Rs. 2709 Crore) towards equity in 2016-17, issued, subscribed and paid up capital of the company would cross the authorized share capital.
5. As per MoR Letter no. 2013/Infra/6/30 dt. 02.07.2015, the revised cost estimate of Rs. 81459/- Crores has been approved, i.e., EDFC - Rs. 26674 Crore, WDFC – Rs. 46718 Crore and Land - Rs. ~~8667~~⁸⁰⁶⁷ Crore. Including interest during construction, the equity requirement of the project comes to Rs. 21045 Crores (which includes Rs. 5316 Crore as IDC). Assuming that IDC will be funded as equity contribution by MoR, the Authorized Capital should be increased up to Rs. 21045 Crore.

6. As per the Delhi Stamp Act, the increase in Authorized Capital attracts the stamp duty, payable
@ of 0.15% of the amount of increase in authorized Capital subject to maximum of Rs.25 Lakhs. Every time the Authorized Capital is increased from the present limit of Rs.8000 crore, the maximum amount of stamp duty is payable. In this scenario, it is advisable to increase the present Authorized Capital to the maximum permissible limit.
7. In view of Clause (3), (4), (5) & (6) above, it is proposed to increase the Authorized Share Capital of the Company from Rs. 8000,00,00,000/- (Rupees Eight Thousand Crores) to Rs. 220,00,00,00,000/- (Rupees Twenty Two Thousand Crores) in terms of the provisions of Companies Act, 2013.
8. Article 6 (a) of Article of Association of the Company provides that –
Subject to the approval of the President, the Board may from time to time, with the sanction of the Company in a general meeting, increase the share capital by such sum to be divided into shares of such amounts as the resolution shall prescribe.
9. Following sub-sections of Section 13 of the Companies Act, 2013 provides that –
 - (1) Save as provide in section 61, a company may, by a special resolution and after complying with the procedure specified in this section, alter the provisions of its memorandum.
 - (2) Save as provided in section 64, a company shall, in relation to any alteration of its memorandum, file with the Registrar –
 - (a) the special resolution passed by the company under sub-section (1).
10. Pursuant to Section 61 (1) (a), a limited company having a share capital may, if authorized by its articles, alter its memorandum in its general meeting to increase its authorized share capital by such amount as it thinks expedient.
11. Pursuant to Section 64 (1) (a), where a company alter its share capital in any manner specified in sub-section (1) of section 61, the notice of such alteration or increase shall be filed by the company with the Registrar in Form No. SH -7 along with the fee.
No Director or Key Managerial Personnel of the Company and/or their relatives are concerned or interested financially or otherwise in this item of business

PROXY FORM

[Pursuant to the provisions of Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: _____

Name of the Member(s): _____

Registered Address: _____

E-mail ID: _____

Folio No./ Client ID: _____

DP ID: I/We being the Member(s) of _____ equity shares of Rs. 1000 each of Dedicated Freight Corridor Corporation of India Limited hereby appoint:

1. Name:

E-mail Id:

Address:

Signature: _____ or failing him

2. Name:

E-mail Id:

Address:

Signature: _____ or failing him

3. Name:

E-mail Id:

Address:

Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the _____ Annual General Meeting/ Extraordinary general meeting of the Company, to be held on _____ at _____ at _____ and at any adjournment(s) thereof, in respect of the resolutions, as indicated below:

Resolution No.

- 1.
- 2.
- 3.

Signed: this _____ day of _____

Signature of shareholders: _____

Affix Revenue Stamp

Signature of the Proxy holder(s): _____

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED

Registered & Corporate Office: 5th Floor, Pragati Maidan, Metro Station Building Complex,
New Delhi-110001.

(CIN: U60232DL2006GOI155068)

Attendance Slip

Registered Folio : _____

Name : _____

Address : _____

I/ we hereby record my/our presence at the 10th Annual General meeting of the Company at its Registered Office at 5th Floor, Pragati Maidan, Metro station Building Complex, New Delhi-110001, on Monday, 26.09.2016 at 12.30 Hrs.

Signature of the Shareholder/ Proxy Present: _____

DIRECTORS' REPORT

Ladies /Gentlemen,

Your Directors have pleasure in presenting the Tenth Annual Report of the Company along with the Financial Statements for the year ended 31st March 2016.

DFCCIL has done exceedingly well during the financial year 2015-2016 in all domains ranging from incurring Capital Expenditure, Award of Contract to Physical Execution of the Work. Some of the major highlights are:

1. Highlights

- i. There was a threefold increase in Capital expenditure from Rs 2897 Crores in 2014-15 to Rs 8508 Crores in 2015-16. As on 31st March, 2016, the Cumulative expenditure including cost of land is Rs. 21750.52 Crore.
- ii. Contracts worth Rs. 21,005 Crores were awarded as against contracts worth Rs. 13000 Crore finalized during last 6 years. Further, contracts worth Rs 7647 Crores have been finalized in the current financial year. With this, Civil Contracts for 2473 kms (87%) and Electrical & S&T contracts for 2188 kms (78%) have been awarded.
- iii. Progress of Works:
 - a. First Goods train was run on DFC track from Durgauti to Sasaram (56 km) on 30.03.2016.
 - b. The progress of Earthwork & Concreting in Rewari- Iqbalgarh section of WDFC and Khurja-Kanpur section of EDFC was further accelerated. Track linking by Mechanized track laying machine was started at 3 locations viz. Bhadan, Maitha & Daudkhan in EDFC and at Bhagega in WDFC. Track linking of 342 km in EDFC & WDFC has been completed till date.
 - c. Trials of monitoring the progress of work through Drone was conducted in 42 kms in WDFC & 56 kms in EDFC.
 - d. Due to constant persuasion with State Governments, they have agreed to share cost of ROBs on 50:50 basis. This has resulted in consent for 121 ROBs from 9 different states received, leading to savings of Rs. 2400 crores approx. to Ministry of Railways.
- iv. Funding arrangements: Loan amount of US\$ 650 Million was sanctioned by World Bank on 30.06.2015.
- v. With the intervention of Hon'ble MR & Chief Minister of Maharashtra, the land rate of CIDCO reduced from Rs. 84 Crores/Ha to Rs. 42 Crores/Ha for 14 Ha of land resulting in saving of Rs. 608 Crores.

2.1 Financial Statements

Financial Statements for financial year 2015-2016 have been prepared in accordance with the Schedule III of the Companies Act, 2013. The Corporation has incurred the following expenditure during the year 2015-2016:

A) Capital Expenditure on Project Execution was as under :

(Rupees in Crore)

Description	As at 31.03.2015	During Financial Year 2015-16	As at 31.03.2016
CAPEX (Without cost of land)			
Tangible assets	11.83	3.13	14.96
Intangible assets	0.41	0.99	1.40
Capital work in Progress	3,272.10	2,505.06	5,777.16
Assets under development	9.31	0.59	9.90
Capital Advances	2836.27	1,653.20	4489.47
Total Capex (Without cost of land)	6129.92	4,162.97	10,292.89
COST OF LAND (Borne by MOR)	7,112.81	4,344.82	11,457.63
Total Capex with cost of land	13,242.73	8,507.79	21,750.52

B) DEVELOPMENT ACCOUNT

During the year the balance of Development Account ₹ 280.59 Crore has been transferred to Capital work in progress.

(Rupees in crore)

Particulars	For year ended 31.03.2016	For year ended 31.03.2015
Employee benefit expenses	88.97	70.00
Finance cost (Including Interest)	153.69	90.65
Depreciation & amortization expenses	4.09	2.77
Administration & Other expenses	66.86	54.13
Sub-Total	313.61	217.55
Forex variation (Loss/(Gain))	3.27	(2.10)
Less : Other Income	36.29	26.04
Total Transferred to CWIP	280.59	189.41

C) Dividend

Your Directors recommend 'No' dividend, as the company is under construction phase.

D) An amount proposed for transfer to reserve: NIL

2.2 SOURCE OF FUND : Capital Structure

As on 31st March 2016, the Authorized Share Capital of Company stands at ₹ 8000,00,00,000 (Rupees Eight Thousand Crores) divided into 8,00,00,000 (Eight Crores) Equity shares of ₹ 1,000/- each.

As on 31.03.2016, the Company's paid up Share Capital was ₹ 4802, 66, 88,000 (Rupees Four Eight Zero Two Crore Sixty Six Lac Eighty Eight Thousand only) divided into 480, 26,688 (Four Crore Eighty Lac Twenty Six Thousand Six Hundred Eighty Eight only) Equity Shares of ₹ 1000 each and Share Application Money was ₹ 2855.60 Crore. The Paid up Capital of the Company has been enhanced on account of equity contribution from Ministry of Railways. The capital structure was as under:

(Rupees in crore)

PARTICULARS	As at 31.3.2016	As at 31.3.2015
EQUITY FUNDING		
Shareholder's Fund	4,975.97	3,825.78
Share application money pending allotment	2,855.60	1,087.00
DEBT FUNDING		
JICA	1869.57	912.86
IBRD	1402.60	528.22
Total	11,103.74	6,353.86

2.2.1 Debt Funding

- (i) **Western Dedicated Freight Corridor - Phase I (Vadodara – Rewari) 947 km & Phase II (Vadodara – JNPT and Rewari - Dadri) 557 km (JICA) – Consultancy.**

The Loan Agreement ID-P205 for Engineering Services Consultancy (Phase-I) for 2.606 Billion Japanese Yen for Vadodara – Rewari section of 947 km was signed with JICA and funds to the tune of ₹ 120.56 Crore have been utilized up to 31.03.2016.

Another loan Agreement ID-P212 for Engineering Services Consultancy (Phase II) (Vadodara - JNPT and Rewari-Dadri) – 557 km for 1.616 Billion Japanese Yen was signed with JICA and INR 70.92 Crore have been utilized in this loan up to 31.03.2016.

ii) Western Dedicated Freight Corridor - Phase I (Vadodara – Rewari) 947 km (JICA) - Construction

The Loan Agreement ID-P209, first tranche for construction in the Phase I, for 90.262 billion Japanese Yen was signed with JICA and INR 1639.33 Crore have been utilized in this loan up to 31.03.2016.

The loan agreement ID-P253, second tranche for 103.664 billion Japanese Yen was signed with JICA on 31-3-2016. No expenditure is incurred up to 31.03.2016 against ID-P253.

iii) The Loan Agreement for WDFC Phase-II (Main Loan)

The Loan Agreement ID-P229, first tranche for construction in the Phase II, for 136.119 Billion Japanese Yen was signed with JICA and INR 38.76 Crore have been utilized in this loan up to 31.03.2016.

iv) Funding for Mughalsarai-Kanpur-Khurja-Ludhiana section (1131 Kms) and Khurja-Dadri Section of Eastern Dedicated Freight Corridor.

World Bank gave 'in principle' approval to finance Eastern Dedicated Freight Corridor from Mughalsarai – Ludhiana and Khurja – Dadri Section. Total Loan of US\$ 2.725 billion was agreed for the project.

- Loan agreement for US\$ 975 million for EDFC -1 from Khurja – Bhaupur (343km) vide Loan No. 8066 IN was signed on 27.10.2011 and ₹1115.60 Crores have been utilized in this loan up to 31.03.2016.
- Loan No. 8318 –IN for US\$ 1100 Million was sanctioned by the World Bank for EDFC Project – 2 from Bhaupur – Mughalsarai. Loan agreement was signed on 11.12.2014 and ₹210.38 Crore have been utilized in this loan up to 31.03.2016.
- Technical negotiation for Eastern Dedicated Freight Corridor 3 Project from Khurja- Sahnewal section was held on 13.05.15 which was upgraded to negotiation on 27.05.15. Loan amount of US\$ 650 million has been sanctioned by the World Bank on 30.06.2015. Advance procurement

has already been permitted by the World Bank. Loan Agreement will be signed in October/November 2016.

- Khurja- Dadri Section has been added in EDFC-1 through re-structuring of loan against savings.

3. THE STATE OF THE COMPANY'S AFFAIRS.

The following Contracts have been awarded during the Financial Year 2015-2016:

(A) WESTERN DEDICATED FREIGHT CORRIDOR (Total 1504 Km Length): (WORKS & CONSULTANCY)

- Civil Contracts:

1. **Design & Construction of Civil, Building Track Works for double line railway for Vaitarna-Sachin Section (CTP-12):** The civil & track contract CTP-12 for 186 Km., amounting to INR 2171 Crores, was awarded on 22.05.2015 to M/s Express Freight Consortium. Contract agreement was signed on 18.08.2015. This contract has commenced on 15.10.2015. Completion period of the contract is 208 weeks i.e. 09.10.2019.
2. **Design & Construction of Civil, Building Track Works for double line railway for Sachin-Vadodara Section (CTP-13):** The civil & track contract CTP-13 for 134 Km., amounting to INR 2158 Crores, was awarded on 22.05.2015 to M/s Express Freight Consortium. Contract agreement was signed on 18.08.2015. This contract has commenced on 15.10.2015. Completion period of the contract is 208 weeks i.e. 09.10.2019.
3. **Design & Construction of 08 Special Steel Bridges over Water Main and Railways and across Creek and Rivers in JNPT-Vadodara Section (CTP-15A):** The special steel bridges contract CTP-15A, amounting to INR 518 Crores, was awarded on 03.06.2015 to M/s IIS-L&T Consortium. Contract agreement was signed on 06.08.2015. This contract has commenced on 15.10.2015. Completion period of the contract is 208 weeks i.e. 09.10.2019.
4. **Design & Construction of Special Steel Bridge across Narmada River with RUB in JNPT-Vadodara Section (CTP-15B):** The special steel bridges contract CTP-15B, amounting to INR 331 Crores, was awarded on 03.06.2015 to M/s IIS-L&T Consortium. Contract agreement was signed on 06.08.2015. This contract has commenced on 15.10.2015. Completion period of the contract is 208 weeks i.e. 09.10.2019.

5. **Design & Construction of 03 Special Steel Bridges over existing Railways and across Rivers Yamuna & Hindon in Rewari-Dadri Section (CTP-15C):** The special steel bridges contract CTP-15C, amounting to INR 214 Crores, was awarded on 03.06.2015 to M/s IIS-L&T Consortium. Contract agreement was signed on 06.08.2015. This contract has commenced on 15.10.2015. Completion period of the contract is 208 weeks i.e. 09.10.2019.
 6. **Design & Construction of Civil, Building Track Works for double line railway in Iqbalgarh - Vadodara Section (CTP-3 R):** The civil contract CTP-3 (R) for 298 Km., amounting to INR 4744 Crores, was awarded on 25.02.2016. The contract is likely to commence in the first quarter of 2016-17.
- **Electrical, Mechanical and Signal & Telecom (S&T) Contracts:**
 1. **Design & Construction of Signal & Telecom Works for double line railway in Rewari-Vadodara Section (STP-5):** The S&T contract STP-5 for 947 Km., amounting to INR 1780 Crores, was awarded on 22.06.2015 to M/s S.A.F.E Consortium. Contract agreement was signed on 10.12.2015. This contract has been commenced on 11.01.2016 the period of contract is 338 weeks.
 2. **Design & Construction of Train Protection & Warning System (TPWS) Rewari-JNPT Section i.e. for Phase-I & Phase-II excluding Rewari-Dadri section of 127 Km (STP-5A) :** The system contract (TPWS) STP-5A for 1377 Km., amounting to INR 609 Crores, was awarded on 12.08.2015 to M/s I-N Signal Consortium. The contract is likely to commence in the first quarter of 2016-17.
 3. **Design, Supply, Installation, Testing and Commissioning of 2x25kV Traction Power Supply System, Traction Sub-Station, Auxiliary Stations, Switching Stations, Auto Transformer Stations and SCADA system in JNPT-Vadodara Section (EMP-16):** The electrical & mechanical contract EMP-16, for 422 Km., amounting to INR 1213 Crores, was awarded on 21.01.2016 to M/s Sojitz-L&T Consortium. Contract agreement was signed on 31.03.2016. The contract has commenced w.e.f. 02.05.2016.

- **Consultancy Contract of Phase-II:**

PMC Services for Construction of Double line Electrified Railway Track with S&T and related Infrastructure for Dadri-Rewari & Vadodara-JNPT Section (Apprx. 557 Km) of Phase-II (PMC-2R): The consultancy contract PMC-2R for 557 Km., amounting to INR 555 Crores, was awarded on 15.02.2016. Contract agreement was signed on 21.03.2016. This contract has commenced on 31.03.2016

(B) EASTERN DEDICATED FREIGHT CORRIDOR: (WORKS & CONSULTANCY).

1. Design, Construction, Supply, Installation, Testing and Commissioning of 2x25kV AC 50 Hz Electrification, Signaling And Telecommunication and Associated Works of Double Track Railways Lines under Construction on a Design Build Lump Sum Basis for Bhaupur- Khurja Section of Eastern Dedicated Freight Corridor Package-104 – Contract awarded to Alstom Consortium on 21.07.2015. Cost of the work is INR 1497.11 Crores. Contract Agreement signed on 30.11.2015.
2. Quality and Safety Audit Consultancy for Mughalsarai – New Bhaupur Section. Contract awarded to GETINSA – S.N. BHOBE (JV) on 06.07.2015. Cost of the Consultancy Contract is USD 1,193826.45 + INR- 134689500. Contract Agreement signed on 18.11.2015.

(C) OPERATIONS & BUSINESS DEVELOPMENT DEPARTMENT.

- (i) Institutional Strengthening Module of DFCCIL (ISMD)
- (ii) Development of Marketing and Commercial Strategies for DFCCIL and its Catchment areas (DMCSD)
- (iii) Heavy Haul Rail Capacity Development in India (HHRCDI)
- (iv) Consultancy Services for Non-discriminatory Access for DFCCIL (CSNDAD).

3.2 CONTRACTS AWARDED & LIKELY TO BE AWARDED IN THE CURRENT FINANCIAL YEAR 2016-2017:

(A) WESTERN DEDICATED FREIGHT CORRIDOR (WORKS & CONSULTANCY):

Following tenders have been finalised during FY 2016-17 till date:

1. **Civil and Track Package (CTP-11) for the section between Vaitarna to JNPT:** The civil contract CTP-11 for 102 Kms from Vaitarna – JNPT amounting to Rs. 3949 cores has been awarded on 15.07.2016 to M/s Express Freight Railway Consortium.

2. **Signal & Telecom Package (STP-17) for the section Makarpura-JNPT:** The Signalling contract STP-17 for the section from Makarpura-JNPT amounting to Rs. 631 crores has been on 13.05.2016 to M/s Sojitz- L&T Consortium.

Following tenders are likely to be finalised during FY 2016-17:

3. **Integrated Contract Package (CTP-14) for section between Rewari-Dadri (127 Km):** The bids for CTP-14 (Civil & Track, Electrical & Mechanical and S&T integrated package) has been received. It is expected that LOA for this package would be issued by 2nd quarter of FY 2016-17.

(B) EASTERN DEDICATED FREIGHT CORRIDOR: (WORKS & CONSULTANCY).

Following contracts have been finalized during the current financial year:

1. Design and Construction of Formation in Embankments /Cuttings including blanketing, Viaducts, Rail Flyover, Bridges (Major, Minor & RUBs), from Howrah end approach of DFC Sone bridge to Chirailapathu station of IR towards Howrah & to New Sonnagar station towards Garhwa and at Delhi-on-Sone yard from Km. 3.16 to Km. 5.38 in connection with Eastern Dedicated Freight Corridor. Cost of work is INR 365.22 crores. Awarded in April-2016.
2. PMC for Design and Construction of Formation in Embankments /Cuttings including blanketing, Viaducts, Rail Flyover, Bridges (Major, Minor & RUBs), from Howrah end approach of DFC Sone bridge to Chirailapathu station of IR towards Howrah & to New Sonnagar station towards Garhwa and at Dehri-on-Sone yard from Km. 3.16 to Km. 5.38 in connection with Eastern Dedicated Freight Corridor. Cost of Consultancy Contract is Rs. 8.6 crores. Awarded in June-2016.
3. Design, Supply, Construction, Signaling, Telecommunication and associated works of double track railway lines under construction on a design build lump sum basis for Mughalsarai - New Bhaupur section of Eastern Dedicated Freight Corridor, Testing and Commissioning of Contract Package CP 203. Awarded on 24.06.2016 to Beijing National Railway Research and Design Institute of Signal and Communication Group Company Ltd. China for Rs. 471 Crores.
4. Design Supply Construction installation, Testing and Commissioning of 2X25KV, 50HZ, AC traction Electrification and associated works of Railways lines on a design build lump- sum basis

for Mughalsarai – New Bhaupur (excl.) Section of Eastern Dedicated Freight Corridor Contract Package CP 204. Awarded on 03.06.2016 to L&T – INABENSA JV for Rs. 847 Crores.

5. Design and Construction of Civil, Structures and Track Works for Railway, involving Formation in Embankments/Cuttings, Ballast on Formation, Track Works, Bridges, Structures, Buildings, Yards, Integration with Indian Railways existing Railway System and Testing & Commissioning on Design-Build Lump Sum Basis for Sahnewal-Pilkhani (approximate 175 route km of single line) Sections of Eastern Dedicated Freight Corridor, Contract Package -301. Awarded on 03.06.2016 to GIL – TPL JV for Rs. 1769.4 Crores.
6. Design and Construction of Civil, Structures and Track Works for Railway, involving Formation in Embankments/Cuttings, Ballast on Formation, Track Works, Bridges, Structures, Buildings, Yards, Integration with Indian Railways, Existing Railway System and Testing & Commissioning on Design-Build Lump Sum Basis for Dadri-Khurja (approximate 46 route km of double line) Sections of Eastern Dedicated Freight Corridor. Package no 302. Awarded to GIL – TPL JV for Rs. 511.3 Crores.

Following contracts are likely to be finalized during the current financial year:

7. Project Management Consultancy Services for Pilkhani – Sahnewal Section. **Likely to be awarded by August 2016.**
8. Project Management Consultancy Services for Khurja - Dadri Section. **Likely to be awarded by August 2016.**
9. Quality and Safety Auditing Consultancy Services for Khurja – Sahnewal and Khurja – Dadri Section. **Likely to be awarded by November 2016.**
10. Project Management Consultancy Services for Khurja - Pilkhani Section. **Likely to be awarded by January 2017.**
11. Design and Construction of Civil, Structures and Track Works for Railway, involving Formation in Embankments/Cuttings, Ballast on Formation, Track Works, Bridges, Structures, Buildings, Yards, Integration with Indian Railways, Existing Railway System and Testing & Commissioning on Design-Build Lump Sum Basis for Khurja – Pilkhani Section (approximate 225 route km of single line) of Eastern Dedicated Freight Corridor. Package no 303. **Likely to be awarded by March 2017.**
12. Design and Construction of Track and Track related works between Durgauti – Mughalsarai and New Karwandiya- New Sonnagar/Chirailapathu. **Likely to be awarded by December, 2016.**

13. PMC for Design and Construction of Track and System works between Durgauti – Mughalsarai and New Karwandiya- New Sonnagar/Chirailapathu. **Likely to be awarded by March 2017.**
14. Design, Supply, Construction, Installation of 2X25KV Electrification, Signalling and telecommunication and associated works including testing and commissioning for double track Electrified Railway line on design build lump sum basis from Mughalsarai to New Sonnagar and Chirailapathu Station (excluding New Karwandiya – New Durgauti Section) --- **Likely to be awarded by March, 2017.**

3.3 PHYSICAL PROGRESS OF THE CONTRACTS:

3.3.1 WESTERN DEDICATED FREIGHT CORRIDOR

A. Works Contracts: JICA Funded

➤ WDFC Phase – I

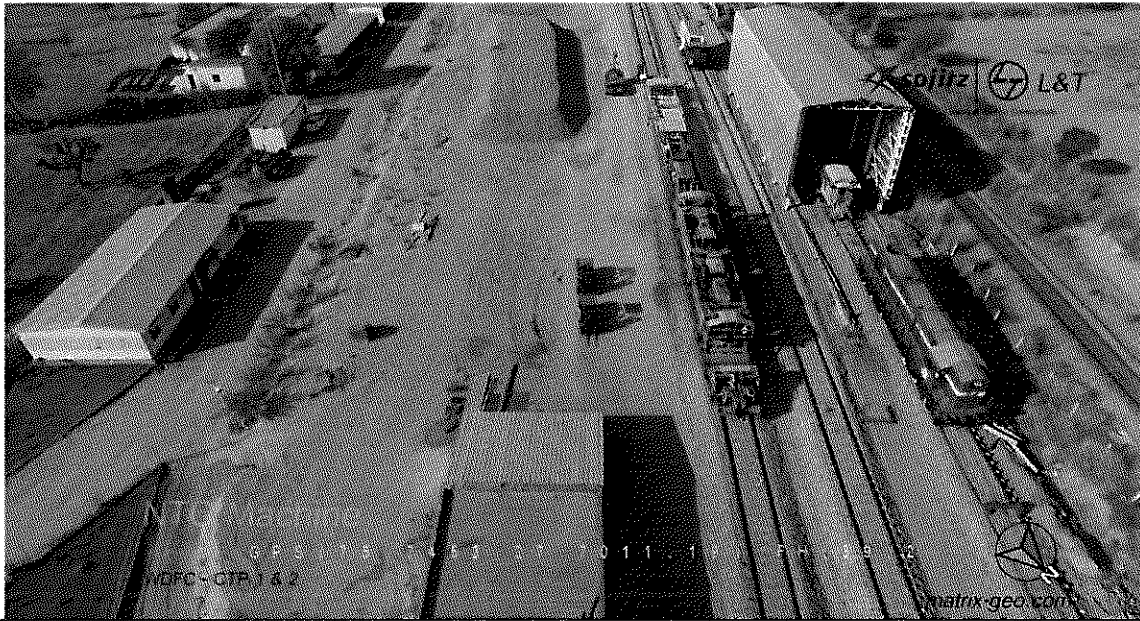
1. Civil & Track Package for Rewari-Iqbalgarh section (CTP-1 & 2):

- Contract executed in August 2013 at a value of approx. Rs. 6699/- crore.
- Concrete Sleeper Plant at Bhagega, has been commissioned and approximate 2,00,000 sleepers manufactured.
- About 36.11% physical progress and 26.8% financial progress has been achieved.
- 54 % of total earthwork has been completed.
- Work on 8 important, 71 no. major, 381 minor bridges, 2 RFOs & 147 RUBs in progress. 156 no. minor bridges completed.
- 593.33 TKm (71200MT) EN60E1 1080HH Rails has been procured / imported from Japan.
- 20.4 TKm track has been linked.





WDFC - Work at Major Bridge no. 203 in progress



**Track laying with NTC Machine in progress
(Monitoring through Drone technology)**



2. Spl. Steel Bridges across Rivers- Mahi & Sabarmati(CTP-3A(R)):

- Letter of Acceptance was issued on 26.08.2014 and work commenced on 20.11.2014. The scope of work includes design and construction of 585 m long bridge over river Mahi and 536 m long bridge over river Sabarmati.
- Soil investigation and Hydrological study has been completed for both bridges.
- Design and drawings are under finalization. Work on sub-structure and fabrication of super structure will commence shortly.
- The construction work has been started on seven wells of each of the bridge. About 7% physical progress and 12% financial progress has been achieved.

3. Electrical & Mechanical Works of WDFC Phase-I (EMP-4):

Site investigation and measurement of earth resistivity works are in progress. Basic design, OHE simulation study and finalization of transformer rating are in progress.

4. Signaling & Telecommunication Works for Rewari-Vadodara (STP-5):

Documentation & design works are under progress.

➤ **WDFC Phase – II**

1. Civil & Track Package for Vaitarna-Sachin section (CTP-12) & Sachin-Vadodara section (CTP-13):

- Contract executed in August 2015 and work commenced on 15.10.2015. The scope of work includes design and construction of civil & track work of 186 Km long Vaitarna-Sachin & 133 Km long Sachin-Vadodara section.
- Verification of site data including Survey, Soil investigation and Hydrological study work is in progress. The design work is also in progress.

2. Special Steel Bridges Packages (CTP-15A, CTP-15B & CTP-15C):

- For all the three contracts Letter of Acceptance was issued on 03.06.2015.
- Contracts executed in August 2015 at a value of approx.:
 - For CTP-15A - Rs. 518 Crore.
 - For CTP-15B - Rs. 331 Crore.
 - For CTP-15C - Rs. 214 Crore

- Work commenced on 15.10.2015 for all three. The scope of work includes design and construction of special steel bridges work of JNPT-Vadodara and Rewari-Dadri section.
- Verification of site data including Soil investigation and Hydrological study work is in progress. The design work is also in progress.

B. Consultancy Contracts: JICA Funded

1. Project Management Consultancy for WDFC Phase-I (Rewari-Vadodara):

- PMC contract was awarded to a consortium led by Nippon Koei, Japan in February 2014.
- The scope of work involves supporting DFCCIL in implementation of 920 km long WDFC Phase-I, through stages of design, construction, testing and commissioning. The role of PMC will be that of Engineer in Design-Build Lump Sum contracts of WDFC Phase-I.
- Contract was executed in March 2014 and the work is in progress in managing the contracts of CTP-1&2, CTP-3(R), CTP-3 A(R), EMP-4, STP-5 & STP-5A.

2. Project Management Consultancy for WDFC Phase-II (Dadri-Rewari and Vadodara-JNPT):

- PMC contract was awarded to a consortium led by Oriental Consultant Global Company Limited Japan on 15th February 2016.
- The scope of work involves supporting DFCCIL in implementation of 557 km long WDFC Phase-II, through stages of design, construction, testing and commissioning. The role of PMC will be that of Engineer in Design-Build Lump Sum contracts of WDFC Phase-II.
- Contract was executed in March 2016 and the work is in progress in managing the contracts of CTP-11, CTP-12, CTP-13, CTP-14, CTP-15A, CTP-15B, CTP-15C, EMP-16, STP-5A & STP-17.

3. Engineering Services Consultancy Contract for Phase-I Rewari-Vadodara:-Contract was awarded to a consortium led by Nippon Koei, Japan. The scope of work includes providing consultancy services for planning, engineering design and procurement for WDFC Phase-I. As procurement process is still underway, completion period has presently been extended up to 30th June 2016. The pending contract packages are:

- Bids for Procurement of Rolling Stock Package (RS-7), being executed by MoR, have been received on 30th June 2015. Financial bid opened on 06th October 2015.

4. Engineering Services Consultancy for WDFC Phase-II, Vadodara-JNPT & Rewari-Dadri:

Contract was awarded to a consortium led by Nippon Koei, Japan. The scope of work includes providing consultancy services for planning, engineering design and procurement for WDFC Phase-II. As the procurement process is still underway, the extension have been granted to the

Consultant upto 30th June 2017. At present procurement for only package left i.e. Civil and Track package -14 in the section Rewari-Dadri is in progress

C Works Contracts: Equity Funded

1. Design and Construction of Important and Major Bridges (54) between Vaitarna and Utran (approx.200Kms) on Vasai-Baruch section in the states of Maharashtra and Gujarat, has been awarded on lump sum contract basis. (Contract Agreement No. HQ/EN/WC/Bridges/D&B/1/Soma, dated 17-03-2009).
 - The scope of work involves design and construction of 46 Major and 8 important bridges. 29 bridges are on Pile foundation and 25 bridges on Open foundation.
 - The work of construction of main bridge has already been completed at 26 no. of bridges. Present progress of work is 71%. The work was scheduled to be completed by 15.06.2015 with the revised cost Rs. 667.81 Crore but a dispute has arisen between the parties. The award declared by Arbitration Tribunal has been challenged in the Hon'ble High Court of Delhi. Further action will be taken as per the outcome of the proceedings.

D. Consultancy Contracts: Equity Funded

Project Management Consultancy for Design and Construction of Important and Major Bridges (54) between Vairarna and Utran (approx.200Kms.): Contract Agreement (CA No.HQ/EN/WC/Bridges/PMC/1/Span, was executed on 12-06-2009. The Currency of the Contract has been extended upto 14.06.2016 and the work is in progress.

3.3.2 EASTERN DEDICATED FREIGHT CORRIDOR

A. WORKS CONTRACTS: EQUITY FUNDED (Mughalsarai-New Sonnagar / Chirailapathu Section)

1. Design and Construction of formation including Blanketing, Major Bridges, Minor Bridges, RUBs, ROBs, from new Karwandiya to New Ganj Khwaja. (Approximate 105 Kms) on Mughalsarai-Sonnagar section.
 - Physical work of Earthwork & Bridges between New Karwandiya to Durgawati stations completed.
 - Earthwork in Durgawati – Ganjkhwaja section is under progress.

Work started in Basa village: The work in village Basa district Rohtas in stretch of approx 260 m was held up since last five years due to protest of PAP,s and court case. Even after the Court Case was disposed off, the PAPs were not allowing the work to take place. Matter was rigorously taken up with district administration and on 08.06.16, approximately 140 Policemen including 40 ladies Police were deployed and earth work in whole stretch was completed successfully.

2. Design, procurement, **Construction of Track** and track related works and its testing & commissioning **from New Karwandiya (Rly. Km. 564) to Durgawati (Rly. Km. 630)** approx. 66 KMs on Mughalsarai-Sonnagar Section.
- Track laid through New Track Construction(NTC) machine between Durgawati – Sasaram Section. OHE of both the DFCCIL track was successfully charged on 06.02.2016 with 25 KV AC by taking power from Kudra TSS of IR.
 - First goods train was run on down-line on 30.03.2015 and on up-line on 03.06.2016.
 - Track linking between Sasaram – Karwandiya Section is under progress.

Trial run of goods train on DFC route from Durgauti to Sasaram on 30.03.2016.



Laying of canted turnouts in Mughalsarai-Sonnagar section



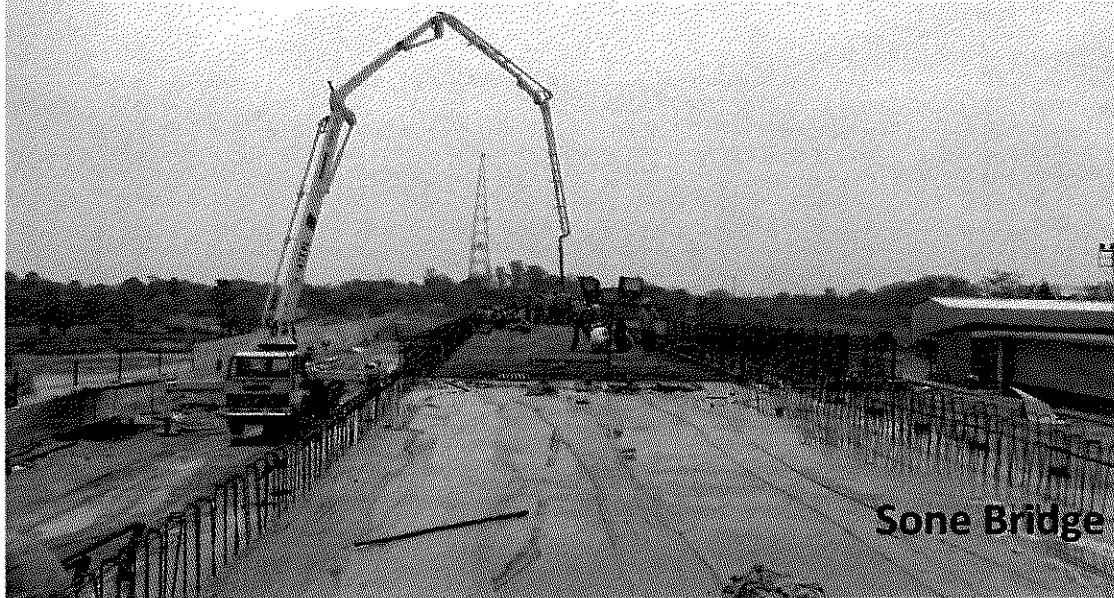
Kudra River Bridge

Bridge on river Kudra in Mughalsarai-Sonnagar section



Running of first goods train in Durgauti-Sasaram section

3. Design and Construction of **Important Bridge across river Sone** (approximate length 3.06 Kms), between Sonnagar (Rly.Km.549) and Dehri-on-Sone (Rly.Km.554): Construction is in advanced stage. Launching of PSC girders is in progress. Overall progress is around 80% upto July' 2016.



4. **Design and Construction of Rail Flyover near Ganjkhwaja**, Formation in Embankments/Cuttings including blanketing, Bridges (Major, Minor & RUBs), between Dehri-on-Sone & Mughalsarai: Earthwork and Bridge work in Karwandiya – Dehri-on-Sone section is in progress.

B. CONSULTANCY CONTRACTS : EQUITY FUNDED (Mughalsarai-Sonnagar Section)

1. **Project Management Consultancy Services** to facilitate Construction of formation etc. from Chainage 14.108 Km (Near New Karwandiya) to Chainage 119.437 Km (Near New Ganj Khawaja) (Approx.105 Kms.): PMC work is in progress for execution of the civil work.
2. **Project Management Consultancy** for Design and Construction of **Track, Signaling & Telecom works**, traction power supply, SCADA, OHE and General Electrical works from New Karwandiya (Rly. Kms-564) to Durgawati (Rly. Km-630) approx. 66 Kms: PMC for track and system works is in progress.
3. **Project Management Consultancy** for Design and Construction of **Important Bridge across river Sone** (approximate length 3.06 Kms) & **Rail Flyover near Ganjkhwaja**: PMC for above works is under progress.

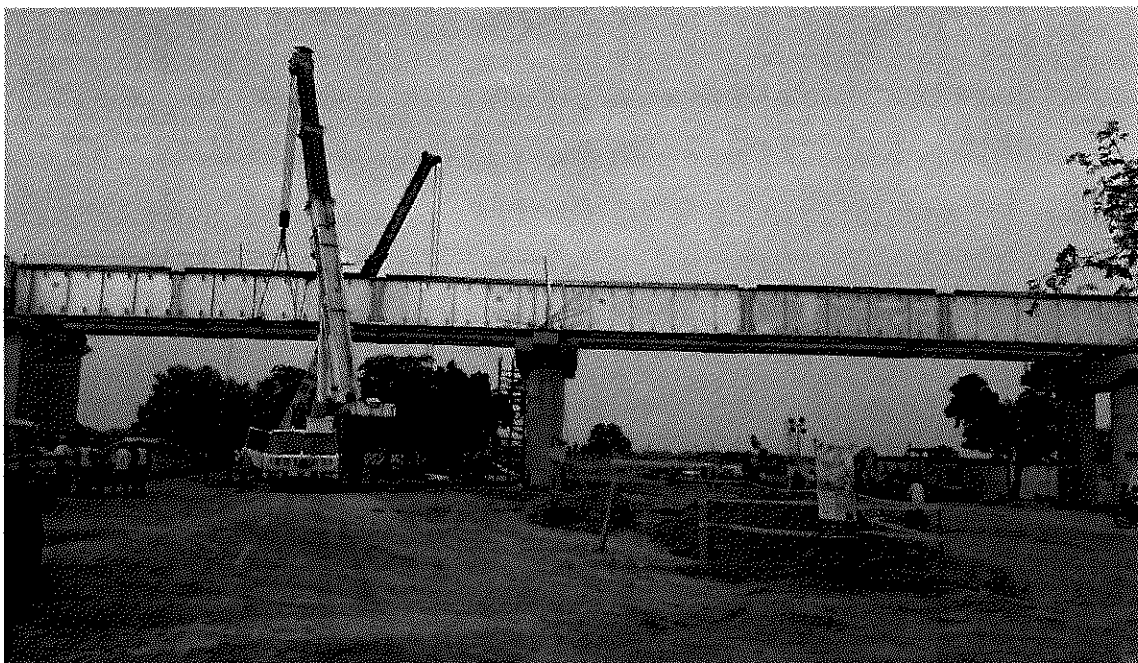
C. WORKS CONTRACTS : WORLD BANK FUNDED (Ludhiana - Mughalsarai & Khurja – Dadri)

1. **Civil, Structure & Track Works (CST) for Bhaupur-Khurja Section (LOT-101, 102 & 103):**
 - Tender was awarded in three packages to Ms. TATA ALDESA (JV) and contract agreements were signed during March, 2013 for an approximate total value of Rs.3267 crore. The works are in progress in all the three contract packages.
 - Physical progress of about 59% and financial progress of 47% has been achieved.
 - 78% of Earthwork has since been completed. 265 Km of embankment has been constructed to half the height (H/2), 240 Km for full height (H) and 192 Km of blanket has been completed.
 - Progress on Rail Flyover is 45% & on Major Bridges 62%. Out of 15 Major Bridges, on 4 Major bridges super structures have been completed and at 9 Major bridges work has come up to the level of sub structure.
 - Progress on Minor bridges is 70%. 184 Nos of Minor bridges out of 243 Nos and 81 Nos of Minor RUBs out of 152 Nos have been completed.
 - Temporary depots for track linking were set up at Bhadan, Maitha and Daudkhan. New Track laying machines (NTC) are working and 150 Track Kms of linking has been completed.

- Design of 1 in 12 canted tangential layout of turnouts has been approved by PMC, validated by IIT/Chennai and proto- type is under approval.

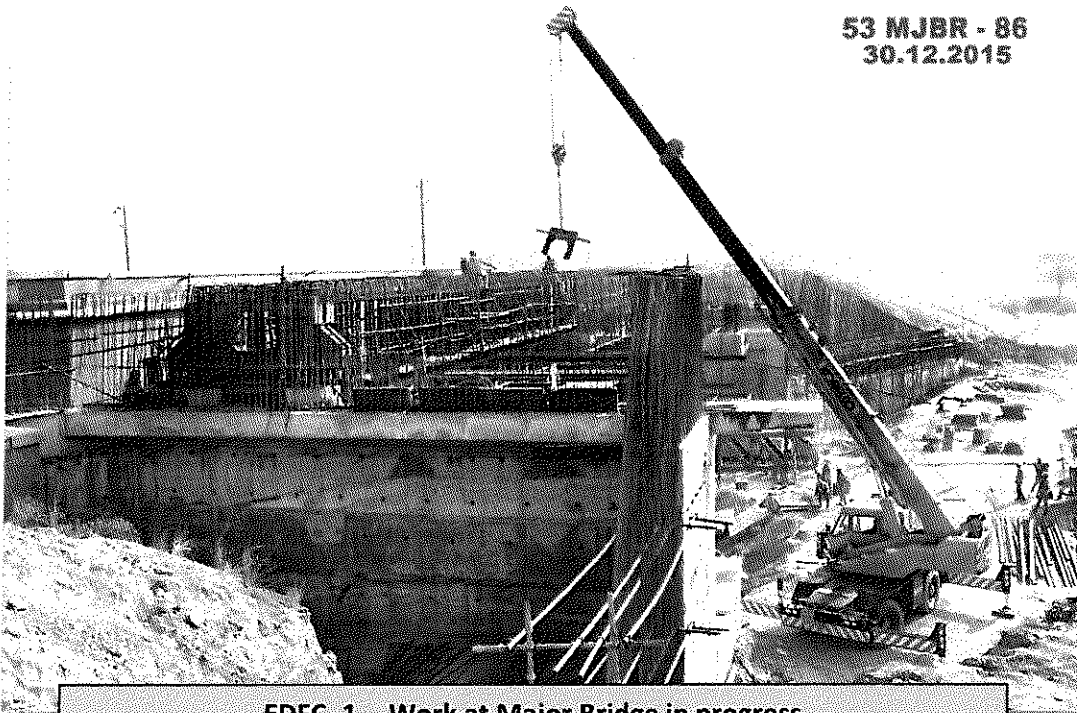


EDFC-1- Track laying by NTC Machine in progress



EDFC-1- Erection of Steel girders at Hathras Road Bridge in progress

53 MJBR - 86
30.12.2015



EDFC- 1 -- Work at Major Bridge in progress



ROB
Chainage 618


matrx-geo.com

2. Civil, Structures & Track Works (CST) for Mughalsarai-New Bhaupur Section (CP 201& 202):

The Contract Packages CP-201 & CP-202 were awarded to M/s GIL-SIL (JV) in March 2015.

Contract agreement signed in May 2015.

- Geo tech Investigations have been completed.
- Handing over of land to the contractor has completed 95% in CP-201 & 96% in CP-202.
- Field laboratories have been set up in both the packages.
- Temporary depot at Pahara and Ramwa have been established.
- 80% of alignment design has been completed.
- Earthwork is in progress in both the packages.
- Bridge design and drawings are being finalised.
- Work on Minor Bridges and RUBs is in progress.
- Procurement of Sleepers has been started. 25000 sleepers have already been procured.
- General Arrangement of Important Bridges on river Yamuna and Tonse have been finalised.
Detailed design in progress.
- Financial progress including mobilisation advance is 12%.



Earthwork in Mirzapur Detour



Compaction of Earthwork

D. CONSULTANCY CONTRACT : WORLD BANK FUNDED

1. Project Management Consultancy for EDFC-1 (Bhaupur- Khurja):

- Contract has been awarded to Ms. SAI- TYPASA consortium and contract agreement was signed during Oct-2013.
- The scope of services involve implementation of CST and System contracts through the stages of design, construction, testing and commissioning. The role of PMC will be that of Engineer administering Design- Build Lump sum contract for EDFC-1.
- The services are in progress implementing presently the civil contract awarded to Ms. TATA-ALDESA (JV) and the System Contract.

2. Project Management Consultancy for EDFC-2 (New Bhaupur-Mugalsarai)

- PMC Contract has been awarded to M/s Systra-Mott (JV) and contract agreement signed on 01st June 2015.
- The Consultant started services on 01st July 2015.
- The scope of services include superintendence of CST and System Contractor's performance of the works on day to day basis, particularly with regard to quality of material/construction, execution of works as per approved methodology and work plan, work site safety, compliance to environmental mitigation plan, inspection and acceptance of work, record keeping, testing and commissioning as per provisions of CST and System contracts.
- The PMC team has been established and is closely monitoring the Quality, Environmental and contractual issues of the project and enforcing the stipulated provisions.

3. QSAC Services for EDFC-1 (Bhaupur-Khurja Section):

- QSAC service for EDFC-1 has been awarded to M/s Mott MacDonald Ltd. and Mott MacDonald Pvt. Ltd. (JV).
- The Consultant started service from 06.05.2014.
- The objective of this consultancy contract is to achieve independent monitoring and auditing of the quality of the works and structures constructed under project and implementation of the safety arrangements during construction.
- The QSAC has been bringing out constraints and inefficiencies of the system in achieving the desired outcomes and contract implementation.

4. QSAC Services for EDFC-2 (Mughalsarai-New Bhaupur):

- QSAC contract has been awarded to M/s Getinsa-Payma & SNBAPL (JV) and the contract agreement signed in November 2015.
- The QSAC team has been placed by the consultant in the project.

3.3.3 Operation and Business Development

The commissioning of DFC will revolutionise the freight movement scenario facilitating speedier & reliable services, providing enough impetus for industry to grow, profligate and diversify its logistics options. The presence of DFC will help in shifting traffic predominantly moving by road to rail and in increasing share of railways in the overall transportation of freight by offering integrated, efficient and cost effective logistics, support, including warehousing solutions to users. To achieve this, development of appropriate terminals is a primary requisite. The terminals in addition to handling rail traffic should also provide end logistics support to facilitate diversion of road traffic to rail.

To encourage development of Private Freight Terminals on DFC network, a Private Freight Terminal (PFT) policy has been issued .This policy will facilitate development of PFTs (Private Freight Terminals) with world class logistics facilities by opening the area of terminal development with participation of the private entities. The PFT policy of DFCCIL for connectivity is quite comprehensive covering procedures, specific time schedules and levels of authority for approving at various stages, etc. for appropriate guidance to customers. The Private Freight Terminals are also expected to allow multiple users to come together and provide rail connectivity to a group of interested logistics players.

Steps has been taken to actively engage the attention of interested State Govt. /entities in connection with joint development of Multi Modal Logistics Parks (MMLPs) through their land in respective.

In addition to these the following Consultancy studies has also been engaged under Technical Assistances (TA) components of World Bank for business development , setting up track access charges, Institutional strengthening etc.

(i) Development of Marketing and Commercial Strategies for DFCCIL and its Catchment areas (DMCSD)

The study will be prepare further pathway for devising strategy to attract and develop system for non-conventional traffic. The main objective of the assignment is to develop a long term marketing and commercial strategy and devise step wise plan including policy framework to maximize commercial value of the project and to achieve higher modal share for railways in freight traffic market. This is to be based on, operational strategy, proposed allied infrastructure including freight terminals & logistics parks and induction of special purpose rolling stock for DFCCIL & IR taking into account the traffic in catchment areas along the two corridors being built and on/through the feeder routes of Indian Railways covering mainly : a)the demand forecast for different horizon years on DFC up to 2030 supported by secondary data as applicable ,b) identify potential of additional freight traffic in catchment areas of DFCCIL for increasing modal share of rail using relevant experiences of international freight market with a view to enhance profitability of DFCCIL, c) develop costing and pricing strategy for promoting modal shift of traffic in favor of railways, d) suggest possible heavy haul DFC network including feeder routes embedded with existing IR network taking into account operational feasibility and associated commercial issues e) Identify need for special purpose wagons for selected commodities and main technical parameters along with financial justification for the same f) operational parameters and operational standards covering train length, speed, service quality, enhanced services and improvements in infrastructure.

The Inception Report covering the detailed plan for the deliverables and the areas to be covered has been approved. The Consultants have submitted the main subject reports.

(ii) Heavy Haul Rail Capacity Development in India (HHRCDI):

The overall objective of the Heavy Haul Research & Development Program will be to increase the technical capacity of railways to implement heavy-haul freight initiatives that will improve the safety, transport capacity, quality, competitiveness and share of India's rail freight transport services and to prepare concrete proposals of an effective and cost-efficient heavy-haul freight Research, and capacity

Development Program including plans for establishment of a world class Heavy-haul Research Institute (HHRI) in India . This will include detailed program for development and research capabilities identifying the major areas of the heavy haul Cost drivers viz., productivity enhancements through increased axle loads, reduced wagon requirement, higher pay load to tare weight ratio, energy saving technologies, reduced human resource requirement & desired skill enhancements.

The Consultants Inception Report and Draft report covering the various aspects of the program and the steps for setting up HHRI and allied areas have since been approved. The draft Final Report has been finalized.

(iii) Consultancy Services for Non-discriminatory Access for DFCCIL (CSNDAD)

The objectives of the study are to (i) consider options for institutional arrangement for providing non-discriminatory access for rail freight train operations; (ii) analyze international experience with non-discriminatory access for freight train operations and suggest a practical system(s) suitable for application in the Indian context, (iii) establish a detailed methodology for setting track access charges at start up, and (iv) identify how the institutional arrangements for licensing, regulation of traffic, capacity allocation and safety, including the methodology for calculating track access charges, would need to change to accommodate multiple users.

The Consultants have submitted Reports on Regulatory Framework and Non Discriminatory Access systems based upon International best examples followed by the Draft Final Report .

(iv) Institutional Strengthening Module of DFCCIL (ISMD)

The primary objective of this module is to review the management and organizational structure, control system, processes and procedures, HR system, MIS, and make recommendations for DFCCIL to make it an efficient, commercially oriented provider of infrastructure services. The module will therefore review and recommend, capacity building, skill development, process re-engineering and system improvement in areas such as organization and corporate governance of the company, including management and organization structure, human resource planning and development, staff training/study tours, financial management, social and environmental systems, governance systems etc.

The Inception Report covering the detailed work plan and objectives have been approved.

3.4 Status of Land Acquisition.

The DFC alignment is passing through 9 states and 66 districts in the Country. On Eastern Corridor, DFC alignment from Dankuni to Ludhiana passes through the states of West Bengal, Jharkhand, Bihar, Uttar Pradesh, Haryana, and Punjab. The Western Corridor will traverse the distance from Dadri in Uttar Pradesh, via Haryana, Rajasthan, and Gujarat to JNPT in Maharashtra.

The alignment in Khurja-Pilkhani section was changed from parallel to detour at Meerut, Muzaffarnagar and Hapur, due to heavily populated areas and structures falling in the alignment. Besides, with increase in requirement of land in WDFC, the overall requirement of land has increased from 11539 to 11672 Hectares spread over more than 3360 Kms. This includes 9760 Hectares of Private land and the rest being Govt. Land. On the Eastern DFC, the land acquisition is spread over a length 1318 Kms with an area of about 4495 hectares (excluding Sonnagar-Dankuni which is spread in a route of 538 Kms covering an area of 1178 hectares). On Western DFC, it is spread over a length of 1504 Kms, and an area of about 6000 hectares. Being notified as a Special Railway Project, land acquisition for the project is governed by the Railways (Amendment) Act, 2008 (RAA 2008).

As of 31.03.2016, the progress of land acquisition is approximately 89.8% (except Sonnagar-Dankuni section) and 85% on overall basis.

3.5 DANKUNI-SONNAGAR PPP PROJECT

It has been decided to construct Dedicated Freight Corridor (DFC) section between Dankuni-Sonnagar (540Km) as an Eastern-most leg of Eastern Dedicated Freight Corridor to facilitate connectivity of ports and Industries situated in the Eastern part of the country with DFC network. Further to leverage alternative mode of Financing, this project is planned to be executed through Public Private Partnership using Design, Build, Finance, Maintain and Transfer (DBFMT) model. The project is being developed in two phases i.e., Dankuni-Gomoh section (282.2 Kms) as Phase-I and Gomoh-Sonnagar section (256.581Kms) as Phase-II. As such, the guidelines issued by erstwhile Planning Commission are being followed for appointment of various Consultants like Technical, Legal, Financial Consultant & Transaction Adviser and Concessionaire. The status of the activities undertaken for the project are summarized as under:

1. Project Estimated Cost:

The Cost of Dankuni-Sonnagar section has been estimated at Rs.10, 100 Crs.

2. Land Acquisition: The Phase wise position of Land acquisition is as under:

Description		Land Acquisition Section		
		20A	20E	20F
Dankuni – Gomoh Section (282.2 Kms) Phase-I	Total Requirement	522.17 Ha	522.17 Ha	522.17 Ha
	Progress Upto	522.17 Ha	492.68 Ha	349.34 Ha
	March 2016	(100%)	(94.35%)	(66.90%)
Gomoh – Sonnagar Section (256.58 Kms) Phase-II	Total Requirement	655.43Ha	655.43Ha	655.43Ha
	Progress Upto	649.96 Ha	318.02 Ha	152.32 Ha
	March 2016	(99.16%)	(48.42%)	(23.23%)

The land acquisition so far have been smooth except at Balarambati mauza of Singur in Hoogly District, Shaktigarh, Mankar, Andal & Kulti in Bardhaman District, West Bengal and Villages falling on Gaya Detour in Bihar where Project Affected People (PAP) are demanding higher compensation package for land acquisition as per New Land Acquisition Act. Despite Maoist activities in Koderma detour (57Km), the stacking of the alignment on the ground has been finally completed. Also, the alignment in Koderma Detour is passing through **Gautam Budha wild life sanctuary**. Total forest land involved in Koderma Detour is about 392 Ha. Sanctuary portion involves about 144 ha of land. Resumption of land of sanctuary needs approval of SWB, NWB and Supreme Court.

3. Detailed Project Report (DPR):

The DPR of Dankuni- Gomoh section Ph-I and Gomoh- Sonnagar section - Ph-II has been finalized.

4. The Feasibility report & Traffic Study report:

The "in-house" Feasibility report and Traffic Study for Dankuni- Gomoh section Ph-I has been prepared. The updation of the Traffic Projection of Sonnagar -Gomoh section is under progress.

5. Financial Modeling:

Based on the Terms of Reference (TOR) for Financial Modeling for Dankuni- Gomoh section Ph-I suggested by Railway Board, Preliminary Financial Modeling has been completed. In order to carry out

Transaction Advisory services and Technical services with alternate Revenue model/ financial structuring of the project, RFP for appointment of Financial Consultant cum Transaction Advisor for Dankuni- Gomoh section, Ph-I has been floated on 31.03.2016.

6. **Manual of Standards and Specifications:**The consultancy contract for drafting of Manual of Standards & Specifications has been finalized.

7. Legal Consultant has been engaged for developing Concession Agreement and other documents.

8. Tender for EIA & SIA for Dankuni- Gomoh section, Ph-I by CPM/KKK is under process.

9. **Yard Plan**

For Dankuni- Gomoh section (282.2Kms)- Ph-I, yard plans for all 4 Crossing stations namely, New Jaugram, New Rajbandh, New Mugma & New Pradhankanta have been approved. And out of four Junction stations, one junction station at New Dankuni has been finalized. For Gomoh- Sonnagar section (256.581 Kms), Ph-II, out of 6 Crossing stations, yard plans for five crossing stations namely New Keshwari, New Hirodih, New Kastha, New Paharpur & New Rafigunj have been approved. In addition, one junction station, yard of New Chiraila Puthu has been approved.

3.6 **FUTURE DEDICATED FREIGHT CORRIDORS**

Railway Board in the year 2011, has entrusted the work of PETS (Preliminary Engineering and Traffic Survey) of following four future dedicated freight corridors:

1. East – West Corridor (Kolkata – Mumbai) (2328km)
2. North – South Corridor (Delhi – Chennai) (2327Km)
3. East Coast Corridor (Kharagpur – Vijayawada) (1115 Km)
4. Southern Corridor (Chennai – Goa) (890Km)

The work of PETS was awarded to RITES. The work commenced during September 2011 at cost of Rs 68.5 crore (excluding taxes).

Final Preliminary Engineering cum Traffic Study (PETS) report of following three future corridors have been submitted to Railway Board and their details are as under:

1. **East-West Corridor (Kolkata-Mumbai):** The proposed alignment of 2328 km connect Palghar to Andal/Kamarkundu and corridor passes through 4 railway zones (SER, Eastern, SECR and CR) and

five states of India (Maharashtra, Chhatisgarh, Odisha, Jharkhand, and West- Bengal). The East West Corridor will connect the ports of Haldia, Dhamra and Paradeep on the Eastern Coast with Mumbai and JNPT on the Western Coast. The route caters primarily to steel plant traffic, export ore, thermal coal, in addition to catering transport requirement of over a dozen cement plants.

2. North-South Corridor (Delhi-Chennai): The proposed alignment of 2327 km connects Pirthala to Arakkonam and corridor passes through 5 railway zones (NCR, WCR, CR, SCR and SR) and traverse through seven states of India as: Haryana, Uttar Pradesh, Rajasthan, Madhya Pradesh, Maharashtra, Andhra Pradesh and Tamil Nadu. The North South route does cater to heavy cross traffic of all the core commodities carried by IR. There are iron & steel, coal, food grains, fertilizers, cement and other general goods, including containers.

3. East Coast Corridor (Kharagpur-Vijayawada): The proposed alignment of 1115 km connects Kharagpur to Vijayawada and passes through 3 Zonal Railways (SER, ECoR and SCR) and traverse through three states of India i.e. West-Bengal, Odisha and Andhra Pradesh. This route connects important ports of Haldia, Dhamra, Paradeep Vishakhapatnam Gangavaram and Kakinada. This route will primarily cater heavy traffic including coal, iron ore and steel.

PETS Survey of following Corridor is in progress:

Southern Corridor (Chennai-Goa): The proposed alignment of Southern Corridor of 890 km connects Renigunta to Madgaon via Hubli & Anoka and alignment passes through the four railway zones (SWR, SCR, SR and Konkan Railway) and traverse through three States of India Andhra Pradesh, Karnataka and Goa. This corridor connects the ports of Goa and Chennai/Ennore on the Western and Eastern coasts of the country. Freight is predominantly iron ore and steel. The Final PETS report is expected in the year 2016-2017.

4.1 Details of Directors and Key Managerial Personnel.

During the year under review, there were changes in the composition of the Board of Directors of the Company on account of appointments and cessation, which are as follows:

4.1.1 Directors who have joined the Board during the financial year 2015-2016. – NIL.

4.1.2 The following Directors have joined after the closure of financial year 2015-2016.

- a) In terms of Railway Board's Order no. 2008/Infra/6/1 (Pt.1), dated 01.04.2016, the President of India has appointed Sh. Ravi Mathur and Smt. Shakti Munshi, as part-time non official directors on the Board of DFCCIL, w.e.f. 01.04.2016 for a period of three years or until further orders, whichever is earlier.

b) In terms of Railway Board's order no. 2016/PL/61/4 dt, 30.06.2016, the President of India has appointed Sh. Y.S. Malik, Additional Secretary, Niti Aayog as part time Government Director on the Board of Dedicated Freight Corridor Corporation of India Limited with immediate effect till the holding of the post of Additional Secretary, Niti Aayog or further orders whichever is earlier.

4.1.3 The following Directors cease to be hold office during the financial year 2015-2016 –

a. Vide Railway Board's letter No.2008/Infra/6/1 dated 25.04.2012, Sh. R.S. Sharma, Independent Director completed his tenure of three years on 24.04.2015.

4.1.4 The following Director cease to hold the office after the closure of the financial year 2015-16.

a. Vide resolution no. 53.4.2 of 53rd Board Meeting dated 05.02.2016, the office of Nominee Director, Sh. Gajendra Haldea is technically vacated.

4.1.5 The following Directors are holding office as on the date of this Report:

S. No.	Name of the Director	Designation	Date of holding office w.e.f.
1.	Sh. A.K.Mital	Part Time Chairman (Official)	03.02.2015
2.	Sh. Adesh Sharma	Managing Director	20.10.2014
3.	Sh. Anshuman Sharma	Director (Project Planning)	05.04.2011
4.	Sh. H.D. Gujrati	Director (Operations & Business Development)	29.11.2012
5.	Sh. M.K. Mittal	Director (Finance)	16.09.2013
6.	Sh. D. S Rana	Director (Infrastructure)	27.10.2014
7.	Sh. Girish Pillai	Part time Official Director (Government Nominee-MoR)	14.11.2012
8.	Sh. Ravi Mathur	Independent Director	01.04.2016
9.	Smt. Shakti Munshi	Independent Director	01.04.2016
10.	Sh. Y.S. Malik	Part-time Official (Government Nominee-Niti Aayog)	30.06.2016

4.2 Number of meetings of the Board.

During the financial year 2015-2016, the Board of Directors met five times to transact the business. The meetings of the Board of Directors were held on following dates:

S.No.	Quarter	Dates
1.	For the quarter ended June 2015	08.05.2015, 08.06.2015
2.	For the quarter ended September 2015	13.08.2015
3.	For the quarter ended December 2015	27.11.2015
4.	For the quarter ended March 2016	05.02.2016

4.3 Directors' Responsibility statement under Section 134(5) of the Companies Act, 2013.

In terms of section 134 (3) (c) of Companies Act, 2013, the Board of Directors of the Company confirms that —

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss 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 this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating- The Board of Directors annually review compliance reports of all laws applicable to the company, prepared by the company as well as steps taken by the company to rectify instances of non-compliances. There is a scope to strengthen the compliance management system commensurate to the size of the Company.

4.4 A Statement on declaration given by independent directors under section (6) of section 149.

Smt. Shakti Munshi and Sh. Ravi Mathur, Independent Directors, have submitted their declaration pursuant to sub-section (6) of section 149 of the Companies Act, 2013.

5. Auditors.

The Comptroller and Auditor General (C&AG) of India had appointed M/s Baweja & Kaul, Chartered Accountants as Statutory Auditor of the Company for the year 2015-2016 and in exercise of powers conferred by the members, the Board of Directors have fixed their remuneration at a fee of Rs. 8,40,000/- (Eight Lac forty thousand only) plus service tax as per applicable rate and out of pocket expenses to be paid extra."

5.1 Explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made by the Auditor and Secretarial Auditor.

5.1(a) Statutory Auditors' Report

The Auditors' Report submitted by M/s Baweja & Kaul, Chartered Accountants doesn't contain any qualification and hence no explanation or comments are required.

5.1(b) Secretarial Auditor' Report

The Comments of the Secretarial Auditor and Management's reply thereto are annexed to this report as **Annexure A**.

5.2 Comments of the Comptroller & Auditor General of India.

The Office the Comptroller & Auditor General of India has issued "NIL" comments on the accounts of the Company for the year ended 31st March, 2016 and hence no explanation or comments are required.

6. Particulars of loans given, investments made, guarantees given and securities provided.

Particulars of loans, guarantees and investments under section 186 of Companies Act, 2013 are 'NIL' during the year under review.

7. Particulars of Employees under Rule 5(2) Of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

During the year under review, the particulars of employees to be disclosed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 may be treated as NIL as none of the employees and Directors/KMPs was in receipt of remuneration in excess of the limits prescribed therein.

8. Contracts and Arrangements with related parties.

During the year under review, on the basis of the disclosure of interest by the Directors, there were no contracts or arrangements entered into by the company with the related parties as referred in section 188 (1) of the Companies Act, 2013.

9. Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report-

There are no reported material changes and commitments, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate i.e 31.03.2016 and the date of the report.

10. Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo.

With the series of measures taken over past 2 to 3 years, Bureau of Energy Efficiency, Ministry of Power, Government of India has awarded BEE 5 STAR rating to DFCCIL Corporate Office Building in Nov. 2015. DFCCIL Corporate Office Building is among very few organizations in the country to have BEE 5 STAR rating label with Air-conditioning area of more than 90%.

The Particulars required to be disclosed pursuant to section 134(3)(m) of the Companies Act, 2013 read with applicable Rules of Companies (Accounts Rules, 2014) are as follows;

(A) Conservation of energy-

(i) The steps taken or impact on conservation of energy:

Provision of Energy Efficient LED light fittings, Occupancy Sensor and efficient monitoring & control mechanism for operation of Air-conditioning and lightning services has been made and implemented.

(ii) The steps taken by the company for utilizing alternate source of energy:

To encourage green energy on DFCCIL network, solar plants have been planned for various installations along the corridor and its corporate building.

(iii) The capital investment on energy conservation equipment.

Approx. Rs. 3.9 Lac has been spent on energy conservation measures during 2015-16.

Efforts are 'ON' and significant contribution toward reduction in emission CO₂ is possible in DFCCIL in near future.

(B) Technology absorption-

- (i) the efforts made towards technology absorption; -NIL
- (ii) the benefits derived like product improvement, cost reduction, product development or import substitution; - NIL
- (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) -NIL
 - (a) the details of technology imported; - N.A.
 - (b) the year of import; - N.A.
 - (c) whether the technology been fully absorbed; - N.A.
 - (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and
- (iv) the expenditure incurred on Research and Development. - N.A.

(C) The Foreign Exchange earnings and outgo during the period under review are

Foreign Exchange Earning	-	Nil
Foreign Exchange Outgo	-	₹ 422.33 Crore out of which
Interest	-	₹ 8.53 Crore
Tour & Travelling Expenses	-	₹ 0.06 Crore
L.C Opening Charges	-	₹ 0.32 Crore
Bank Charges JICA Loan	-	₹ 0.33 Crore
Consultancy	-	₹ 37.57 Crore
Works	-	₹ 375.52 Crore

11. **A statement indicating development and implementation of a risk management policy for the company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the company.**

The Company has developed the Enterprise Risk Management Framework which has been approved by the Audit Committee and also by the World Bank. The Enterprise Risk Management Framework has been implemented with effect from 1st December 2014. The top 20 risks each perceived at this stage during "Planning & Construction Phase" and "Operation Phase" have been identified and prioritized. Mitigation Plans for these top 20 risks has also been formulated. A Risk Management structure has already been defined, which comprise of a Risk Management Committee (RMC) consisting of Functional as well as Independent Directors, a Chief Risk Management Coordinator (CRMCO) reporting to Risk Management Committee, Heads of various departments such as Civil, S&T, IT, Administration, Electrical, Operation, Finance etc. and Chief Project Managers would act as Risk & Mitigation Plan Owners (RMPOs) and would be responsible for risk identification, its prioritization and for framing the mitigation plan. To ensure that there are appropriate controls in place for the risk management activities a risk monitoring and assurance mechanism through MIS has been provided for as a part of Enterprise Risk Management Framework to assess the effectiveness of mitigation plan for a particular risk.

The status of Risk Management Framework is being regularly coordinated by the GM/Fin./RM (CRMCO) in association with the Risk Management Coordinators (RMCOs) which is further reviewed by the Risk Management Committee (RMC) and the Audit Committee at regular intervals. The summary of review and Risk Management Committee meetings held till date is as under:

- a. Five review meetings have been held till date at CRMCO level on 16th September 2015, 16th October 2015, on 21st January 2016, on 27th January 2016 and on 16th March 2016 respectively.
- b. Three RMC meetings have been held till date on 06th November 2015, on 16th May 2016 and on 24th May 2016 respectively.
- c. To enhance the ability of the Risk and Mitigation Plan Owners (RMPOs) two half days Knowledge Transfer Sessions were held on 09th February 2016 and 26th February 2016 and two full days Knowledge Transfer Sessions conducted on 27th June 2016 and 28th June 2016 for the officials reporting to RMPOs.

- d. In the light of Audit Committee's directives vide minutes of the 32nd Audit Committee a review of the progress made till date was presented before the 33rd Audit Committee meeting held on 18th July 2016 in the form of presentation. Audit Committee further directed to put up the status before the Board and the same was also presented before the Board in the Board of Directors' meeting held on 26th July 2016.

12. The details about the policy developed and implemented by the company on corporate social responsibility initiatives taken during the year.

A report of Corporate Social Responsibility initiatives taken during the year under review annexed at **Annexure -B** forms the part of Directors' Report.

13. OTHER COMPLIANCES

A. Rajbhasha (Official Language)

In DFCCIL Corporate Office, special emphasis is being given to ensure maximum use of Hindi in Official dealings. During the period from 01.04.2015 to 31.03.2016 number of activities to promote use of Hindi were initiated.

DFCC Official Language implementation Committee meetings organized in every quarter. A quarterly progress report regarding use of Hindi was submitted to Railway Board for onward submission to Ministry of Home Affairs regularly. The active participation in Town Official Language committee (Public sector) Delhi meeting is being done regularly.

Rajbhasha Pakhwada was organized in DFCCIL from 01.09.2015 to 14.09.2015. During the Pakhwada different competitions were arranged and the prizes were distributed to the first, second and third winners by the Managing Director. On this occasion Managing Director, all Directors, officers were present. Besides this Hindi workshops were organized regularly in an effort to inculcate the habit of doing more and more work in Hindi by the officers and staff of DFCCIL. The Website of DFCCIL is updated from time to time in Hindi. To ensure to compliance of section 3(3) of Official Language Act, all office orders, Land acquisition and Gazette Notifications are issued Hindi-English bilingually.

To more and more use of official language in the DFCCIL, the incentives schemes of Railway Board has been implemented. Hindi Library established in DFCCIL Corporate office. All the officers and employees are taking full advantage of this library. Quarterly Newsletter of DFC is being published in Hindi.

B. Right to Information Act, 2005.

1. The enactment of Right to Information Act, 2005 is a historic event in the annals of democracy in India. The Act mandates a legal-institutional framework for setting out the practical regime of right to information for every citizen 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.

DFCCIL has been able to fulfil the mandatory requirements as well as its obligations towards the citizens in providing information sought for by them. The Public Information officer in the corporate office coordinates with the APIOs in the field offices or in the corporate office for obtaining information in desired format and within stipulated time period so that the same is sent to the applicant in time. Under the mandatory requirements the duties and responsibilities of an Appellate Authority have been assigned to the Group General Manager (Administration).

During the year 2015-2016, total 420 applications (including 40 Appeal cases) were received and replied with in the stipulated time period. All the replies have also been uploaded on DFCCIL website (www.dfccil.gov.in). The status of RTI replies are updated regularly on DFCCIL website.

2. Parliament Questions:

Dealing with Parliamentary matters calls for utmost accuracy, swiftness and conformation to the prescribed norms and procedures as laid down by the nodal authorities.

An officer has been designated especially for dealing with all Parliamentary matters in coordination with other Directorates in DFCCIL. During the year 2015-2016, total 31 Parliament Questions were received and all were replied in time.

C. MCA 21 E -filing

In terms of Companies (Electronic Filing and Authentication of Documents) Rules, 2006 and Companies (Filing of Documents and Forms in Extensible Business Reporting Language) Amendment Rules 2012, 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, the Company has been ranked under the "Very Good" grading of MoU for the year 2014-2015 by the Department of Public Enterprises.

E. Vigilance.

Vigilance is an important and integral part of Management and provides important platform for improving performance of the organization. It includes promoting clean business environment, professional integrity, promptness and ethical practices.

The Vigilance organization of DFCCIL is headed by a full time CVO assisted by Dy CVO, three DGMs and three Assistant Manager against the total sanctioned post of 10. During the period under review, the Vigilance gave more emphasis on preventive vigilance and system improvement as compared to punitive vigilance. In order to update the vigilance officials with latest instruction and guidelines on vigilance matters, Nine training programmes were arranged. To increase transparency, all the contracts and purchases made above R. one crore are posted on the DFCCIL website every month on the proforma stipulated by CVC.

Complaints

DFCCIL has well defined complaint handling policy which is available on Vigilance portal of DFCCIL website. It contains detailed procedure for scope and lodging complaints. The opening balance for the number of complaints on 01.01. 2015 was 15. Total 20 complaints were received through CVC/Railway Board and individuals during the year. Out of which 27 complaints were investigated and finalized. Remaining 08 complaints are at various stages of investigation.

Recommendations after investigation on complaints.

In case involving irregularities in execution of a contract Minor penalty against two officers has been recommended.

Preventive checks

A total of 20 Preventive checks were conducted during the year. Total 15 were finalized.

Surprise Checks

A total of 07 Surprise checks were conducted during the year.

Immovable property returns scrutinized

Immovable property returns (IPRs) submitted by 79 officials were scrutinized during the year.

System Improvements

Based on the outcome, recommendations for system improvements were made in different spheres of working related to Tenders and contracts, land acquisition, payment of compensation for land acquisition & HR matters as under.

System improvements Implemented

- i) (a) Additional safety measures for payments from SLAO land bank accounts must be taken up by exploring the possibility of making payments only through EFT/RTGS and activation of SMS alerts of each transaction from the bank account.
- (b) Provision of obtaining bank statement through Email on daily basis and its reconciliation on daily basis with the cheques issued by SLAO should be adopted.
- (c) Team of officers from HQ finance & one representative from field units may be formed to conduct a thorough study of the system of land payments and make recommendation for improvements in existing system with special emphasis on checks to detect frauds before they could be committed.
- (d) Conducted of proper monthly bank reconciliation of each land bank account and its monitoring at HQ level.
- (e) A detailed and comprehensive audit of all the land accounts should immediately be conducted, if not done, to cover the period up to 31st March, 2014 and regular audit thereafter.
- (f) Inspection of land accounts by the corporate finance of regular basis should be conducted.
- ii) For selection of key personnel like Track design expert, Track construction expert, Electrical expert(OHE), Electrical expert(Traction supply), Signal construction expert, Telecom construction expert etc, the minimum length of professional experience has been prescribed as 10 years both for degree and diploma holders while it should not be equal for both . The same may be rectified for future contracts.
- iii) To establish transparent procedure on investment of surplus fund.
- iv) There should be provision in Man power service providing contract that the upper age limit of outsourced staff deployed by the Agency in DFCCIL shall not exceed 65 years. Whenever any outsourced employee attains the age of 65 years, he shall be suitably replaced.
- v) Police verification for background check of outsource staff should be mandatory.

Awareness Building & Participative Vigilance.

In pursuance of directives issued by the Central Vigilance Commission, the Vigilance awareness week was observed in all the offices of DFCCIL from 26.10.2015 to 31.10.2015. The theme of this year Vigilance Awareness Week was “Preventive Vigilance as a tool of Good Governance”. To mark this occasion, a number of public outreach programmes were organised during the week to increase the awareness level among all the officials of DFCCIL and other stake holders such as Pledge taking ceremony at 11.00Hrs followed by address on the vigilance matter by Sh P.S. Bawa, Chairperson

Transparency International India, One Day Symposium on Forensic Accounting & investigative Audit" by Sh. Vinod Khurana from IFAIA. An interactive conference on the subject was also organized in the Corporate Office on 30.10.2015 in which Shri T.M. Bhasin, Chief Technical Examiner of CVC was the Guest Speaker. An essay competition on the subject "Preventive Vigilance as a tool of Good Governance" was also organized and the winners were suitably awarded.

15. Corporate Governance

In terms of the applicable provisions of the Companies Act, 2013, read with the Guidelines on Corporate Governance issued by Department of Public Enterprises, following forms an integral part of this Board's Report.

- a) A "Corporate Governance Report placed at Annexure "C" highlights the philosophy of the Company on the Corporate Governance, composition of Board of Directors as well as their attendance in various meetings, remuneration of directors etc. and other relevant disclosures. It is supplemented by the following compliance certificates.
 - i. Certification of financial Statements by Chief Executive Officer and Chief Financial Officer. Annexure "C-1".
 - ii. A declaration signed by the Managing Director affirming the compliance with the code of conduct by the Board Members and Senior Management Personnel during 2015-2016 is placed at Annexure "C-2".
 - iii. Certificate of compliance of Corporate Governance obtained from practicing Company Secretary is placed at Annexure "C-3."
- b) A "Management Discussion and Analysis Report" is placed at Annexure "D."
- c) A Secretarial Audit Report from a Company Secretary in Practice Annexure "E".
- d) An extract of Annual Return in the prescribed form MGT-9 is appended to the Board Report as Annexure 'F'.

16. Significant and Material Orders Passed by the Regulators or Courts.

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

17. 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 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


Adesh Sharma
Managing Director

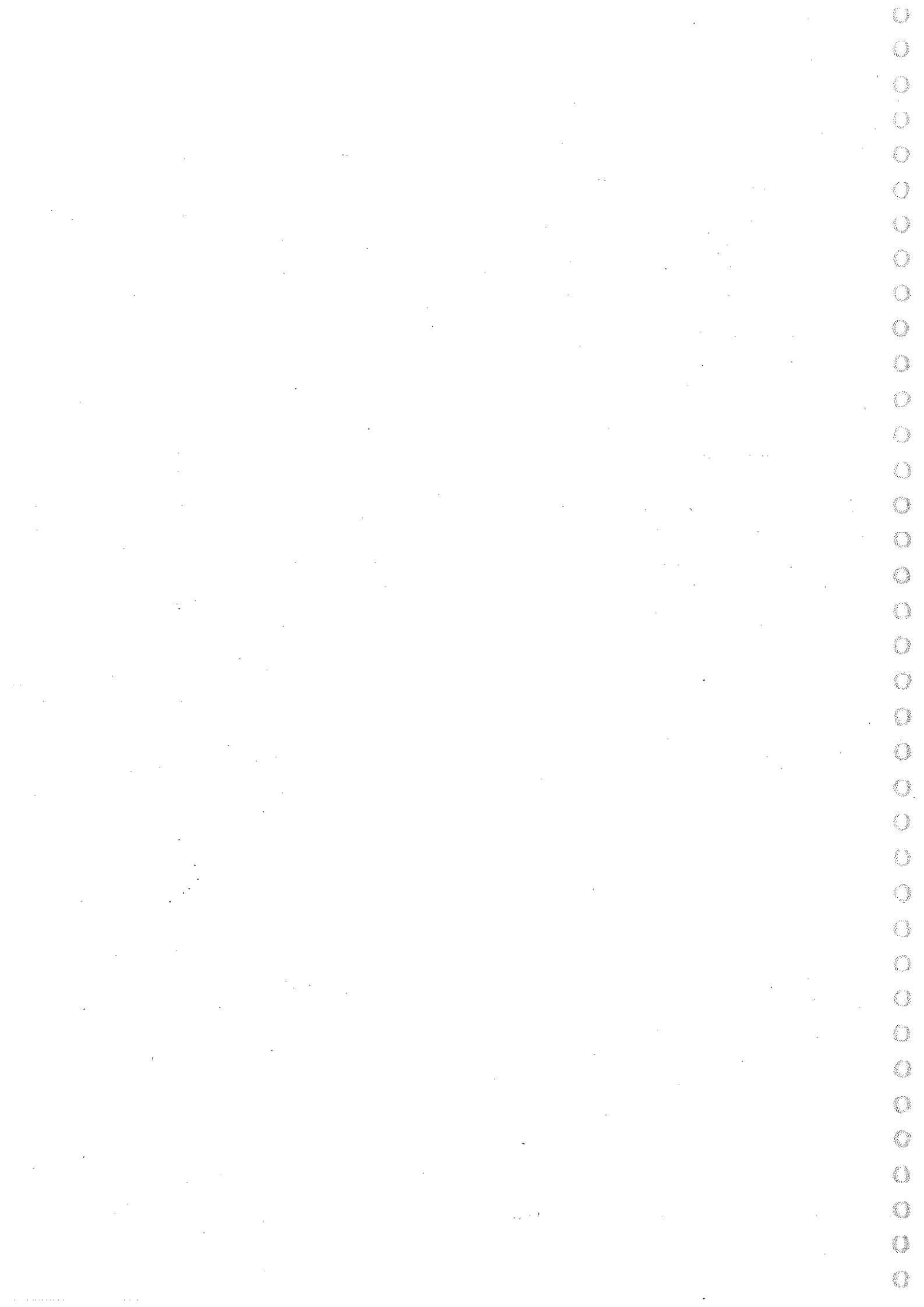

M. K. Mittal
Director Finance

Date: 31.08.2016

Place: New Delhi

MANAGEMENT'S REPLY TO THE OBSERVATIONS OF THE SECRETARIAL AUDITOR.

S.NO.	OBSERVATIONS	MANAGEMENT COMMENTS
1.	There was no Independent Director on the Board of the Company;	<i>In terms Article 81 of Articles of Association of the Company-</i> the Full Time Directors including Managing Director, Chairman, Government Nominee Directors and Independent Directors are appointed by the President of India. The Company has already requested the Ministry of Railways to appoint requisite number of Independent Directors & Woman Director on the Board of Company. On 01.04.2016 two Independent Directors have been appointed by the President of India including one Woman Director.
2.	In the absence of Independent Directors, 'Audit Committee', 'Nomination and Remuneration Committee' and 'CSR Committee' were constituted comprising of all Non-Independent Directors	<i>In terms Article 81 of Articles of Association of the Company-</i> the Full Time Directors including Managing Director, Chairman, Government Nominee Directors and Independent Directors are appointed by the President of India. The Company has already requested the Ministry of Railways to appoint requisite number of Independent Directors & Woman Director on the Board of Company. In the absence of the Independent Directors on the Board, the composition of Statutory Committees was not in line with the requirement of the Act.
3	There was no Woman Director on the Board of the Company:	During the year under review, the Company requested the Ministry of Railways to appoint requisite number of Independent Directors & Woman Director on the Board of Company. On 01.04.2016 two Independent Directors have been appointed by the President of India including one Woman Director.
4	Shri Gajendra Nath Haldea, the Nominee Director didn't attended any meeting in the financial year.	Shri Gajendra Nath Haldea, the Nominee Director didn't attended any meeting in the financial year and the same was communicated to the Administrative Ministry. The Board in its meeting held on 05.05.2016 took note of his technical vacation of the office of the Director under section 167 of the Companies Act, 2013.



ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

Vision:

To meet social obligations by playing active role to improve quality of life of communities and stakeholders.

Mission:

To remain a responsible corporate entity to all stakeholders and society at large.

Consequent upon introduction of the Companies Act, 2013, a new CSR Policy of DFCCIL was formulated which was approved by the BoD in its 47th Meeting held on 13.11.2014.

Based on the recommendations of CSR Committee in meeting held on 04.08.2015, Board of Directors (BOD) gave approval for CSR activities to be carried out during the year 2015-16, in its 51st Meeting held on 13.08.2015 (item No 51.3.17) as per details mentioned below: -

- (a) Vocational training for total 1000 PAPs/BPLs named "Saksham" at four CPM units namely Tundla, Allahabad (West), Jaipur and Mumbai by associating Confederation of Indian Industry (CII), leading to employment/self - employment; and
- (b) Skill Development training for PAPs in two CPM units - one each on Western DFC and Eastern DFC. Each unit was allotted a fund of approx. Rs 15 lakhs for providing Skill Development Training to PAPs under CSR.

2. During the year, the Composition of the CSR Committee:

Shri H. D. Gujrati, Director/OP&BD/DFCCIL - Convener

Shri D. S. Rana, Director/Infra/DFCCIL-Member

Shri Girish Pillai, Advisor/Infra, Railway Board - Nominee Director

The CSR Sub Committee was re constituted at 54th BoD held on 02.06.2016. The Committee is as follows-

- (i) Shri Ravi Mathur, Independent Director - Chairman
- (ii) Shri H. D. Gujrati, Director/OP&BD/DFCCIL- Member
- (iii) Shri D. S. Rana, Director/Infra/DFCCIL - Member

3. Average net profit of the company for last three financial years: Rs. 4459.48 lakhs

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): Rs 89.19 lakhs

5. Details of CSR spent during the financial year.

Total amount to be spent for the financial year: The total expenditure planned for CSR activities for 2015-16 was Rs 1.68 crores including the unspent Rs 3.94 lakh of the previous year 2014-15.

(a) Amount unspent, if any: Nil



(b) Manner in which the amount spent during the financial year is detailed below:

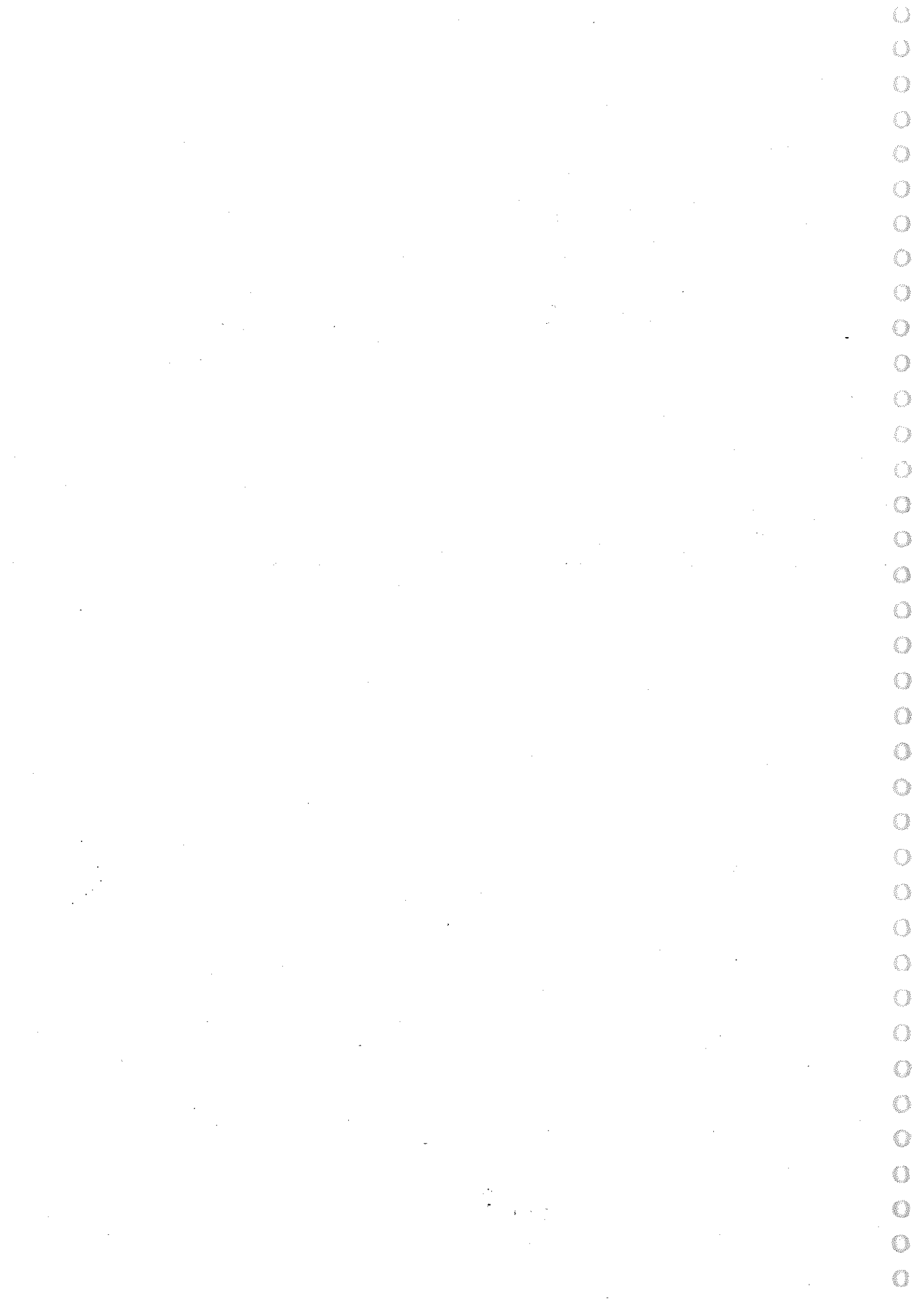
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR project or activity identified.	Sector in which the project is covered	Projects or programs (1) Local area or other or (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (in lakhs)	Amount spent on the projects or programs Sub-heads: (1) Director expenditure on projects or programs. (2) Overheads.(in lakhs)	Cumulative expenditure upto the reporting period (in lakhs)	Amount spent: Direct or through implementing agency
1	Vocational Training to Project Affected Persons/BPLs	Employment Enhancing Vocational Skills	Total 1012 PAPs/BPLs were imparted training in various courses, viz., Hospitality, Data Entry Operator, Retail Sales, Electrician, Fitter, Logistics-Documentation Assistant, Telecom, etc. at Allahabad, Jaipur, Mumbai and Tundla regions.	105	105	105 lakhs	Confederation of Indian Industry (CII)
2	Skill Development Training to Project Affected Persons	Employment Enhancing Vocational Skills	(a) Total 150 PAPs were imparted Skill Development	15	15	15	ITIs at Ambala Cantt., Barara and Sarsawa under Haryana State

Skill Development Training to Project Affected Persons	Employment Enhancing Vocational Skills	(a) Total 150 PAPS were imparted Skill Development Training in Haryana State.	15	15	15	ITIs at Ambala Cantt., Barara and Sarsawa under Haryana State
		(b) Total 140 PAPS/ non-PAPS were imparted Skill Development Trainings in the State of Gujarat	15	15	15	Project Administrator, Tribal Area Sub Plan, Palanpur under Gujarat State.
		(c) 82 PAPS/non-PAPS were imparted Skill Development Trainings in the State of Gujarat	15	15	15	ITIs at Kalol, Sanand and Mehsana under Gujarat State
TOTAL			135	135	135	

*Give details of implementing agency:

- In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report - Not applicable.
- A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company:

 Adesh Sharma (Managing Director)	 Ravi Mathur (Chairman CSR Committee)	N.A
		[Person specified under clause (d) of sub-section (1) of section 380 of the Act] (wherever applicable)



Corporate Social Responsibility

Vision:

To meet social obligations by playing active role to improve quality of life of communities and stakeholders.

Mission:

To remain a responsible corporate entity to all stakeholders and society at large.

As per the CSR policy, based on Companies Act and Government guidelines, funds for CSR activities are to be allotted to at least 2% of the average net profit of the Company, made during 3 immediately preceding financial years or MOU targets.

Average net profit of the company for last three financial years was Rs 89.19 lakhs. The prescribed CSR expenditure was (two per cent of the amount as in item 3 above) – Rs. 89.19 lakhs

Based on the recommendations of CSR Committee in meeting held on 04.08.2015, Board of Directors (BOD) gave approval for CSR activities to be carried out during the year 2015-16, in its 51st Meeting held on 13.08.2015 (Item No 51.3.17) as per details mentioned below: -

- a. Vocational training for total 1000 PAPs/BPLs named "Saksham" at four CPM units namely Tundla, Allahabad (West), Jaipur and Mumbai by associating CII (Confederation of Indian Industry), leading to employment/self – employment; and
- b. Skill Development training for PAPs in two CPM units - Ahmedabad Unit from on Western DFC and Ambala unit on Eastern DFC. Each unit was allotted a fund of approx. Rs 15 lakhs for providing Skill Development Training to PAPs under CSR.

The total expenditure planned for CSR activities for 2015-16 was Rs 1.68 Crores including the unspent Rs 3.94 lakh of the previous year 2014-15.

- As per the MOU signed with CII, the grant provided by DFCCIL for the project was equivalent to INR.10500 per candidate for 1000 candidates
- The total project cost for Rs 14000 per candidate is **Rs 1,40,00,000** (One Crores forty lakhs rupees only). DFCCIL contributed 75% @ Rs 10,500/- per candidate and CII contributed 25% @ Rs 3,500/- per candidate.

The details CSR activities undertaken during the year 2015-16 is as under: -

A. Status of Vocational Training through CII: 1012 trainees have undergone training in 13 centres across Mumbai, Jaipur, Tundla and Allahabad regions. Summary of number of trainees at various CPM units is as indicated below:

Unit	Total trainees	BPL	PAP
Allahabad (West)	241	106	135
Jaipur	260	60	200
Mumbai	250	125	125
Tundla	261	205	56
Total	1012	496	516

Salient features:-

- Courses covered included hospitality, data entry operator, retail sales, electrician, fitter, logistics- documentation assistant, telecom etc.
- Training man days achieved in Vocational training – 44,242
- Out of total 1012 candidates who were provided employment opportunities, 715 (72%) is the total no of students who accepted the employment offer and joined.

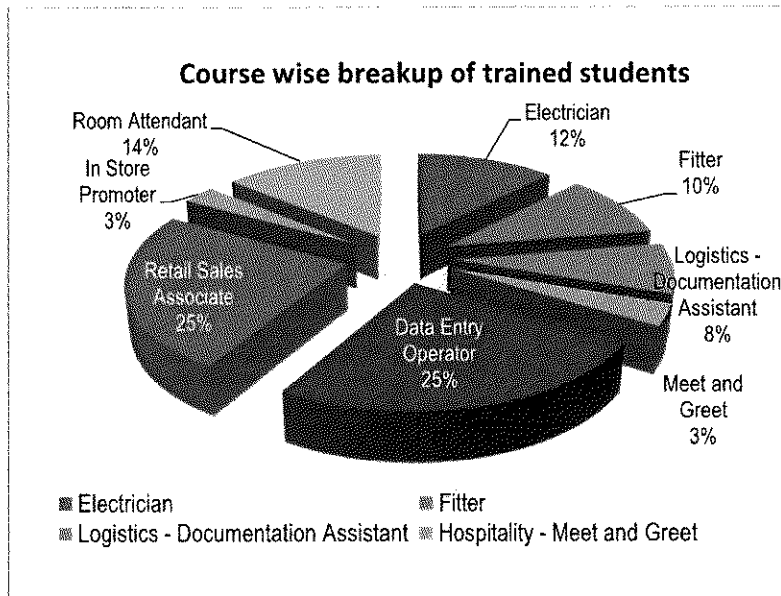
Course List | Location/Center Wise

Location	Center	Courses
Allahabad	Bhagwatpur	Hospitality - Room Attendant
		Retail Sales Associate
	Katra - Roshni Institute	Retail Sales Associate
	Mandari	Hospitality - Room Attendant
		Logistics - Documentation Assistant
		Retail Sales Associate
	Sallahpur	Hospitality - Room Attendant
		Courier & Logistics - Documentation Assistant
		Retail Sales Associate
Tundla	Firozabad	Data Entry Operator

		Electrician
		Fitter
		Retail Sales Associate
	Tundla	Hospitality - Room Attendant
		Fitter
Jaipur	Jaipur	Data Entry Operator
		Retail Sales Associate
	Phulera	Data Entry Operator
		Electrician
	Ringus	Data Entry Operator
		Electrician
Mumbai	Dahanu	Data Entry Operator
		Courier & Logistics - Documentation Assistant
		Retail Sales Associate
		Telecom - In-Store Promoter
	Thane	Hospitality - Meet and Greet
	Vasind	Retail Sales Associate
	Virar	Data Entry Operator

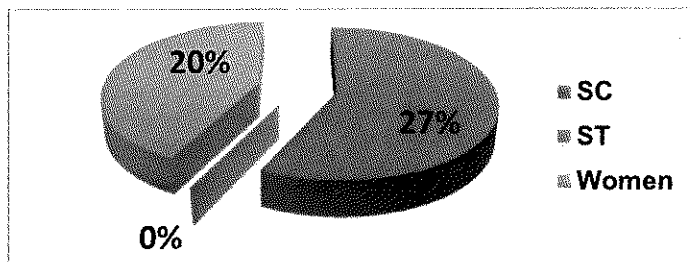
List of Courses	Batches	Trained
Electrician	4	125
Fitter	3	103
Courier Logistics - Documentation Assistant	3	79
Hospitality - Meet and Greet	1	34
Data Entry Operator	8	252
Retail Sales Associate	9	248
Telecom - In Store Promoter	1	30
Hospitality - Room Attendant	5	141
Grand Total	34	1,012

Of the students enrolled there were 530 students from PAP families and 509 from BPL families.

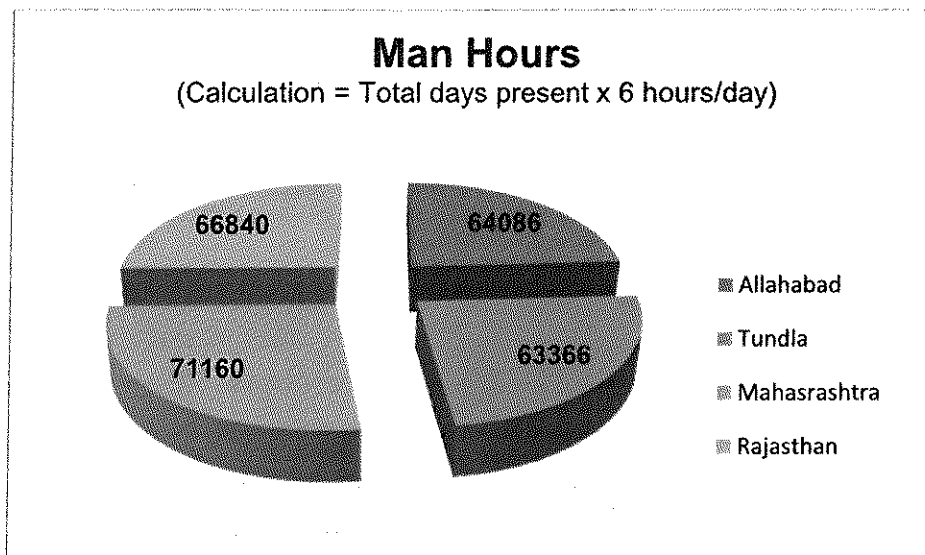
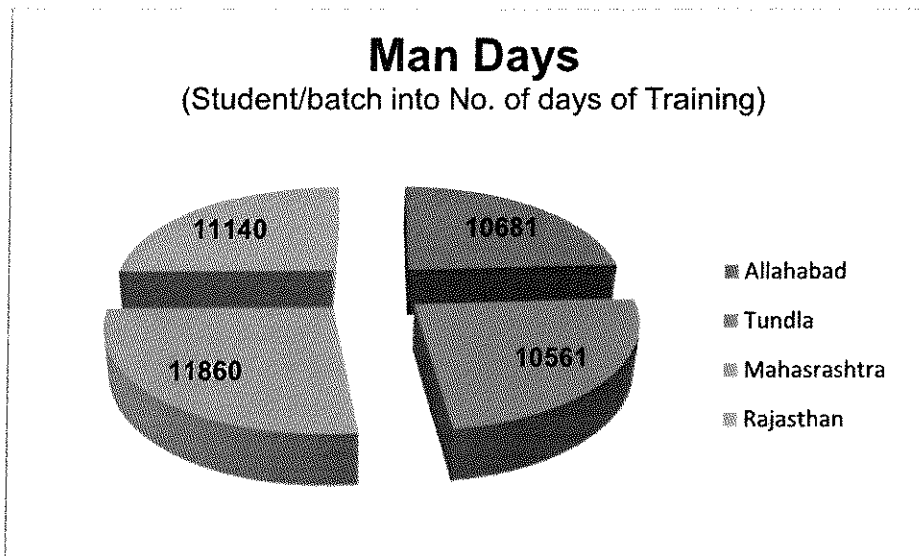


Overall SC, ST and Women Break-Up

Locations	SC	ST	Women
Allahabad	138	0	73
Tundla	28	0	30
Jaipur	0	1	16
Mumbai	107	0	84
Total	273	1	203



Man Hours & Man Days for training



B. Status of Skill Development Training:-

Ambala: Four batches of skill development training through ITIs for three months have been completed with 150 total participants at Ambala Cantt, Barara, Sarsawa. Rs 15 lakhs allocated to the unit has been spent.

Ahmedabad:

Various trainings were organized through Project Administrator, Tribal Area Sub Plan, Palanpur for 140 beneficiaries. Besides, five batches of skill development training have been organized through ITIs at Kalol, Sanand, Mehsana with 82 participants. 25 lakhs allocated to the unit have been spent.

Training man-days achieved in skill development training for Ambala and Ahmedabad: 21,305

Overall status as per MOU targets is elucidated in the table below: -

As per the MOU targets for 2015-16, 30,000 man days of skill development training was to be imparted under Corporate Social Responsibility and Sustainable Development -

Evaluation Criteria	Unit	Weight (%)	Excellent	VG	Good	Fair	Poor
Corporate Social Responsibility and Sustainable Development							
Skill Development Training	Mandays	3	30000	25000	22000	20000	18000

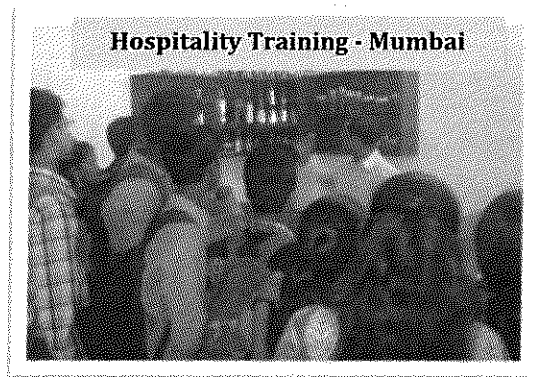
Details of skill development training imparted and mandays achieved is as given below:

Vocational Training through CII	44,242
Skill Development Training for PAPs	
Ambala	13,500
Ahmedabad	7,805
Total Man days achieved	65,547

Theory Trainings



Practical Trainings



Placements





CORPORATE GOVERNANCE REPORT

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

The Company believes in achieving the Company's Goal and objectives through the highest levels of transparency, accountability and equity in all spheres of its operations and in all its dealings. 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.

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 means for 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 04.05.2010 has approved the composition of the Board of Directors of DFCCIL as follows:

- Chairman Railway Board (CRB) as Part Time Chairman.
- Five full time Functional Directors including Managing Director.
- One Nominee of Ministry of Railways.
- One Nominee of Planning Commission.
- Four Independent non-official Directors including one from financial institutions depending on requirement.

2.2 Strength of the Board

In terms of Article 81(1) of the Articles of Association of the Company, The President of India has the power to appoint Directors of the Company. On the date of the report, the total strength of the Board of Directors of the Company is Ten comprising of five whole-time Directors, one part time Chairman, One part-time official Directors (nominee) from Ministry of Railways and One Nominee from Niti Aayog and two Independent directors. Out of four sanctioned position of independent Directors, two post are still vacant.

2.2.1 Directors who have joined the Board during the financial year 2015-2016. – NIL.

2.2.2 The following Directors have joined after the closure of financial year 2015-2016.

- a) In terms of Railway Board's Order no. 2008/Infra/6/1 (Pt.1), dated 01.04.2016, the President of India has appointed Sh. Ravi Mathur and Smt. Shakti Munshi, as part-time non official directors

on the Board of DFCCIL, w.e.f. 01.04.2016 for a period of three years or until further orders, whichever is earlier.

- b) In terms of Railway Board's order no. 2016/PL/61/4 dt, 30.06.2016, the President of India has appointed Sh. Y.S. Malik, Additional Secretary, Niti Aayog as part time Government Director on the Board of Dedicated Freight Corridor Corporation of India Limited with immediate effect till the holding of the post of Additional Secretary, Niti Aayog or further orders whichever is earlier.

2.2.3 The following Directors cease to be hold office during the financial year 2015-2016 –

- a. Vide Railway Board's letter No.2008/Infra/6/1 dated 25.04.2012, Sh. R.S. Sharma, Independent Director completed his tenure of three years on 24.04.2015.

2.2.4 The following Director cease to hold the office after the closure of the financial year 2015-16.

- a. Vide resolution no, 53.4.2 of 53rd Board Meeting dated 05.02.2016, the office of Nominee Director, Sh. Gajendra Haldea is technically vacated.

The composition of the Board of Directors, on the date of report, along with Directorships held by them and their attendance in the Board meetings held during the financial year 2015-2016 and the last Annual General Meeting is tabled below:

NOTES:

1. The Directorships being held by the Directors are within the limits laid down under section 165 of the Companies Act, 2013. For reckoning the limit of public companies in which a person can be appointed as director, directorship in private companies that are either holding or subsidiary. Company of a public company is included.
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 (Now NITI Aayog).
3. The term "part time non official" means the Independent Directors.
4. For the purpose of considering the limit of the Committees on which a Director can serve , all public limited companies, whether listed or not, is included.
5. For the purpose of reckoning the limit for chairmanship/membership, the Audit Committee, Corporate Social Responsibility Committee and Nomination and Remuneration Committee is taken.
6. The word "NA" denotes "Not Applicable" as either the concerned Directors have joined the Board after the financial year 2015-16.

S.No.	Category of Directors	Name of Directors/ Date of Appointment	Number of Directorship s/ Chairmanships in public companies including DFCCIL and excluding private Companies 1 & 5	Total No. of Committee Memberships/ chairmanships in public companies including DFCCIL and excluding private companies (*4 & 5)	No. of Board Meetings held during 2015-2016 (during their respective tenures)	No. of Board meetings attended (during their respective tenures)	Last AGM attended
(I) Chairman (Part-time official)							
1.	Chairman/ Railway Board	Sh. A K. Mital (DIN- 07124281) (Held office from 03.02.2015	1	Nil	5	5	Yes
(II) Whole-time Director							
1	Managing Director	Sh. Adesh Sharma (DIN- 07022393) (Held office from 20.10.2014).	1	Nil	5	5	Yes
2	Director (Project Planning)	Sh. Anshuman Sharma (DIN- 03500815)(Held office from 05.04.2011)	1	1- Audit Committee Member	5	5	Yes
3	Director (Operations &	Sh. H.D. Gujrati (DIN- 01393052)	1	2- Nomination and	5	5	Yes

	Business Development)	(Held office from 29.11.2012)		Remuneration Committee & Corporate Social Responsibility Committee			
4	Director (Finance)	Sh. M.K. Mittal, (DIN- 02889021) (held office from 16.09.2013) (FN)	1	2- Audit Committee (Member) Nomination and Remuneration Committee (Member)	5	5	Yes
5	Director (Infrastructure)	Sh. D.S. Rana (DIN-07022825) (Held office from 27.10.2014)	1	1- Corporate Social Responsibility Committee (Member)	5	5	Yes
(III) Director (Part-time official)							
1.	Advisor (Infrastructure) /Railway Board	Sh. Girish Pillai (DIN- 00382088) (held office from 14.11.2012)	2	3 Audit Committee/ Member Corporate Social Responsibility Committee/Member	5	4	Yes (as a Shareholder)

				Nomination and Remuneration Committee/ Chairman			
2	Advisor of Deputy Chairman, Planning Commission	Sh. Gajendra Haldea (DIN-02197994) (held office from 02.05.2008)	1	Nil	5	0	No
	Additional Secretary Niti Aayog	Sh. Y.S.Malik (DIN-00000555) (held office from 30.06.2016)	NA	NA	NA	NA	NA
(IV) Independent Directors (Part Time non official)							
1	Part Time non-official	Mrs. Shakti Munshi (held office from 01.04.2016) (DIN-00483546)	NA	NA	NA	NA	NA
2	Part Time non-official	Sh. Ravi Mathur (DIN-02427086) (held office from 01.04.2016)	NA	NA	NA	NA	NA

During the financial year 2015-2016, the Board of Directors met five times to transact the business. 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 2014	08.05.2015 and 08.06.2015
2.	For the quarter ended September 2014	13.08.2015

3.	For the quarter ended December 2014	27.11.2015
4.	For the quarter ended March 2015	05.02.2016

Brief Resume of Directors appointed as on the date of report:

i) Mrs. Shakti Munshi, Independent Director/DFCCIL, w.e.f. 01.04.2016

Mrs. Shakti Munshi assumed the charge of independent director of the company w.e.f. 01.04.2016. A post graduate (M.Sc.) in Biology from Mumbai University she also holds a Masters in Business Management from Jamnalal Bajaj Institute of Management (Mumbai University).

She has extensive experience in the New Business Development and New Product Launches in major Indian Companies like Reliance Industries & Garware Polyester. She has worked as Divisional Head of Retail Business in Sultanate of Oman and as a Consultant to Norwegian Fisheries Export Promotion Council (Norway). She is sensitive to various environmental and social issues and is involved in encouraging the usage of Solar energy.

Currently she is Director at C-Tech Labs Pvt Ltd, a SINE incubator company of Indian Institute of Technology Powai (Mumbai -India) and Partner Alpha Medicus India LLP.

ii) Sh. Ravi Mathur, Independent Director/DFCCIL, w.e.f. 01.04.2016

Sh. Ravi Mathur assumed the charge of independent director of the company w.e.f. 01.04.2016. He has served in the Indian Administrative Service for 35 years. He has B.Tech. and M.Tech. degrees in Chemical Engineering from Indian Institute of Technology, Kanpur and M.Sc. (Finance) from University of Strathclyde, Glasgow, U.K. He retired as Secretary to the Government of India in the Department of Disinvestment, Ministry of Finance in September 2014. He has served in various capacities in the Central and State Governments. He also has vast experience in the Higher and Technical Education Sectors in the Country having served in the Ministry of Human Resource Development, Government of India for five years. He has also served on the Governing Bodies of a number of technical Institutions in the Country, including IIT's and IIM's.

iii) Sh. Y.S. Malik, Additional Secretary, Niti Aayog as part time Government Director /DFCCIL, w.e.f. 30.06.2016.

3. Audit Committee

Composition of the Audit Committee

Audit Committee of the Board of Directors was originally constituted on 14.03.2008 and was reconstituted from time to time. The composition of the Audit Committee as on the date of report is as follows:

S.No.	Member	Position	Date of holding the membership of the Committee
1	Sh. Ravi Mathur Independent Director	Chairman	13.05.2016
2	Sh. M.K. Mittal Director (Finance)	Member	13.06.2014
3	Mrs. Shakti Munshi Independent Director	Member	13.05.2016

The Terms of Reference of the Committee as prescribed by the Board in its meeting held on 14.03.2008.

- 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 ensure compliance of internal control systems.
- To investigate into any matter relating to financial management including the audit report.
- Any other matter brought to the notice of the Audit Committee by Board of Directors.
- To appoint an internal Auditor and to set the terms and conditions of appointment, including the remuneration payable (added vide item no. 4 of 12th Board Meeting held on 16.6.2009)

Additional 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 Directors' 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.

Additional Terms of Reference for the Audit Committee re-constituted on 07.08.2012 and are being retained;

Chapter-4 of the DPE guidelines on Corporate Governance deals with the Audit Committee. Clause 4.5 of the chapter requires that the following information shall be reviewed by the Audit Committee.

- a) Management discussion and analysis of financial condition and results of operations.
- b) Statement of related party transactions submitted by Management.
- c) Management letters/letters of internal control weakness issued by the statutory auditors.
- d) Internal audit reports relating to internal control weakness.
- e) The appointment and removal of the Chief Internal Auditor shall be placed before the Audit Committee; and
- f) Certification/declaration of financial statements by the Chief Executive/Chief Finance Officer.

Additional Terms of Reference for the Audit Committee in terms of section 177(4) of the Companies Act, 2013.

1. Every Audit Committee shall act in accordance with the terms of reference specified in writing by the Board which shall, *inter alia*, include,—

- (i) the recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- (ii) view and monitor the auditor's independence and performance, and effectiveness of audit process;
- (iii) examination of the financial statement and the auditors' report thereon;
- (iv) approval or any subsequent modification of transactions of the company with related parties;
- (v) scrutiny of inter-corporate loans and investments;

- (vi) valuation of undertakings or assets of the company, wherever it is necessary;
- (vii) evaluation of internal financial controls and risk management systems;
- (viii) monitoring the end use of funds raised through public offers and related matters.
- (ix) to oversee the vigil mechanism and to provide for adequate safeguards against victimization of employees and directors who avail of the Audit Committee and in case of repeated frivolous complaints by a director or an employee, the Audit Committee may take suitable action against the concerned director or employee including reprimand. -

Powers of the Audit Committee:

Commensurate with its role, the Audit Committee should be invested by the Board of Directors with sufficient powers, which should include the following:

- (i) To investigate any activity within its terms of reference.
- (ii) To seek information on and from any employee.
- (iii) To obtain outside legal or other professional advice, subject to the approval of the Board of Directors.
- (iv) To secure attendance of outsiders with relevant expertise, if it considers necessary.
- (v) To protect whistle blowers.
- (vi) The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company.
- (vii) All powers, as may be required, for executing the Scope of the Audit Committee.
- (viii) The Audit Committee shall have authority to investigate into any matter in relation to the items specified in sub-section (4) of section 177 of the Companies Act, 2013, or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the company.

During the year under review, the Committee met 5 times on the following dates: 08.05.2015, 08.06.2015, 12.08.2015, 18.11.2015 and 26.02.2016. The attendance of the members of the Committee during 2015-16 is produced below:

Member	Position	Meetings held**	Meetings attended ***
Sh. Girish Pillai, Nominee Director	Chairman	5	5
Sh. M.K. Mittal, Dir/Finance	Member	5	5
Sh. Anshuman Sharma, Dir/Project & Planning	Member	5	5

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

*** "Meetings attended"- denotes the number of meetings attended by the member during the tenure of the member of the Committee.

4. Nomination and Remuneration Committee

The 'HR' and 'Remuneration Committee' of the Board were dissolved and a new Committee called 'Nomination and Remuneration Committee' was constituted vide resolution no. 51.3.7 of 51st Board Meeting held on 13.08.2015.

Terms of Reference:

a) The Nomination and Remuneration Committee shall identify persons who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal.

Note: With reference to clause 2(1.5) of "The Code of Conduct for Board Members and Senior Management Personnel duly approved by the Board, the term "Senior Management Personnel" shall mean personnel of the Company who are members of its core management team excluding Board of Directors and would comprise all members of management one below the whole-time Directors including all functional heads.

b) The Nomination and Remuneration Committee shall recommend to the Board a policy, relating to the remuneration of the Senior Management and other employees.

c) The nomination and Remuneration Committee shall, while formulating the policy under sub-section (3) ensure that-

i. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

- ii. Remuneration to senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals:

The composition of the nomination and Remuneration Committee as on the date of report is as follows:

S. No.	Member	Position	Date of holding the membership of the Committee
1	Sh. Girish Pillai, Government Nominee Director (MoR)	Chairman	13.08.2015
2	Smt. Shakti Munshi, Independent Director	Member	13.05.2016
3	Sh. Ravi Mathur, Independent Director	Member	13.05.2016
4	Sh. H.D. Gujrati, Director(OP&BD)	Special invitee	13.08.2015

During the financial year 2015-16, the no. of Nomination and Remuneration Committee meetings are 'Nil'.

A. Remuneration of Directors

DFCCIL, being a wholly owned Government Company under Companies Act, 2013, the whole-time Directors of the Company are appointed by the 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 the 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/Sub-Committee meetings attended during the financial year.

The detail of remuneration paid to the whole time Directors for the year 2015-2016 is detailed below.

S. No	Name of Director	Salary Allowances (In ₹)	& Other Benefits Perks 17(2) (In ₹)	Performance linked incentives (In ₹)	Total (In ₹)
1	Sh. Adesh Sharma (Managing Director)	26,16,800.00	1,53,381.00		27,70,181.00
2	Sh. H. D Gujrati Director (Opn & BD)	24,35,102.00	1,53,462.00		25,88,564.00
3	Sh D.S. Rana Director (Infra)	24,17,512.00	92,512.00		25,10,024.00
4	Sh Anshuman Sharma Director (PP)	25,61,335.00	4,14,899.00		29,76,234.00
5	M.K Mittal Director (Finance)	27,33,436.00	1,66,880.00		29,00,316.00
	Total				1,37,45,319.00

A. Detail of sitting fee paid to the Part-time non official Directors for the financial year 2015-16: NIL.

As all the posts of Part-time non official Directors remained vacant during financial year 2015-16.

5. Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee of the "Board" was originally constituted on 13.06.2014 and was reconstituted from time to time. The composition of the Corporate Social Responsibility Committee as on the date of report is as follows:

S.No.	Member	Position	Date of holding the membership of the Committee
1	Sh. H.D. Gujrati, Dir/OP&BD	Convener/Member	13.06.2014
2	Sh. Ravi Mathur, Independent Director	Chairman	13.05.2016
3	Sh. D.S. Rana, Dir/Infra	Member	08.05.2015

Terms of Reference:

The Corporate Social Responsibility Committee shall, -

- (a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII;
- (b) Recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- (c) Monitor the Corporate Social Responsibility Policy of the company from time to time.

During the financial year 2015-16, the Corporate Social Responsibility met once on 04.08.2015

5. General Meetings.**Annual General Meetings.**

The Annual General meetings of the Company are held at New Delhi, where the registered office of the Company is situated. The details of such meetings held during the last three years are as under:

AGM	Year	Venue	Date	Time
7 th	2012-2013	Committee Room, 2 nd Floor, Rail Bhawan, Raisina Road, New Delhi-110001	27.09.2013	12:30 Hrs
8 th	2013-2014	Committee Room, 2 nd Floor, Rail Bhawan, Raisina Road, New Delhi-110001	19.09.2014	16:00 Hrs.
9 th	2014-2015	Board Room, 5 th Floor, Pragati Maidan, Metro Station Building Complex, New Delhi-110001.	21.09.2015	12:30 Hrs.

Detail of special resolutions passed in the previous three AGMs.

AGM	Year	Subject Matter of the Special Resolution	Date	Time
7 th	2012-2013	Nil	27.09.2013	12:30 Hrs.
8 th	2013-2014	Section 180(1) (c) –Power to borrow money in excess of the prescribed limit.	19.09.2014	16:00 Hrs.
9 th	2014-2015	Nil	21.09.2015	12:30 Hrs.

6. Disclosures

- A. There has not been a reported materially significant related party transaction except the remuneration to key management personnel as disclosed vide note 29 to the financial statements.
- B. All the terms 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.
- C. There are no personal expenses incurred for the Board of Directors.
- D. The Net administrative expenses as a percentage of total expenses have decreased from 4.14% in 2014-15 to 3.81 % in 2015-16.

7. Corporate Communication

Corporate communication plays a major role in creating and maintaining the business awareness and branding of any organization. Bi-directional communication strategy while disseminating updated information, creates brand value and reputation for the organization among target audience.

As a public sector corporate entity Dedicated Freight Corridor Corporation of India Ltd. (DFCCIL), engaged in planning, construction and operation of iconic infrastructure, gives proper importance to Corporate Communication and this clearly reflects in its efforts for a good communication. The role of communication is not just speaking and telling people about you, but also listening to people's voices and thus fulfilling their communication needs. Year 2015-16 witnessed many new innovative efforts made by DFCCIL in establishing and further strengthening communication.

With the increasing popularity of social media around the globe, communication strategy of any organization is not complete without using popular social network platforms like- Facebook, twitter and YouTube etc. Acknowledging the fact, DFCCIL created its official Facebook page for real time and two-way communication. Another popular platform Twitter is also being utilized by DFCCIL for sharing updates, photographs and other important information. To upload latest videos taken from various construction sites, an official YouTube channel was started by DFCCIL during the year 2015-16.

DFCCIL regularly interacts with print and electronic media to provide them complete picture and updated status of the project. In 2015-16 DFCCIL organized two Press Conferences on 07.08.2015 and

16.02.2016 respectively, which got an overwhelming response and coverage from media. Apart from this, DFCCIL issues Press Releases along with photographs on important occasions and events. These Press Release are uploaded on to DFCCIL's website and generated link is posted on DFCCIL's Facebook page and Twitter handle for wider reach. DFCCIL has also started issuing important Press Releases in Hindi too. During the period over 25 Press Releases were issued in English and Hindi.

Apart from regular Press Conferences, Corporate Communication Department also organizes one-to-one interaction of Managing Director of DFCCIL with Press Correspondents of leading news organizations. This includes Interviews published in Business Line, Financial Express, Business Standard & Mail Today. In addition, A media team of Zee Business Channel visited to the construction sites of Western DFC to capture different construction activities. Zee Business produced a story of a duration of 15 minutes, which was broadcasted on 22.02.2016 and repeated in multiple bulletins on 23.02.2016 on Zee Business and other Zee Media channels.

8. Audit Qualifications

The Auditors' Report submitted by M/s Baweja & Kaul, Chartered Accountants doesn't contain any qualification and hence no explanation or comments are required.

9. Training of Board Members

DFCCIL is concerned to take various training programs for its officers/ employees. The detail of training of officers and Employees is being dealt separately in Corporate Governance Report. In order to acquaint the Board Members, presently the Corporation 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 along with MOU targets and its achievements. This provides the basic information about the Company to the incumbent. Besides that Board Members and Senior Management personnel are nominated for various training programs, from time to time.

10. CEO/CFO CERTIFICATION

The certificate duly signed by the Chief Executive Officer and CFO as presented to Board of Directors, is annexed as Annexure "C-1" to the report.

11. 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. At 36th meeting of the Board, the Code of Business Conduct and Ethics for Board members and Senior Management which came into force w.e.f. 1st day of April 2009 was replaced by the Model Code of Conduct as suggested in DPE guidelines. In terms of Code of Conduct for Directors and Senior Management Personnel, the annual affirmation that Code of Conduct has been complied with has been obtained from all the functional Board members and Senior Management Personnel. The Code of Conduct is also posted on the Website of the Company www.dfccil.gov.in. A declaration signed by the Managing Director affirming the compliance with the code of conduct by the Board Members and Senior Management Personnel during 2015-16 is placed at "Annexure "C-2".

12. Whistle Blower Policy

DFCCIL believes in conduct of its affairs with highest standards of professionalism, honesty and integrity and is committed to ensure ethical behaviour by all its employees. The company therefore believes in creating a culture where it should be safe for all employees to raise concerns about any unethical practices or misconduct. The Company had formulated a Whistle Blower Policy. This policy provides a framework to enable employees wishing to raise a concern about serious irregularities within the Company without fear of victimisation and covers protected disclosures by employees of DFCCIL including those on deputation.

13. 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. (Annexure "C-3").





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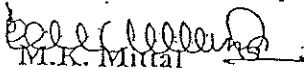
Dedicated Freight Corridor Corporation of India Ltd.

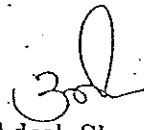
(A GOVERNMENT OF INDIA UNDERTAKING)

MANAGING DIRECTOR AND DIRECTOR FINANCE CERTIFICATION

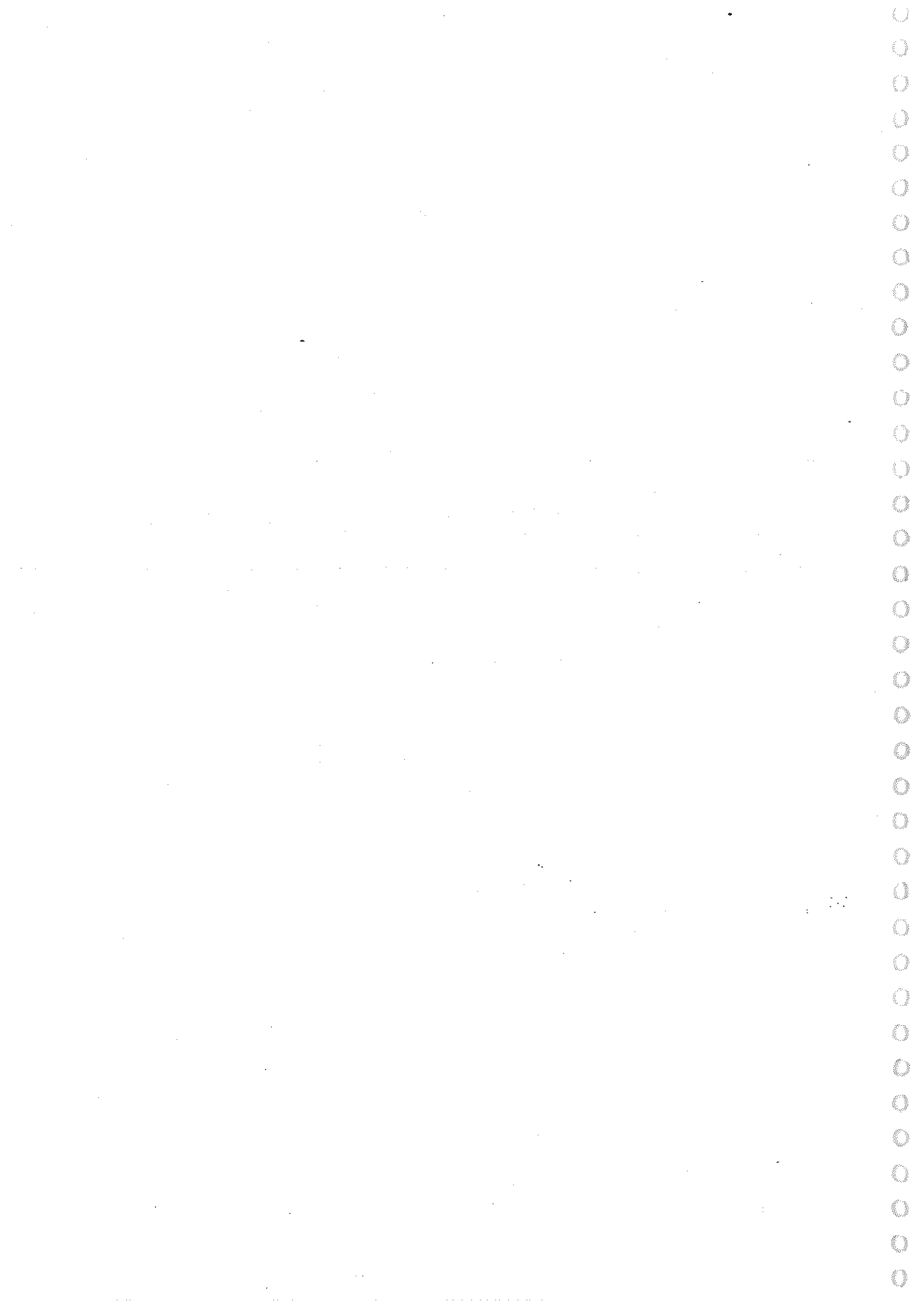
We have reviewed the Financial Statements including the Balance sheet, Statement of Profit & Loss, and the Cash Flow Statement for the financial year 2015-16 and to the best of our knowledge and belief :

- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- (iii) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct;
- (iv) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting. We have disclosed to the Auditors and the Audit Committee deficiencies in the design or operation of such internal controls of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies;
- (v) We have indicated to Auditors and the Audit Committee changes in Accounting Policies during the year, and that the same have been disclosed in the Notes to the Financial Statements; and
- (vi) There was no instance of fraud nor there has been involvement of the Management or an employee having a significant role in the Company's internal control system over financial reporting, of which we are aware.


M.K. Mittal
Director Finance


Adesh Sharma
Managing Director


Place: New Delhi
Dated:



Declaration by Managing Director regarding compliance with the Code of Business and Ethics Conduct by Board members and Senior Management during F.Y 2015-16.

I, Adesh Sharma, Managing Director, Dedicated Freight Corridor Corporation of India Limited, do hereby declare that all the functional Board Members and the Senior Management Personnel have affirmed compliance of the Code of Business and Ethics Conduct during 2015-16.

Place: New Delhi
Date: 6-5-2016


6/5/16
(Adesh Sharma)
Managing Director





Balika Sharma And Associates
Company Secretaries

Address : Flat No. 211 pocket A / 3,
Sector-7, Rohini, New Delhi,
Pin Code -110085
Mobile : 9811387946
E-mail Id: balikasharma@gmail.com


COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of,
Dedicated Freight Corridor Corporation of India Limited
5th Floor, Pragati Maidan Metro Station
Building Complex, Delhi-110001
CIN: U60232DL2006GOI155068

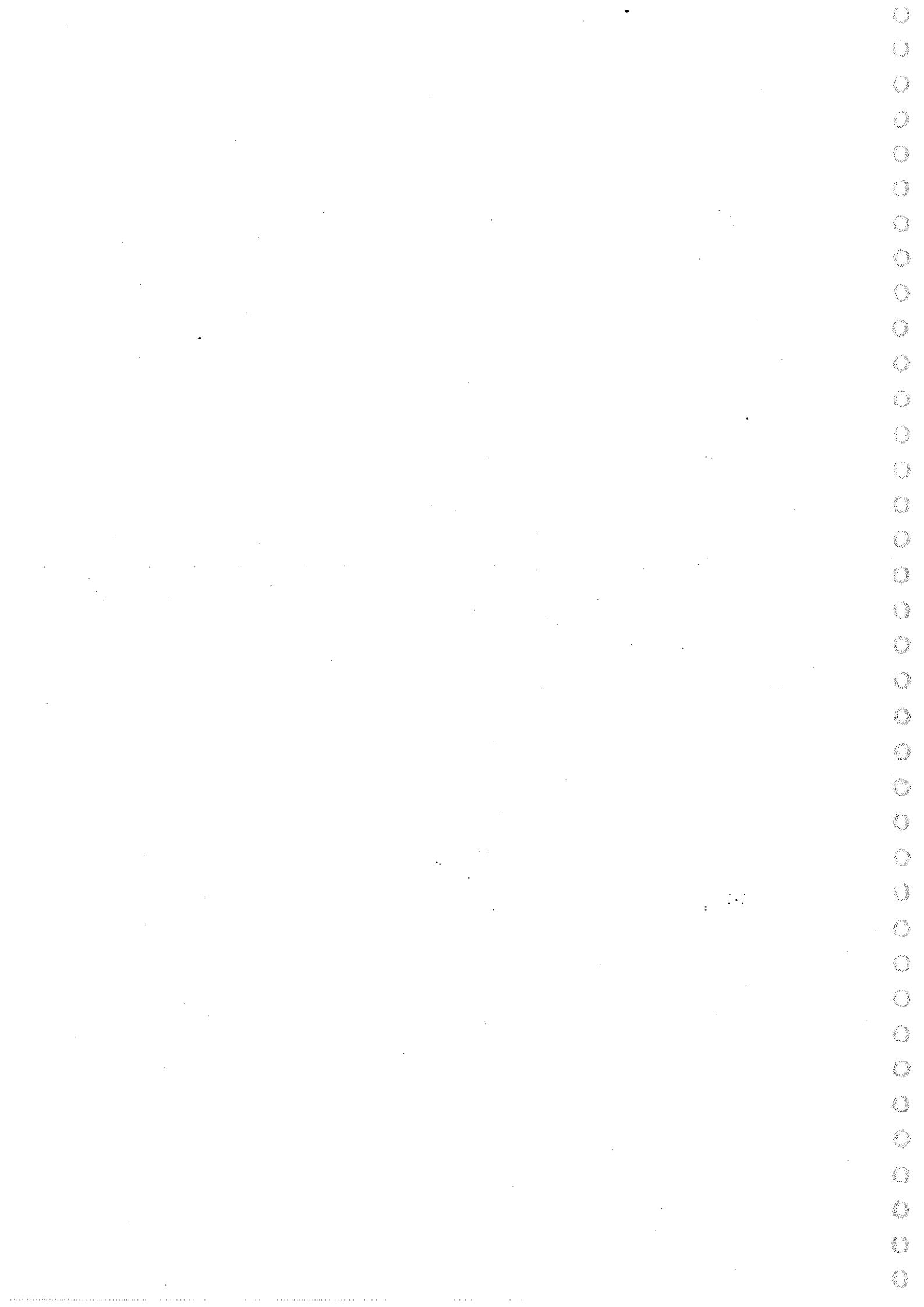
REG: COMPLIANCE CERTIFICATE WITH REFERENCE TO COMPLIANCE OF
CONDITIONS OF CORPORATE GOVERNANCE UNDER GUIDELINES ON
CORPORATE GOVERNANCE FOR CENTRAL PUBLIC SECTOR ENTERPRISES
2010.

1. This Certificate is in accordance with compliance of conditions of Corporate Governance by DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED, (Hereinafter referred to as "Company") for the Financial Year ended on 31st March, 2016 as stipulated in Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprise (DPE), Government of India.
2. The Compliance of conditions of Corporate Governance is the responsibility of management. Our examination was limited to procedures and implementation thereof, adopted by the Company to ensure the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We 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 us.
4. We certify that in respect of the aforesaid financial year 31 March 2016, 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-Independent Directors.
5. We hereby state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: New Delhi
Date: 08.08.2016

Signature: 
Balika Sharma & Associates
Company Secretaries
FCS No.: 4816
C P No.: 3222





MANAGEMENT DISCUSSION AND ANALYSIS REPORT**Industry Structure and Developments**

Infrastructure sector is a key driver for the Indian economy. The sector is highly responsible for propelling India's overall development and enjoys intense focus from Government for initiating policies that would ensure time-bound creation of world class infrastructure in the country. This sector includes developing road infrastructure, railway infrastructure and port connectivity etc.

Rail transportation is the backbone of our country's transportation infrastructure. In his speech, The Hon'ble Railway Minister mentioned that conventional thinking on freight policies to win back Railways share in the transportation sector needs to be changed.

Given the emphasis on rapid expansion of freight business, it is essential to build more dedicated freight corridors for increased traffic with consequent benefits for the economy and environment.

To fulfil the objectives, DFCCIL, a "Special Purpose Vehicle" is aimed to undertake planning and development, construction, maintenance and operation of Dedicated Freight lines. It was proposed to take up the following freight corridors: North-South connecting Delhi to Chennai, East-West connecting Kharagpur to Mumbai & East Coast connecting Kharagpur to Vijayawada. It is proposed to put these three projects on high priority to ensure structuring, award and implementation in a time-bound manner through innovative financing mechanisms including PPP.

In line with international best practices, we rely on technological solutions for project management and monitoring. Latest drone and Geo Spatial based satellite technology is used for remotely reviewing the physical progress across major projects.

The Vision and the Mission of the Company is as follows:**VISION**

To create a partnership with IR for retaining and expanding the market share of rail through efficient and reliable service with customer focus.

MISSION

As the dedicated agency to make the vision into reality, DFCCIL's mission is

- 1) To build a corridor with appropriate technology that enables Indian Railways to regain its market share of freight transport by creating additional capacity and guaranteeing efficient, reliable, safe and cheaper options for mobility to its customers.
- 2) To support the Government's initiatives towards ecological sustainability by encouraging users to adopt Railways as the most environment friendly mode for their transport requirements.

Capital Expenditure on Project Execution

As on 31st March, 2016, the Cumulative expenditure on Project Execution is ₹ 10,292.89 Crore which includes Fixed Assets ₹ 16.36 Crore, Capital Work in progress ₹ 5,777.16 Crore, Assets under Development ₹ 9.90 Crore and Capital advances ₹ 4,489.47 Crore. The gross expenditure during the year 2015-16 on project execution is ₹ 4,162.97 Crore which includes tangible assets ₹ 3.13 Crore, intangible assets ₹ 0.99 Crore, assets under development ₹ 0.59 Crore, Capital Advances ₹ 1,653.20 Crore and Capital Work in Progress ₹ 2,505.06 Crore.

Strengths

Land Acquisition in the project continues to be its hallmark of strength. All concerted efforts are made to expedite the acquisition of remaining land. In order to address the issue of cost sharing of ROB works on level crossings falling in DFC alignment, regular follow up at the Apex level was done including conducting meetings with Chief Secretaries of States and flagging issues on PMG/Pragati Portal. This resulted in consent of cost sharing of ROB in Maharashtra (19 no.), Gujarat (68 no.), Rajasthan (25), Jharkhand (15 no.), 65 ROB in U.P & 12 ROB in Bihar. Consent for all 9 ROB in Haryana consent is under active consideration on similar lines. With this physical works have started for ROB Construction, inviting and finalizing tenders.

The Cabinet Committee on Economic Affairs in its meeting held on 24.06.2015, approved the Revised cost estimate (RCE) of Rs. 81,459 crore for the Eastern and the Western Dedicated Freight Corridor projects comprising of construction cost of Rs. 73,392 crore (Eastern DFC – Rs. 26,674 crore and Western DFC-Rs. 46,718 crore) and the acquisition cost of Rs. 8,067 crore. This excludes the construction cost of 538 kms Sonnagar-Dankuni section of Eastern DFC to be implemented through PPP route.

First Goods train (59 BOXNL, Tonnage 5265 T, and Commodity- Clinker) was run on down DFC track from Durgauti to Sasaram (56 km) on 30.03.2016 and up track on 03.06.2016. Engine rolling of section was already done on 30.06.2015 after completion of Track & OHE Work.

Trials of monitoring the progress of work through Drone has been conducted in 42 kms in WDFC & 56 kms in EDFC.

CRISIL has reaffirmed the "CCR AAA (pronounced Corporate Credit Rating Triple A) rating to DFCCIL.

Agreement has been signed with PGCIL for construction of associated transmission network for supply to 12 Traction sub stations of EDFC. This will facilitate availing economical traction power supply to DFC.

Weakness

Schedule of the implementing agencies has been affected due to the time involved in the obtaining of statutory clearances for the procurement of construction material under the various Rules. Continuous follow up with the respective Authorities is being maintained to expedite the matter. Delay in obtaining various statutory clearance by the contractor and his subcontractors could lead to risk of delay in the project.

DFC requires 11672 hectares of Land spread over 3360 Kms for both Corridor. On the Eastern Corridor, DFC alignment passes through the States of West Bengal, Jharkhand, Bihar, Uttar Pradesh, Haryana, and Punjab. The Western Corridor passes through the State of Uttar Pradesh, Haryana, Rajasthan, Gujarat, and Maharashtra. The Acquisition of Land, being the subject matter of the concerned States, is a biggest challenge faced by the Company. The Land is to be acquired in terms of various guidelines issued by State Governments/Zonal Railways, Central Government, provision of NRRP 2007 and requirement of funding agencies with respect to environmental and social considerations and expectations of project affected parties. With the introduction of "the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation & Resettlement Act, 2013 followed by the Amendment Ordinance, the provisions of the new act with regard to compensation & R&R are applicable to all acquisition being undertaken by DFCC from 01.01.2015. A new Entitlement Matrix has been issued by Railway Board as per the provisions of the new Act and has come into force from 01.01.2015.

Opportunity

Implementation of green field DFC project in environment friendly manner encountering reality in the field is an opportunity to replicate the same elsewhere in future DFC project.

DFC project will bring about a drastic rise in rail transport capacity, efficient technology leading to faster movement within guaranteed transit time, and operational efficiency, contributing to national economy both directly and indirectly. Even during the construction phase, this project is a major boost for the national economy and various Industries. Infrastructure sector is pinning its hope on successful and timely execution of the project. The network is expected to provide long awaited total logistics solution to trade utilizing energy efficient rail transportation leading to development of various main Industries and ancillaries. The project will help in developing Industrial hubs i.e. DMICDC on Western Corridor, Special Primary Economic Region (SPER) on Eastern Corridor, development of Industrial Corridor from Amritsar-Dankuni along the Eastern Corridor. It will also result in decongestion of major highways. Most importantly, DFCCIL has a great opportunity to build world class infrastructure that will have the capability of bringing about a paradigm shift in the transportation sector in India.

The DFC will be a game changer in transport logistics. Speedier, Scheduled services is expected to bring down logistics cost significantly. Development of logistics terminals along DFC will provide much awaited end logistic solutions to the Industry. It will help in creating employment not only on regional basis but on national level. The CSR policy of the company is focused towards upgrading the skills of the PAPs by providing the training.

Threats

Delay in consent and subsequent sanction of cost sharing of all RoB's by the State Government's falling in the DFC alignment i.e Bihar, Uttar Pradesh, Punjab and Haryana threatens the timely execution of the RoB's. The disbursement of the compensation in the process of acquiring the remaining land becomes complex with the introduction of new Land Acquisition Act. Besides, the transition from the provisions of one Act to another itself entails a lot of explanations/ clarifications which causes further delay. The Multi Stage clearances from funding agencies sometimes results in delay in the procurement process. In the Western DFC, the Company is facing Limited participation of Japanese Contractors leading to delay in processes. Besides, a number of Court cases and surging arbitration cases as well appear to be a significant threat if not tackled in a systematic manner. To deal with the surging trend of arbitration cases concerned chief Secretaries are continuously being advised to pass necessary instructions down the line to expedite finalization of these cases. For Court cases, all necessary steps are being taken for their early finalization.

In order to ensure delivery of the project on time, coordinated efforts are required among all the stake holders and the parties involved in the projects i.e. Ministry of Railways, Niti Aayog, 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.

Strategies

Land Acquisition in the project shall continue to be a challenge but at the same time hallmark of strength of the organization, and to further enhance the acquired capabilities of the organization learnt over a period of time through trials & tribulations, the Company has adopted and pursued the simple strategy of ensuring compliance with Right to Fair Compensation & Transparency in land acquisition Rehabilitation & Resettlement Act, 2015. DFC addresses needs and concerns of the Project Affected Persons (PAPs) by emphasizing their participation and by extending necessary support to them in Resettlement and Rehabilitation process. For redressal of grievances related with Rehabilitation and Resettlement Plan, an Ombudsman has already been appointed.. Arbitrators have been appointed in each District to look into the grievances pertaining to compensation for land and structure related issues. District Level Grievance Redressal Committee have also been formed in EDFC-1, EDFC-2 & EDFC-3 and provisions for redressal of grievances at Field as well as Project level have been included in the published RRP for WDFC also.

Outlook

The Company is looking forward to create a state of art world class infrastructure that will have the capability of bringing about a paradigm shift in the transportation sector in India. The Company is committed to ensure the quality as well as safety in the implementation of the project. In this regard, steps are taken to give adequate training to field staff to acquaint them with best international construction practices.

Road Ahead

DFCCIL is committed to its motto of 'SSS' – 'Sincerity, Speed and Success' which would lead to fulfillment of Organization's Mission, Vision and Objectives.

Risks and Concerns

The Company has developed the Enterprise Risk Management Framework which has been approved by the Audit Committee and also by the World Bank. The Enterprise Risk Management Framework has been implemented with effect from 1st December 2014. The top 20 risks each perceived at this stage during "Planning & Construction Phase" and "Operation Phase" have been identified and prioritized. Mitigation Plans for these top 20 risks has also been formulated. A Risk

Management structure has already been defined, which comprise of a Risk Management Committee (RMC) consisting of Functional as well as Independent Directors, a Chief Risk Management Coordinator (CRMCO) reporting to Risk Management Committee, Heads of various departments such as Civil, S&T, IT, Administration, Electrical, Operation, Finance etc. and Chief Project Managers would act as Risk & Mitigation Plan Owners (RMPOs) and would be responsible for risk identification, its prioritization and for framing the mitigation plan. To ensure that there are appropriate controls in place for the risk management activities a risk monitoring and assurance mechanism through MIS has been provided for as a part of Enterprise Risk Management Framework to assess the effectiveness of mitigation plan for a particular risk.

The status of Risk Management Framework is being regularly coordinated by the GM/Fin./RM (CRMCO) in association with the Risk Management Coordinators (RMCOs) which is further reviewed by the Risk Management Committee (RMC) and the Audit Committee at regular intervals. It was also presented before the Board in the Board of Directors' meeting held on 26th July 2016.

The Top Five risk identified as on 30th June 2016, in Construction Phase are as under:

- a) Inadequate management of procurement of goods/ services/ works (issues related to Procurement).
- b) Possible increase in scope of work of contractors.
- c) Delayed construction of corridors.
- d) Delay/difficulty in construction of RUBs/ROBs (issues pertaining to construction of RUBs/ROBs).
- e) RRP benefit distribution.

Internal Control Systems

In any organisation, internal control being an integral process, effected by an entity's Management and personnel is designed to address risks and to provide reasonable assurance that in pursuit of entity's mission, the general objectives of executing the operations more orderly, ethically, economically, efficiently and effectively is achieved and the resources are safeguarded against loss, misuse and damage.

The company has internal systems and processes in place, which ensures the execution of operation more orderly, ethically, economically, efficiently, and effectively, which is adequate and commensurate with the size of the Company. However, Internal Control being the ongoing process, the Management is committed towards its continuous improvement. In order to ensure that, all the required internal control systems and processes are in place and are operating effectively and to assess the shortcomings in the existing internal control systems and procedures, steps that have to

be taken to strengthen the internal systems and processes, Audit Committee has approved to conduct a study on the adequacy of Internal Control systems in the Company. In order to maintain the independence in the study of Internal Control Systems the work of "study on the adequacy of Internal Control systems in DFCCIL" was entrusted to an outsourced Consultancy Firm. The Firm has submitted its report and the same is under review. The Audit Committee of the Board of Directors also reviews the reports of the Internal Auditor, comments of the Statutory Auditor and the Comptroller and Auditor General of India. The Management reviews the findings and recommendations of the auditors, takes corrective actions wherever necessary, and monitors the implementation of the recommendations.

Statutory Auditor of the Company vide Annexure "C" to the Independent Auditor's Report on the Internal Financial Control in compliance of Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 have commented that the company has in all material respect an adequate internal financial control systems over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016.

INDUSTRIAL RELATIONS

During the year under review, the Industrial relation remained peaceful and harmonious. DFCCIL commemorated its 10th foundation day on 29.10.15 in Air Force Auditorium, Subroto Park, New Delhi. The event was celebrated with great fanfare and enthusiasm by officers and staff of organization besides senior Officers from Railway Board, Executives of World Bank, JICA, Members of the Stake Holders and Representatives from Media. International Day of Yoga was observed on 21.06.2015 as per Common Yoga Protocol 2015 issued by Ministry of Aayush under the supervision of Yoga Instructors. The World Environment Day was observed on 05.06.15. All the officers and staff took oath to protect our environment. The Managing Director, Shri Adesh Sharma along with other Directors of DFCCIL planted saplings in DFCCIL premises in observance of the World Environment Day. The Anti-Terrorism Day was observed on 21.05.2015. All the Officers and staff took pledge to stand against the Acts of Terrorism. Sadbhawana Diwas was observed on 20.08.2015. National integration pledge was administered on 19.11.15 to all the officers and staff of the Company.

INFORMATION TECHNOLOGY AND DEVELOPMENT

DFCCIL is in the process of implementing SAP-ERP System. The Project aims at the centralized implementation of a software solution integrating Financial Management, Human Resource Management, Project Management, Enterprise Asset Management, Land Acquisition Information

Management, Geographical Information Management, Portal and Document Management System. The system would expedite decision making, ensure better planning and co-ordination between different functions, better Data Management, effective reporting, Knowledge Management, etc. Time lost in accessing information will be reduced.

A state of the art Data center has been set up at DFCCIL Corporate Office. This Data Centre has been connected with all the 14 CPM locations by using MPLS (Multi-Protocol Label Switching) based WAN (wide area network) and CPM Sub-Offices are connected through VPN.

To improve Network availability and access speed redundant MPLS connectivity between Corporate Office Data Centre and CPM Offices is under implementation. DFCCIL is considering shifting Data Center to a spacious location along with its capacity augmentation. Also Disaster Recovery Data Center proposal has been initiated.

DFCCIL is now undergoing the final stage of SAP implementation. Almost all the work is being done in the SAP at Corporate Office. In CPM Offices all Modules are being used except for PMS Module which is in the process of being implemented. SAP-ERP System will be fully implemented in DFCCIL during the Financial Year 2016-17.

Operational Acceptance phase is under process. Partial Acceptance has already been issued for four Modules i.e. Land Acquisition Information System Module, Geographical Information System Module, Portal and Document Management System. Operational Acceptance testing of Human Resource Management System Module has been completed by HR Department and they are working regularly through SAP. Finance Module is also under advanced stage of Testing & Development and all the payments (except Major Contracts) are being made through SAP. All accepted applications are now online.

All postings and transfers orders are being generated through SAP. Payroll of the employees are being processed through SAP. Income Tax statement / Form 16s are being generated through SAP.

Almost all DFCCIL employees have been provided SAP License with ESS (Employee Self Service) rights. All employees are applying for leave online through Portal Module, which is sanctioned and accounted for in SAP. Employee's claims including claims for Mobile / Landline, Leave encashment, Brief Case and Lease Accommodation etc. are processed online through Portal Module. Each employee is filing Property Return online in SAP.

The Project Contractors and Project Management Consultants are also accessing the SAP-ERP System through VPN for online submission of bills.

Since SAP implementation is a dynamic process, any future requirements will be taken care with the help of users.

Environment Protection and Conservation

Environmentally proactive approach of DFCCIL is reflected from the initiatives taken with DFC alignments being so selected that land acquisition, forest land diversion and impact to environment

is minimum possible, where it can't be avoided. Environment Assessment (EA) studies have been conducted for Eastern and Western Freight Corridor to meet the World Bank & JICA safeguard policies.

Required Statutory Clearances under Taj Trapezium Zone, Sanjay Gandhi National Park, Aravalli Eco-sensitive zone, Coastal Regulation Zone Notification & Forest Diversion have been obtained. During the year 2015-16, Environmental Assessment (EA) Report including Environmental Management Plan (EMP) of Khurja-Pilkhani sections of EDFC have been prepared and approved from World Bank. The draft final Cumulative Impact Assessment (CIA) of EDFC has been prepared incorporating comments of DFCCIL and World Bank. Final CIA will be submitted to World Bank for approval after conducting workshops and incorporating comments in draft final report. The EA of Eastern & Western Corridors and draft CIA reports have been uploaded on DFCCIL website for wide publicity.

The implementing agencies have prepared their own site specific SHE Plan based on DFCCIL's SHE Manual and Environmental Management Plan (EMP). The contractor for Lot 201 & 202 has applied for ISO-14001 EMS & OHSAS 18000 certification for its construction activities in all Lots of EDFC-2. Regular monitoring of SHE & EMP implementation are carried out by PMC and SESMRC. Site Safety committee meetings are held. All regulatory compliances are also being ensured through the implementing agencies.

2. Social Safeguards Measures

As per section 20-O of the Railway (Amendment) Act, 2008, the 'National Rehabilitation and Resettlement Policy, 2007' was to be adopted. The Ministry of Railways had issued Entitlement Matrix (EM) which covered category wise various entitlements to be given to Project Affected Persons (PAPs) based on the relevant provisions of NRRP-2007. With the passage of "the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation & Resettlement Act, 2013 (RFCT-LARR) followed by the Amendment Ordinance, the provisions of the new act with regard to compensation & R&R are applicable to all acquisition being undertaken by DFCC from 01.01.2015. A new Entitlement Matrix has been issued by Railway Board as per the provisions of the new Act and has come into force from 01.01.2015. The same has been made available on DFCCIL web site, all the CPM office, and at Public places in affected villages for the public information. Disbursement of ₹407 Crores against resettlement and rehabilitation has also been completed.

Due care has been taken to avoid or minimize land acquisition and involuntary resettlement impacts by exploring all viable alternatives and to ensure adequate rehabilitation package and expeditious implementation of rehabilitation process. DFC has a well formulated Resettlement Policy Framework

(RPF)¹ to take appropriate resettlement and rehabilitation measures for persons / household adversely affected due to implementation of DFC project.

Social Impact Assessment (SIA) studies have been conducted for EDFC & WDFC to meet the World Bank & JICA Social safeguard policies. During the year 2015-2016, Resettlement Action Plan (RAP) of EDFC Phase-I of APL-3 (Dadri – Khurja 46 km) and Phase-II of APL-3 (Khurja – Pilkhani, 220.710 km.) have also been finalized in accordance with the provisions of the new Land Acquisition Act, 2013, and uploaded on DFCC's website for public information.

NGOs were appointed for implementation of RAP, preparation of Micro Plan and assist in resolution of various grievances of PAPs. Two NGOs have submitted its completion report. M/s SPS (Study Point Samiti NGO) has submitted its Completion Report in connection with implementation of RAP on Slice- 203 (Fatehpur – New Bhaupur) Section and M/s CRADLE (Consultants for Rural Area Development Linked Economy) has submitted its Completion Report for Slice – 302 (Khurja – Dadri) Section.

Further, External independent Agency for monitoring & review of Social & Environmental Safeguards for EDFC-1 and EDFC-2 are also appointed. The agency role is to monitor & review the progress of land acquisition and R&R, implementation of RAP & EMP and provide suggestions for improving the same. The Social & Environmental Safeguards monitoring & review Consultant (SESMRC) appointed for EDFC-1 and EDFC-2 has been continuously monitoring the implementation plan of the RRP and EMP and has helped DFCCIL in providing the project personnel ensure a quality and safe work environment. Expression of Interest (EOI) for engaging SESMRC for Phase-I of APL-3 (Sahnewal – Pilkhani, 175 km. and Dadri – Khurja 46 km) total 221 kms and Phase-II of APL-3 (Khurja – Pilkhani, 220.710 km.) has been invited;

Needs and concerns of the Project Affected Persons (PAPs) are addressed by emphasizing their participation and by extending necessary support to them in the R&R process. The Grievance Redressal Mechanism provides for addressing legitimate concerns / problems of affected individuals and groups who may consider themselves deprived of resettlement or rehabilitation benefits as available under the Resettlement Policy Framework designed for the implementation of DFC project. For grievance redressal, an Ombudsman has been appointed. Grievance Redressal Committee (GRC) has been constituted for both Khurja-Bhaupur & Bhaupur-Mughalsarai sections at Project level and district level. The Committee constituted at project level is posted at DFCCIL website.

¹ Resettlement Policy Framework (RPF) has been revised on 25th May 2015 in line with new RTFCLARR Act, 2013.

Besides Arbitrators have also been appointed in each district to look into the grievances pertaining to compensation of land.

Human Resource Development and Industrial relations.

Mission and Values.

The HR department serves the interests of the organization by supporting, developing, and protecting its most valuable resource - People. It is committed to providing quality services in an environment of continuous change; to achieving business results through development of world class HR core competencies by promoting innovation through continuous learning and employee empowerment; and by building a collaborative organization characterized by challenging and supportive work environment that offers opportunities for both employee and organizational growth and at the same time being guided by ethical and professional standards.

Manpower Mobilization

For successful functioning of our organization, placement of right manpower at the right place at the right time is of paramount importance. Taking into consideration the long term requirements of the organization, manpower has been inducted from open market through direct recruitment and immediate absorption besides permanent absorption of eligible deputationists. During the year 2015-2016, 67 candidates joined DFCCIL through open market recruitment. In addition to above, 11 posts were filled from amongst serving Government/PSU employees through absorption. All the candidates have been provided the prescribed initial/induction training.

With respect to the needs of DFCCIL, Department of Public Enterprise has periodically granted exemption to DFCCIL for immediate absorption rule. The present exemption is valid till 29.12.2015 with permission to induct 200 gazetted officers and 200 non – gazetted employees on deputation terms. The proposal is under consideration with DPE for exemption beyond 29.12.2015. The normal deputation tenure in DFCCIL for Railway employees is 5 years, as approved by Railway Board in 2012. During the year, 58 employees have joined on deputation basis and deputation extension of 28 officers have been issued by HR.

With new induction, total strength increases to 758 employees, out of which 467 are permanent.

Promotion

Promotion policy in DFCCIL aims to take care of career advancement consistent with merit, suitability and performance while providing for adequate promotional avenues and to provide outstanding human resources support and service with appropriate skills and aptitudes so as to have effective leadership, professional expertise and quality consultation. The promotion policy is transparent and focuses on advancing employees based on their skill and performance. Normally residency period of 4 years is required in one grade for promotion from executive to ED level. During the year, 22 employees, who became eligible have been promoted to next higher grade as per the above promotion policy.

Policy Initiatives

Number of HR policy initiatives have been taken such as introduction of Staff Welfare, Group Insurance scheme for regular employees, amendment in medical rules, Financial assistance in case of death of an employee, Contract appointments, APARs, amendment of policy of Permanent/immediate/deputation, amendment in recruitment rules in deputation tenure, revision of remuneration of retired employees, creation of posts of secretarial cadre, introduction of E-2 scale, rules for reimbursement towards uniform, perks and allowances below E-0 level etc., besides Updation/ modification in existing human resource policies.

TRAINING:

Technical trainings have been planned for professional up gradation of staff and officers of DFCCIL. Based on the Training need analysis done by HR involving Chief Project Managers (Field Officers) and GGM/GMs of Corporate Office, a detailed Training Plan was prepared which was also approved by World Bank. 422 employees have undergone training for 739 man days.

Major Trainings Organized: -

- A. **Strategic Management - Indian School of Business (ISB)**-Based on pre-diagnostic done through ISB of expectations from the training program of the officers of DFCCIL involving senior level officers and Directors a tailor-made training plan was organized for 35 senior level officers.
- B. **Project Management – Management Development Institute (MDI, Gurgaon)** - 6 officers from DFCCIL participated in the training on Project Management held at MDI, Gurgaon.
The program covered areas such as project life cycle risk analysis of projects, project cost estimation, project management information systems, use of project management software

like Microsoft Project, project monitoring: time and cost overrun evaluation, contracting for projects – Project cost control Outsourcing/JVs in projects.

C. Communication & Perception Management – Indian School of Business (ISB).

D. Training on Overview of Companies Act.

E. Induction Training for Direct Recruits.

- For fresh recruits Induction and specialized technical trainings were organized at various Railway Training Institutes like: IRISSET, IRICEN, ETC/Ghaziabad, ZRTI/Udaipur, IRIEEN
- For officers taken on immediate absorption basis, induction and specialized technical trainings were organized at NAIR, ZRTI/Muzaffarpur.

F. Trainings Abroad:

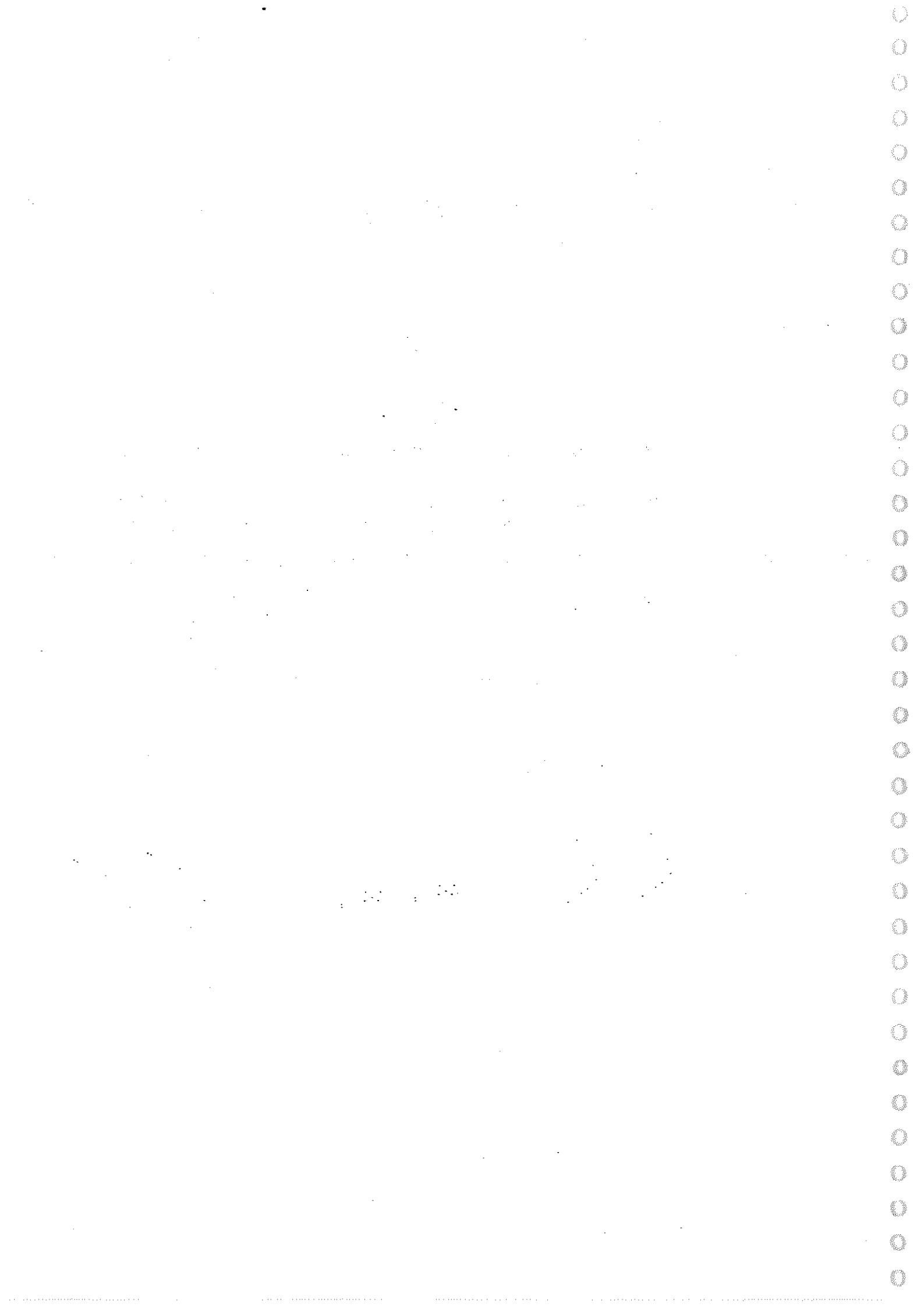
- One DFCCIL official participated in the case studies and international experience on port – hinterland connectivity, modern logistics and port centered economic regeneration to the ports of Rotterdam and Duisburg.
- Two batches from DFCCIL (10 participants including MD & Directors) have undergone Counterpart Training Programme for the Technical Assistance Project on Freight Transportation of Dedicated Freight Corridor in India in Japan organized through JICA. Third batch comprising of 8 participants is expected to undergo similar training in Aug – Sep 2016.

G. Other Important Trainings organized for DFCCIL officials:

- Trainings on : Effective Leadership – IMI, Delhi, Leadership Development for Women Executives – SCOPE, Project and Contract Management -ASCI, Hyderabad, Land Acquisition, Resettlement, Rehabilitation - RECTLARR Act 2013 - ASCI, Hyderabad, Training program on Social Impact Assessment - ASCI, Hyderabad, Mitigation & Response to Fire Hazards - organized by Centre for Disaster Management and Training, Risk Management Framework – Ernst and Young, Advanced Course in Project Management, National Productivity Council of India, NPC, Advance tax, TDS and Tax Planning –ICWAI, Service Tax Issues, proposed GST – ICWAI, International Trade Finance-CRISIL, Corporate Taxation-ICWAI, Reservation in Services - NAHRD,HR Audit – NAHRD, Logistics and Supply Chain Management MDI Gurgaon, Training on RTI Act –NAHRD, Condition based online monitoring of Electric assets -SCOPE, Environment and Social Responsibility in Project Financing CSE.

Corporate Social Responsibility

A report of Corporate Social Responsibility initiatives taken during the year under review is annexed at Annexure –B of the Directors Report.



AKHIL ROHATGI
M.Com. L.L.B. F.C.S.

AKHIL ROHATGI & COMPANY.
Company Secretaries
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Delhi - 110054.
Phone : 011-23926504, 9810690633
Email : rohatgi_co_secy@yahoo.co.in

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March 2016

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

To,
The Members,
Dedicated Freight Corridor Corporation of India Limited,
5th Floor, Pragati Maidan Metro Station Building Complex,
New Delhi-110001.

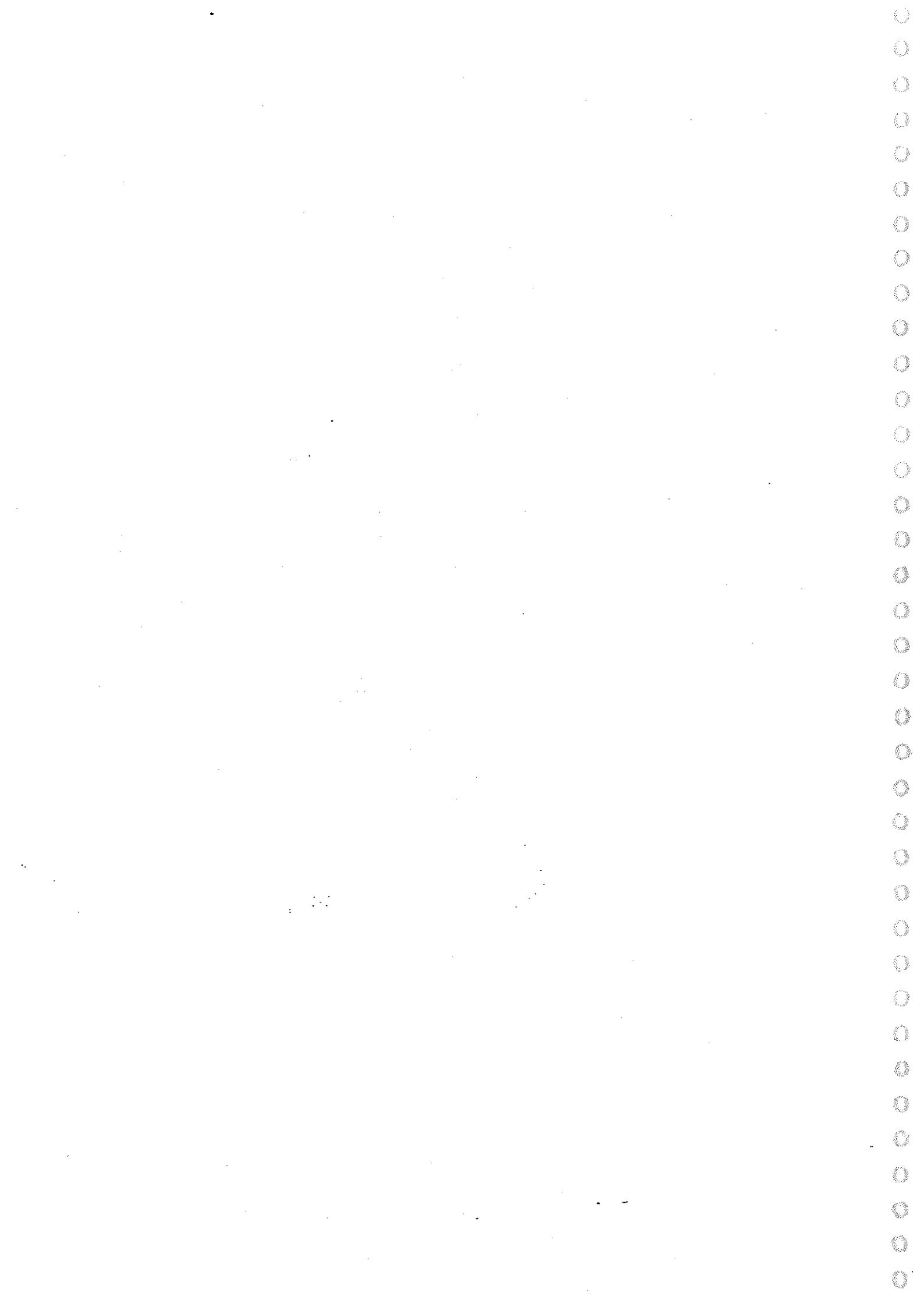
We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Dedicated Freight Corridor Corporation of India Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minutes books, eforms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minutes books, eforms and returns filed and other records maintained by Dedicated Freight Corridor Corporation of India Limited for the financial year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulations) Act, 1999 and the rules made thereunder is not applicable as the shares of Company are not listed with any of the Stock Exchanges.





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Company Secretaries
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Email : rohatgi_co_secy@yahoo.co.in

- (iii) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder is not applicable. There were no Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings during the period under review.
- (iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder are not applicable as the shares of Company are not registered with any of the depository mentioned under the said Act.
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable as the shares of Company are not listed with any of the Stock Exchanges.
- (vi) Other applicable Laws, rules and Guidelines as mentioned here-in-below:
- a. DPE guidelines on Corporate Governance for Central Public Sector Enterprises issued by the 'Department of Public Enterprises', Ministry of Heavy Industries and Public Enterprises, Government of India.
 - b. The Ancient Monuments and Archaeological Sites and Remains (Amendment and Validation) Act 2010
 - c. Micro Small and Medium Enterprises Development Act 2006
 - d. Forest (Conservation) Act, 1980
 - e. The Railways (Amendment) Act 2008
 - f. Wildlife Protection Act 1972
 - g. The Wetlands (Conservation And Management) Rules 2010
 - h. Coastal Regulation Zone Act 2011
 - i. Relevant Provisions And NRRP 2007
 - j. The Building And Other Construction Workers (Regulation Of Employment And Conditions Of Service) Act, 1996
 - k. Building and Other Construction Workers Welfare Cess Act 1996
 - l. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
 - m. Right to Information Act 2005
 - n. Shops and Establishment Act
 - o. Environmental laws as applicable.
 - p. Labour Laws as Applicable



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We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India with effect 1st July 2015:

During the period under review, the Company as per explanations and clarifications given to us and representations made by the Management, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above except that

1. there was no Independent Director on the Board of the Company;
2. in the absence of Independent Directors, 'Audit Committee', "Nomination and Remuneration Committee" and 'CSR Committee' were constituted comprising of all Non-Independent Directors and
3. there was no Woman Director on the Board of the Company;
4. Shri Gajendra Nath Haldea, the Nominee Director didn't attended any meeting in the financial year and the same was communicated to the Administrative Ministry. The Board in its meeting held on 05.05.2016 took note of his technical vacation of the office of the Director under section 167 of the Companies Act, 2013.

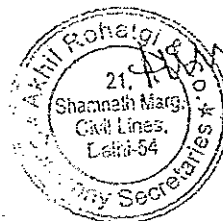
We further report that the Board is not duly constituted with proper balance of Executive Directors, Non Executive Directors and Independent Directors as there was no Independent Director on the Board of Company. Sh. R. S. Sharma, Independent Director ceased to hold office w.e.f 29.04.2015 on completion of his tenure and thereafter no Independent Director was appointed on the Board of the Company.

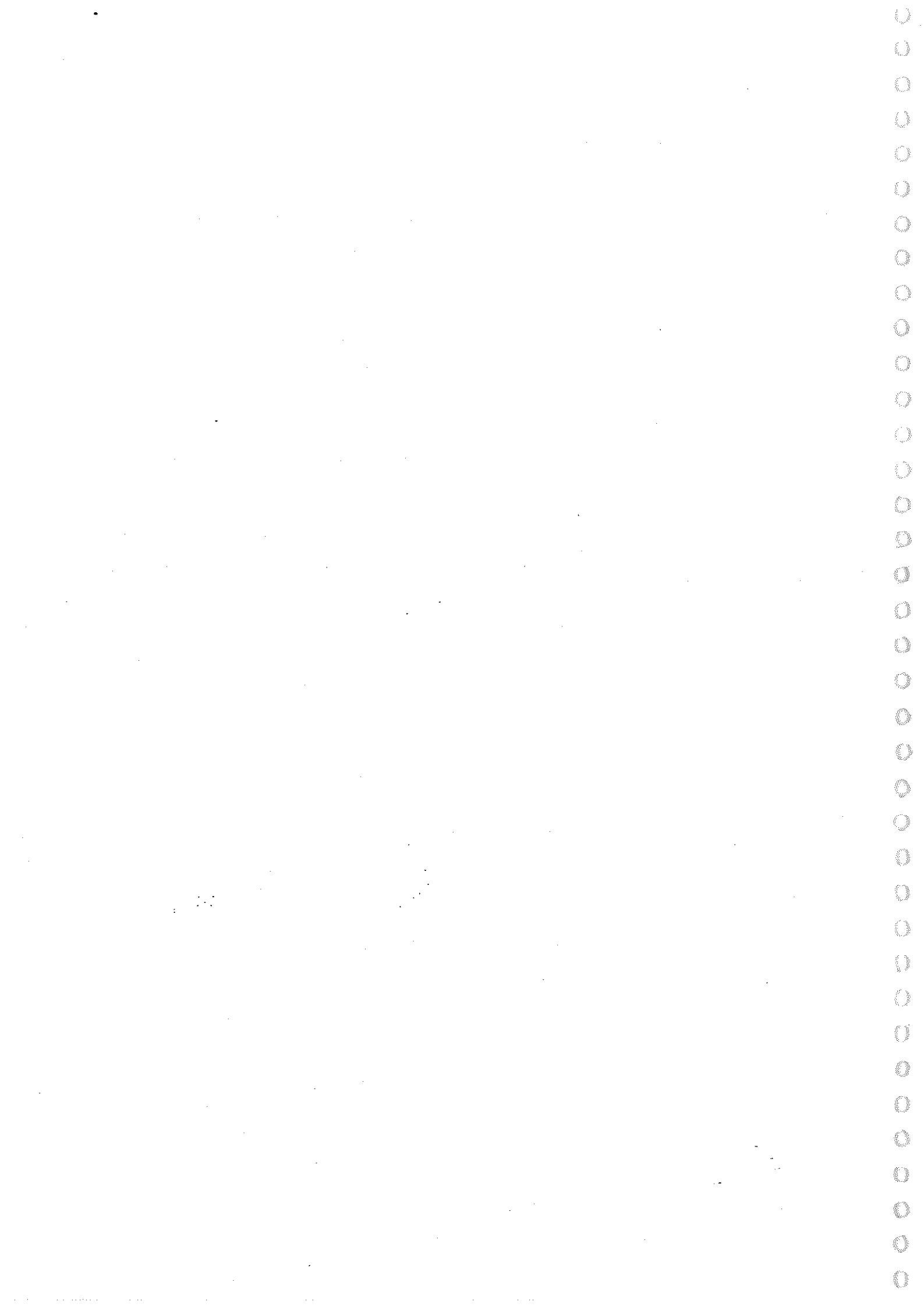
Adequate notice was given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance.

Further, a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision has been carried through while the dissenting members' views were recorded as part of the minutes.

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





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We further report that during the period under review the Company has issued and allotted 108,70,000 Equity Shares of Rs. 1000/- each aggregating Rs. 1087,00,00,000 to the Ministry of Railways, Government of India.

For Akhil Rohatgi & Co

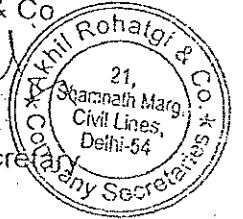
Akhil Rohatgi

Akhil Rohatgi

Practicing Company Secretary

FCS No.: 1600

CP No: 2317



Date: 19th August, 2016
Place: New Delhi



AKHIL ROHATGI
M.Com. L.L.B. F.C.S.

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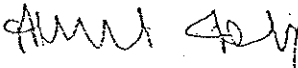
Date: 19th August, 2016

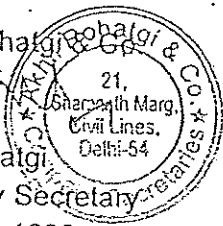
To,
The Members,
Dedicated Freight Corridor Corporation of India Limited,
5th Floor, Pragati Maidan Metro Station Building Complex,
New Delhi-110001

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. We believe that the processes and practices, we follow provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of the events etc.
5. The compliance of the provisions of Corporate and other applicable law, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Date: 19.08.2016
Place: New Delhi

For Akhil Rohatgi & Co.

Akhil Rohatgi
Practicing Company Secretary
FCS No.: 1600
CP No.: 2317





Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31.03.2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1)
of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	U60232 DL 2006 G01 155068
ii)	Registration Date	30.10.2006
iii)	Name of the Company	Dedicated Freight Corridor Corporation of India Ltd.
iv)	Category/Sub-Category of the Company	
v)	Address of the Registered office and contact details	5 th Floor, Pragati Maidan Metro Station Building Complex, New Delhi-110001, Tel: 011-2345480, Fax: 011-23454701
vi)	Whether listed company	Yes / No <input checked="" type="checkbox"/>
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	N.A.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl.No.	Name and Description of main products/services	NIC Code of the Product/services	% to Total turnover of the company
1	N.A.		
2			
3			

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S.NO	NAME AND ADDRESS OF THE COMPANY	CIN/GIN	HOLDING/SUBSIDIARY/ ASSOCIATE	%of shares held	Applicable Section
1	N.A.				
2					

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of share-holders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Share	
A. Promoters (1)Indian	-	-	-	-	-	-	-	-	-
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	37,156,688	37,156,688	100%	-	48,026,688	48,026,688	100%	29.24%
c) State Govt(s)	--	--	--	--	--	--	--	--	--
d) Bodies Corp.	--	--	--	--	--	--	--	--	--
e) Banks/FI	--	--	--	--	--	--	--	--	--
f) Any Other....	--	--	--	--	--	--	--	--	--
Sub-total (A)(1):-	-	37,156,688	37,156,688	100%	-	48,026,688	48,026,688	100%	29.24%
(2)Foreign	--	--	--	--	--	--	--	--	--
(a)NRIs-Individuals	--	--	--	--	--	--	--	--	--

(b)Other-Individuals	--	--	--	--	--	--	--	--	--
(c)Bodies Corp.	--	--	--	--	--	--	--	--	--
(d)Banks/FI	--	--	--	--	--	--	--	--	--
(e)Any Other	--	--	--	--	--	--	--	--	--
Sub-total(A)(2):-	--	--	--	--	--	--	--	--	--
Total shareholding of Promoter(A)= (A)(1)+(A) (2)		37,156,688	37,156,688	100%	-	48,026,688	48,026,688	100%	29.24%
B. Public Shareholding	-	-	-	-	-	-	-	-	-
1.Institutions									
(a) Mutual Funds	-	-	-	-	-	-	-	-	-
(b) Banks/FI	-	-	-	-	-	-	-	-	-
(c) Central Govt	-	-	-	-	-	-	-	-	-
(d) State Govt(s)	-	-	-	-	-	-	-	-	-
(e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	-	-	-	-	-	-	-	-	-
(g) FIs	-	-	-	-	-	-	-	-	-
(h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i) Others(specify)	-	-	-	-	-	-	-	-	-
Sub-total(B)(1):-	-	-	-	-	-	-	-	-	-
2.Non Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-

i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total(B)(2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand total(A+B+C)	-	37,156,688	37,156,688	100%	-	48,026,688	48,026,688	100%	29.24%

(ii) Shareholding of Promoters

SL. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	%of total Shares of the company	%of shares pledged /encumbered to total shares	No. of Shares	%of total Shares of the company	%of Shares Pledged/ encumbered to total shares	
1	The President of India	37,156,688	100%	--	48,026,688	100%	--	29.24%
	Total	37,156,688	100%	--	48,026,688	100%	--	29.24%

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

SL. NO.		Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	37,156,688	100%	37,156,688	100%
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equityetc):	08.05.2015 1,08,70,000		1,08,70,000	
	At the End of the Year	48,026,688	100%	48,026,688	100%

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	%of total shares of the company	No. of shares	%of total shares of the company
	At the beginning of the year	Not Applicable			
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/ bonus/sweat equity)				
	At the End of the year (or on the date of separation, if separated during the year)				

(v) Shareholding of Directors and Key Managerial Personnel: None of the Director or KMP hold share in Company.

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning		Cumulative Shareholding during the year	
		No. of shares	%of total shares of the company	No. of shares	%of total shares of the company
	At the beginning of the year	-	-	-	-

Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	-	-	-	-
At the End of the year	-	-	-	-

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i)Principal Amount		1441,08,48,582		1441,08,48,582
(ii)Interest due but not paid		-	-	-
(iii)Interest accrued but not due		87,01,18,760		87,01,18,760
Total(i+ ii+ iii)		1528,09,67,342		1528,09,67,342
Change in Indebtednes s during the financial year				
• Addition(Int + Loan)	--	1923,49,28,280		1923,49,28,280
• Reduction		-		--
Net Change		1923,49,28,280		1923,49,28,280

Indebtedness at the end of the financial year				
(i) Principal Amount		3272,17,83,116		3272,17,83,116
(ii) Interest due but not paid		--		--
(iii) Interest accrued but not due		179,41,12,506		179,41,12,506
Total (i+ ii+ iii)		3451,58,95,622		3451,58,95,622

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager						Total Amount
		Name	100007, Adesh Sharma	100004, H.D. Gujrati, DL42192-135	100291, D.S. Rana	100003, Anshuman Sharma, DL-42192-007	100005, M. K. Mittal Dir/Fin	
		Designation	M.D.	Dir/OP & BD	Dir/Infra	Dir/PP	Dir/Fin	
1.	Gross salary (a) Salary as per provisions Contained in section 17(1) of the Income-tax Act, 1961		26,16,800.00	24,35,102.00	24,17,512.00	25,61,335.00	27,33,436.00	1,27,64,185.00

	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		1,53,381.00	1,53,462.00	92,512.00	4,14,899.00	1,66,880.00	9,81,134.00
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	--	--	--	--	--	--	--
2.	Stock Option	--	--	--	--	--	--	--
3.	Sweat Equity	--	--	--	--	--	--	--
	Commission -as% of profit-others, specify...	--	--	--	--	--	--	--
	Others, please specify	--	--	--	--	--	--	--
	Total(A)		27,70,181.00	25,88,564.00	25,10,024.00	29,76,234.00	29,00,316.00	1,37,45,319.00
	Ceiling as per the Act							

B. Remuneration to other directors: NIL

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		--	-	-	-	
	3. Independent Directors		--	--		
	Fee for attending board/ Committee meetings					
	Commission	--	--	--	--	--
	Others, please specify	--	--	--	--	--

	Total(1)					
	4. Other Non-Executive Directors					
	· Fee for attending board / committee meetings	--	--	--	--	--
	· Commission	--	--	--	--	--
	· Others, please specify	--	--	--	--	--
	Total(2)	--	--	--	--	--
	Total(B)=(1+2)					
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					

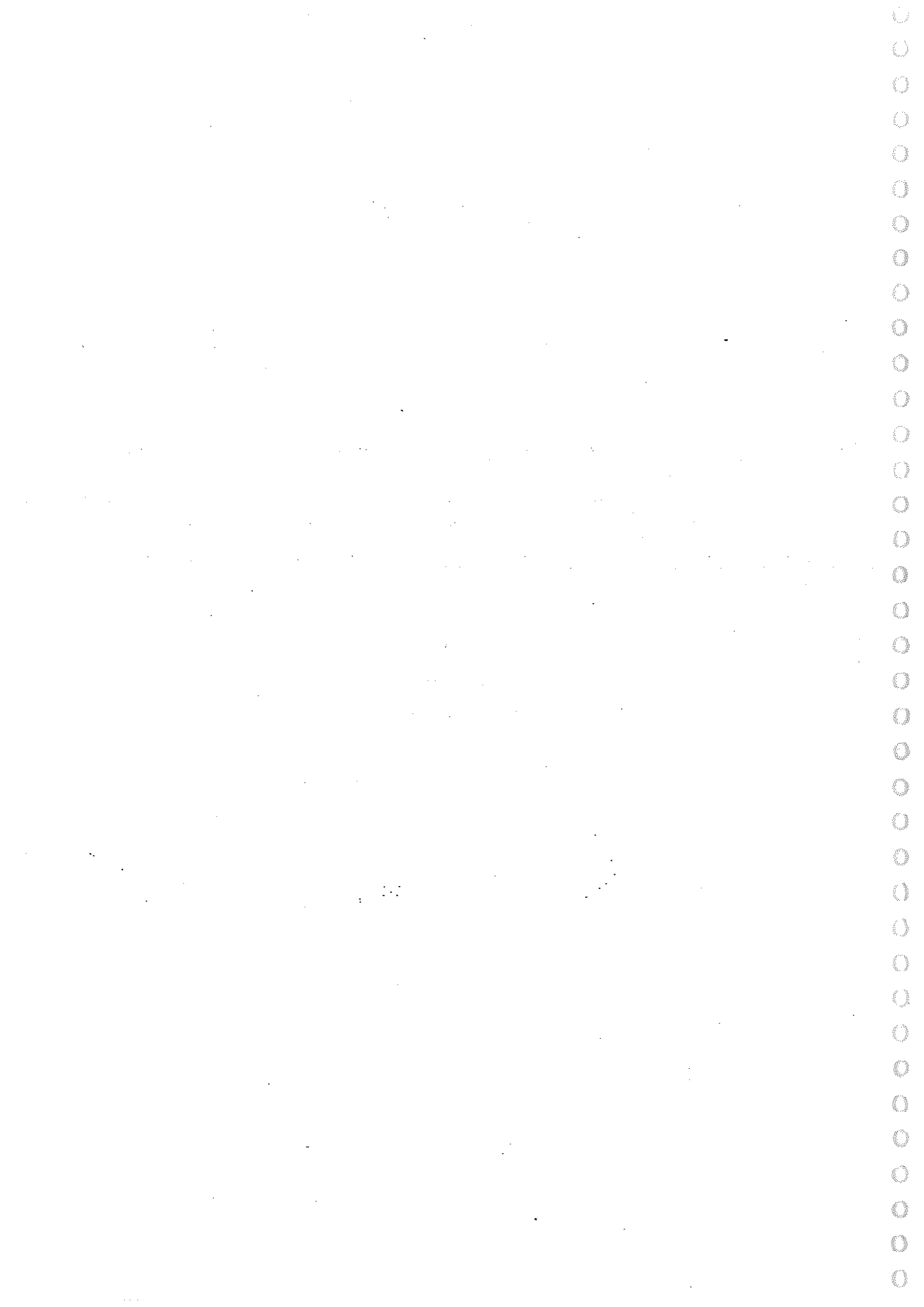
C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

S. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company secretary	CFO	Total
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	--	10,63,968.00	--	1063968.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	41416.00	--	41416.00
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		--		
2	Stock Option		0	-	
3	Sweat Equity		0	-	
4	Commission -as% of profit -others, specify...		0	-	
5	Others, please specify		0	-	
	Total	--	11,05,384.00	--	11,05,384.00

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment Compounding fees imposed	Authority [RD/ NCLT/COURT]	Appeal made, if any (give details)
A.COMPANY					
Penalty		Nil	Nil		
Punishment		Nil	Nil		
Compounding		Nil	Nil		
B.DIRECTORS					
Penalty		Nil	Nil		
Punishment		Nil	Nil		
Compounding		NIL	Nil		
C.OTHER OFFICERS IN DEFAULT					
Penalty		Nil	Nil		
Punishment		NIL	Nil		
Compounding		Nil	Nil		

Note: "A Show Cause Notice U/s 162 of the Companies Act, 2013 has been received electronically from the office of the Registrar of Companies in city of Delhi & Haryana regarding a default U/s 149 of the Companies Act read with Rule 3 of Companies (Appointment and Qualification of Directors) Rules 2014. In this regard, it is apprised that the provisions of the Companies Act relating to the appointment of Women Director and Directors including Nominee and Independent Directors are not being complied with by the Company as the Power to appoint Directors lies with the President of India.





FINANCIAL
STATEMENTS
OF
DFCCIL
FOR THE
FINANCIAL YEAR
2015 - 2016



DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED

CIN = U60232DL2006GOI155068

BALANCE SHEET AS AT MARCH 31, 2016

Amount (₹ in Lakh)

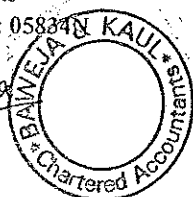
Particulars	Note No	As at March 31, 2016	As at March 31, 2015
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	3	4,80,266.88	3,71,566.88
(b) Reserves and Surplus	4	17,330.45	11,010.62
(2) Share Application Money pending Allotment	5	2,85,560.41	1,08,700.00
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	6	3,27,217.83	1,44,108.49
(b) Other Long Term Liabilities	7	38,299.94	22,888.80
(c) Long Term Provisions	8	1,031.87	557.60
(4) Current Liabilities			
(a) Other Current Liabilities	9	48,397.54	41,258.48
(b) Short Term Provisions	10	196.66	36.69
TOTAL		11,98,301.58	7,00,127.56
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	11		
(i) Tangible Assets		1,496.15	1,182.58
(ii) Intangible Assets		139.86	41.37
(iii) Capital Work in Progress		5,77,715.86	3,27,209.88
(iv) Tangible Assets Under Development		-	18.99
(v) Intangible Assets Under Development		989.54	911.88
(b) Long-Term Loans and Advances	12	4,49,734.25	2,84,479.12
(2) Current Assets			
(a) Cash and Bank Balances	13	1,60,607.27	83,484.75
(b) Short-Term Loans and Advances	14	191.93	180.85
(c) Other Current Assets	15	7,426.72	2,618.14
TOTAL		11,98,301.58	7,00,127.56
General Information	1		
Significant Accounting Policies	2		
Development Account (Pending Capitalisation)	19		
Note No. 1 to 35 form integral part of the Financial Statements.			

This is the Balance Sheet referred to in our report

For Baweja & Kaul
Chartered Accountants

Firm Registration No: 058348

Sakshikaul
CA Sakshi Kaul Dhar
Partner
M.No. 514325



For and on Behalf of the Board of Directors

Adesh Sharma
(Adesh Sharma)
Managing Director
DIN-7022393

M.K. Mittal
(M.K. Mittal)
Director Finance
DIN-2889021

Meenu Kapoor
(Meenu Kapoor)
Company Secretary
ACS-18954

Place : New Delhi

Date: 27/6/2016

DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED

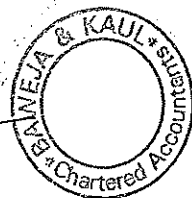
CIN - U60232DL2006GOI155068

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2016

Particulars	Note No.	Amount (₹ in Lakh)	
		For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
REVENUE			
I. Revenue from Operations		-	-
II. Other Income	16	9,957.18	5,699.20
III. Total Revenue (I + II)		<u>9,957.18</u>	<u>5,699.20</u>
EXPENDITURE			
Employee Benefit Expenses	17	-	-
Finance Cost	17A	-	-
Depreciation and Amortization Expense	17B	-	-
Other Expenses (CSR)	17C	167.98	32.27
IV. Total Expenditure		<u>167.98</u>	<u>32.27</u>
V. Profit Before Exceptional and Extraordinary Items and Tax (III-IV)		9,789.20	5,666.93
VI. Exceptional Items		-	-
VII. Profit Before Extraordinary Items and Tax (V - VI)		9,789.20	5,666.93
VIII. Extraordinary Items		-	-
IX. Profit Before Tax (VII - VIII)		<u>9,789.20</u>	<u>5,666.93</u>
X. Tax Expense:			
(1) Current Tax		3,408.33	1,914.25
(2) Income Tax (Earlier Year)		(0.01)	(31.50)
(3) Deferred Tax		-	-
XI. Profit(Loss) for the year from Continuing Operations (IX-X)		<u>6,380.88</u>	<u>3,784.18</u>
(A) Transferred to Development Account		61.04	45.92
XII. Profit from Discontinuing Operations		-	-
XIII. Tax Expenses of Discontinuing Operations		-	-
XIV. Profit/(Loss) for the period from Discontinuing Operations(XII-XIII)		-	-
XV. Profit/(Loss) for the period (XI + XIV - (A))		<u>6,319.84</u>	<u>3,738.26</u>
XVI. Earnings Per Share (Equity Share of ₹ 1000/- each)			
Basic (₹)		13.47	10.64
Diluted (₹)		13.14	10.05
General Information	1		
Significant Accounting Policies	2		
Development Account (Pending Capitalisation)	19		
Note No. 1 to 35 form integral part of the Financial Statements.			

This is the Statement of Profit and Loss referred to in our report of even date.

For Baweja & Kaul
Chartered Accountants
Firm Registration No: 05834N
CA Sakshi Kaul Dhgr
Partner
M.No. 514325



For and on Behalf of the Board of Directors

(Adesh Sharma)
Managing Director
DIN-7022393

(M.K.Mittal)
Director Finance
DIN-2889021

(Meenu Kapoor)
Company Secretary
ACS-18954

Place : New Delhi

Date: 27/6/2016

DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA-LIMITED

CIN - U60232DL2006GOI155068

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

S.N.	PARTICULARS	For the Year Ended March 31, 2016	Amount (₹ in Lakh) For the Year Ended March 31, 2015
1	Cash Flow from Operating Activities		
	Net profit before tax	9,789.20	5,666.94
	Interest Income on Bank Deposits	(9,869.17)	(5,635.78)
	Adjustment for charge to Development Account	(61.04)	(45.92)
		(9,930.21)	(5,681.70)
	Operating Profit Before Working Capital Changes	(141.01)	(14.76)
	Adjustment for :		
	Loan & Advances and Other Current Assets	548.33	3,322.69
	Trade Payables, Provisions & Other Liabilities	21,760.15	36,451.01
	Cash Generated from/(Used in) Operations	22,308.48	39,773.69
	Income Taxes (Paid)/Received	(3,294.25)	39,758.93
	Net Cash generated from/(Used in) Operating Activities (A)	18,873.21	37,878.02
2	Cash Flow from Investing Activities :-		
	Purchase of Fixed Assets Including Capital Work in Progress (CWIP) & Asset Under Development	(2,43,329.60)	(1,69,857.87)
	Sale of Fixed Assets	14.84	10.93
	Interest Received from Bank Deposits	8,060.85	5,978.29
	(Increase)/Decrease in Capital Advances	(1,66,297.80)	(24,591.03)
	Net Cash Generated from / (Used in) Investing Activities (B)	(4,01,551.71)	(1,88,459.68)
3	Cash flow from Financing Activities :-		
	Proceeds from issuance of Share capital		
	Proceeds from Share Application Money	2,85,560.41	1,08,700.00
	Proceeds from long-term borrowings	1,75,447.39	42,762.20
	Interest paid	(1,206.79)	(1,544.83)
	Net Cash generated from / (used in) Financing Activities (C)	4,59,801.01	1,49,917.37
	Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	77,122.51	(664.29)
	Cash and Cash Equivalents at the beginning of the year	83,068.41	83,732.70
	Cash and Cash Equivalents at the closing of the year	1,60,190.93	83,068.41
	Cash and Cash Equivalents comprise:		
	Cash and Bank Balances	1,60,179.84	83,046.45
	Cheques in Hand	11.09	21.96
		1,60,190.93	83,068.41

Notes :

1. The Cash and Cash Equivalents includes ₹ 2,683.12 Lakh (Previous Year ₹ 3,382.70 Lakh) in Current/Deposit Account with bank, held on behalf of MFCOR and not freely available for the business of the company.

2. The Cash Outflow from Operating Activities includes ₹130.42 Lakh (Previous Year ₹ 15.06 Lakhs) incurred for CSR activities.

For Baweja & Kaul
Chartered Accountants
Firm Registration No: 05834N
A Sakshi Kaul Dhar
Partner
A.No. 514325



For and on Behalf of the Board of Directors

(Adesh Sharma)
Managing Director
DIN-7022393

(M.K.Mittal)
Director Finance
DIN-2889021

(Meenu Kapoor)
Company Secretary
ACS-18954

Office : New Delhi

Date: 27/6/2016

DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED

Notes to the Financial Statements

1. GENERAL INFORMATION

Dedicated Freight Corridor Corporation of India Limited (DFCCIL) is set up under the administrative control of Ministry of Railway for construction, maintenance and operation of the Dedicated Freight Corridors.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

Financial Statements of the Company are prepared under the Historical Cost Convention using the Accrual Method of accounting in accordance with the Generally Accepted Accounting Principles (Indian GAAP) and complying with the mandatory Accounting Standards (AS) as notified under Companies Act, 2013.

2.2 USE OF ESTIMATES

The preparation of Financial Statements, in conformity with Indian GAAP, require management to make estimates and assumptions that effect 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. Any variation in the estimates and actual are adjusted prospectively in the accounting period of change and future accounting periods respectively.

2.3 CASH FLOW STATEMENT

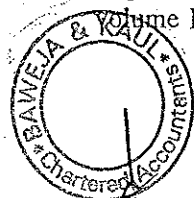
The Cash Flow Statement is prepared by the indirect method set out in Accounting Standard "3" on "Cash Flow Statements" and presents the cash flows from Operating, Investing and Financing Activities of the Company.

2.4 FIXED ASSETS & CAPITAL WORK IN PROGRESS

- a) Fixed Assets are stated at cost of Acquisition/Construction. In cases where final settlement of bills with contractors is pending, but the asset is complete and ready for use, capitalisation is done on estimated basis subject to necessary adjustment, including those arising out of settlement of arbitration/court cases, in the year(s) of final settlement.
- b) Capital Work-in-Progress is carried at Cost. Expenditure during construction net of incidental income is capitalized as part of relevant assets.
- c) Capital Stores are valued on Weighted Average Cost.

2.5 DEPRECIATION & AMORTISATION

- a) Depreciation on Additions to /Deductions from Fixed Assets during the year is charged on pro-rata basis from / up to the date on which the Asset is available for use / disposal.
- b) Depreciation on Fixed Assets is provided as per Para 219 of Indian Railway Finance Code Volume I which specifies the normal life of the various classes of Railway Assets. In case a



particular component of Fixed Asset is not available in the said Para 219 of Indian Railway Finance Code, then depreciation on these assets is provided on Straight Line Method using the useful life specified in Schedule II of the Companies Act, 2013

- c) Asset valuing ₹ 5000/- or less are fully depreciated in the year of Addition thereof.
- d) Cost of software is recognized as Intangible Assets and is amortized on Straight Line Method over a period of legal right to use or three years, whichever is earlier. Other Intangible Assets are amortized on Straight Line Method over the period of legal right to use.
- e) Fixed Assets created on Leasehold Land and Leasehold Premises Improvements are depreciated fully over the residual period of lease of respective Land / Leasehold Premises or over the life of respective asset as specified in Schedule II of the Companies Act, 2013, whichever is shorter.
- f) Where the cost of Depreciable Assets has undergone a change during the year due to increase/decrease in Long Term Liabilities on account of exchange fluctuation, price adjustment, change in duties or similar factors, the unamortized balance of such assets is depreciated prospectively over the residual life of such assets.
- g) Where the life and / or efficiency of an asset is increased due to renovation and modernization, the expenditure thereon along-with its unamortized depreciable amount is charged prospectively over the revised / remaining useful life determined by technical assessment.

2.6 REVENUE

- a) Revenue is recognized based on the nature of activity when consideration can be reasonably measured and there exists reasonable certainty of its recovery.
- b) Interest on Bank Deposits is booked on a time proportion basis.
- c) Other items of Income are accounted for as and when the right to receive is established.
- d) Service Charges Income is recognized as per the terms of the contracts

2.7 FOREIGN CURRENCY TRANSACTIONS

- a) Transactions in Foreign Currencies are initially recorded at Exchange Rates prevailing on the date of transaction. At each Balance Sheet date monetary items denominated in Foreign Currency are translated at the Exchange Rate prevailing on the Balance Sheet date.
- b) Exchange difference on foreign currency borrowings to the extent regarded as adjustment to interest costs in terms of Para 4(e) of AS-16 on Borrowing Costs is accounted for as borrowing costs in terms of ibid AS and balance is adjusted to the carrying cost of respective Fixed Asset/Capital Work-in-Progress, to which such borrowing pertains.
- c) Exchange difference on other monetary items is recognized as income & expenses.

2.8 EMPLOYEE BENEFITS

- a) All Employee Benefits payable wholly within twelve months of rendering the service are classified as Short Term Employee Benefits. Benefits such as short- term compensated absences, etc. are recognized in the period in which the employee renders the related service.
- b) Provision for Post Employment Benefit as defined in AS-15 (2005) on Employee Benefits is made based on Actuarial Valuation at the year-end.



- c) Provision for Long-term Employees benefits such as Long-term compensated absences, is made in the books on the basis of Actuarial Valuation made at the year end.
- d) Provision/Liabilities towards Foreign Service Contribution are made in terms of Government Rules & Regulation for employees on deputation and charged to Development Account.
- e) Expenses on Ex-gratia payments & Notice Pay under Voluntary Retirement Scheme are charged to revenue in the year of incurrence.

2.9 BORROWING COST

Borrowing costs attributable to the acquisition or construction of Qualifying Assets are capitalized as part of the cost of that Asset. Other borrowing costs are recognized as expenses in the period in which these are incurred. Cost of raising borrowings / upfront fees and other similar expenses are capitalized/charged as expense in the year of incurrence itself.

2.10 TAXES ON INCOME

Tax on Income for the current period is determined on the basis of taxable income under the Income Tax Act, 1961.

Deferred Tax is recognized on timing differences between the accounting income and taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date. Deferred Tax Assets are recognized and carried forward to the extent there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

2.11 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognized in respect of obligations where, based on the evidence available, outflow of resources is probable and a reliable estimate can be made of the amount of obligation. Contingent Liabilities are determined on the basis of available information. These liabilities are not provided and the same are disclosed in the notes to accounts. Contingent Assets are neither recognized nor disclosed in the financial statements.

2.12 MISCELLANEOUS

- a) Liabilities for Goods in Transit/Capital Works executed but not certified are not provided for, pending inspection and acceptance by the Corporation.
- b) Claims including price variation are accounted for on acceptance.
- c) Liquidated Damages are recognized at the time of actual recovery.
- d) Prepaid expenses and prior period expenses/income of items of ₹ 50,000/- and below are charged to natural heads of accounts.
- e) Mobile Instruments are charged off to revenue.
- f) Insurance claims are accounted for based on Management best assessment of the quantum of loss & coverage thereof in terms of Insurance Policy. Any shortfall / excess are adjusted on the settlement of claims. Claim towards losses of CWIP, for which Insurance are obtained by Contractors under the provisions of respective contract agreement, are not accounted in the Books of Company.



3 Share Capital

Amount (₹ in Lakh)

Particulars	As at March 31, 2016	As at March 31, 2015
Authorized Share Capital 8,00,00,000 (Previous Year 8,00,00,000) Equity Shares of ₹ 1000/- each	8,00,000.00	8,00,000.00
	<u>8,00,000.00</u>	<u>8,00,000.00</u>
Issued, Subscribed & Paid Up Capital 4,80,26,688 (Previous Year 3,71,56,688) Equity Shares of ₹ 1000/- each	4,80,266.88	3,71,566.88
	<u>4,80,266.88</u>	<u>3,71,566.88</u>

3.1 Reconciliation of the Number of Equity Shares

Particulars	As at March 31, 2016		As at March 31, 2015	
	Number of shares	Amount in (₹ in Lakh)	Number of shares	Amount in (₹ in Lakh)
Balance as at the beginning of the year	371,56,688	3,71,566.88	270,77,400	2,70,774.00
Add :Equity Shares issued during the Year/ Period	108,70,000	1,08,700.00	100,79,288	1,00,792.88
Balance As at the end of the year	<u>480,26,688</u>	<u>4,80,266.88</u>	<u>371,56,688</u>	<u>3,71,566.88</u>

3.2 Details of Shares held by Shareholders holding more than 5% of the aggregate shares in the Company

Particulars	As at March 31, 2016		As at March 31, 2015	
	Number of shares	% of Holding	Number of shares	% of Holding
Equity Shares :				
The President of India & his nominees (Ministry of Railways)	480,26,688	100%	371,56,688	100%

3.3 Rights, Preferences & Restrictions attached to Equity Shares

The Company has only one class of equity shares referred to as equity shares having par value of ₹ 1000/-each. Each holder of one equity share is entitled to one vote per share. In the event of liquidation of the company, the holders of shares shall be entitled to remaining assets of the company, after distribution of all preferential amounts.

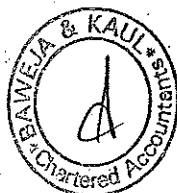
4 Reserves And Surplus

Particulars	Amount (₹ in Lakh)	
	As at March 31, 2016	As at March 31, 2015
Surplus:		
Opening Balance	11,010.62	7,272.35
Add : Profit after Tax (Current Year)	6,319.83	3,738.27
	<u>17,330.45</u>	<u>11,010.62</u>
Less : Appropriations		
Closing Balance	<u>17,330.45</u>	<u>11,010.62</u>

5 Share Application Money Pending Allotment

(a) Company had opening balance of ₹ 1,08,700.00 Lakh of Share Application Money received from Ministry of Railways as on 31.03.2015. Company has issued Equity shares at par in respect of this outstanding share application money on 08.05.2015.

(b). Company has closing balance of ₹ 2,85,560.41 Lakh of Share Application Money received from Ministry of Railways as on 31.03.2016. 2,85,56,041 number of equity shares are required to be issued at par for said outstanding application money during FY 2016-17. The company has sufficient Authorized Share Capital to cover the allotment against such share application money received. There is no overdue amount of Share Application Money Pending Allotment as on 31.03.2016.



6 -Long Term Borrowings

Amount (₹ in Lakh)

Particulars	As at March 31, 2016	As at March 31, 2015
Term Loans From Others		
Unsecured Loan		
Loan from Ministry of Railways for EAP Projects JICA - 205	12,055.78	11,645.53
Loan from Ministry of Railways for EAP Projects JICA - 209	1,63,932.98	73,159.84
Loan from Ministry of Railways for EAP Projects JICA - 212	7,092.48	6,480.99
Loan from Ministry of Railways for EAP Projects JICA - 229	3,876.19	-
Loan from Ministry of Railways for EAP/IBRD Projects - 8066	1,18,219.20	52,665.54
Loan from IBRD for EAP Projects- 8318	22,041.20	156.59
Total	3,27,217.83	1,44,108.49

6.1 Terms of Repayment (EAP/JICA LOAN)

Loan by JICA is being given to Ministry of Railways as Externally Aided components of Gross Budgetary Support (GBS) through Ministry of Finance. This is passed on to Loan for DFCCIL on back to back basis. As per clarification received from MOR vide letter number 2009/Infra/3/1/26 Pt-1 dated 06/02/2015, the tenure of loan is 40 years, rate of interest is 7% and moratorium period is 10 years. The accumulated interest accrued during the period of moratorium is payable after completion of 10 years. This interest will accrue on simple interest basis. There is no principal repayment as the Cabinet has approved for the loan to be extended to MOR as GBS.

6.2 Terms of Repayment (EAP/IBRD LOAN)

6.2.1 The Government of India (GOI) through the Ministry of Finance has entered into a Loan Agreement dated: 27/10/2011 to avail a loan of USD 975 Million with Loan ID-8066 IN with the International Bank for Reconstruction and Development (IBRD) which shall be utilized towards Institutional Development Activities and Design, Construction and Commissioning of 343 Kms of double track electrified railway on the Khurja-Bhaupur Section of the Eastern Dedicated Freight Corridor (EDFC).

In terms of the Loan Agreement, DFCCIL has been identified as the Project Implementing Entity for implementation of the project. Further, to facilitate the carrying out of the project by DFCCIL, GOI through the MoR is required to make the proceeds of the Loan available to DFCCIL by way of MOR Loan under a Subsidiary Loan Agreement between the GOI through MOR and DFCCIL, under terms and conditions satisfactory to the Bank.

The repayment of IBRD Loan ID-8066 IN along with interest will be made by DFCCIL to MOR in Rupee equivalent of the USD Loan/Interest amount

The DFCCIL has entered into another Loan Agreement with the IBRD dated 11/12/2014 to avail a loan of USD 1100 Million with Loan ID-8318 IN. This Loan shall be utilized towards Institutional Development Activities and Design, Construction and Commissioning of 393 Kms of double track electrified railway on the Kanpur-Mughal Sarai section of the EDFC. In this agreement the Government of India (GOI) has given Sovereign Guarantee.

The repayment of IBRD Loan ID-8318 along with interest will be made by DFCCIL to World Bank directly in the designated amount in USD.

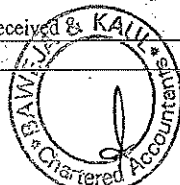
6.2.2 Principal Repayment Terms & Details:

Loan No.	Commencement of Repayment	Repayment Term	Repayment Period
IBRD Loan (EDFC) - 8066	From Nov. 2018	Half Yearly	In 30 Installments
IBRD Loan (EDFC) - 8318	From May 2021	Half Yearly	In 30 Installments

7 Other Long Term Liabilities

Amount (₹ in Lakh)

Particulars	As at March 31, 2016	As at March 31, 2015
Trade Payables		
Others		
(i) Interest Accrued but not Due on Loan from MoR on EAP/JICA	17,521.77	8,574.76
(ii) Deposits/ Retention Money (Received from Supplier & Service	14,845.31	8,562.62
(iii) Income Received in Advance	187.59	189.90
(iv) Advance Received from customers against Deposit Work	5,561.52	5,561.52
(iv) Other Advances Received	183.75	-
Total	38,299.94	22,888.80



8 Long-Term Provisions

Amount (₹ in Lakh)

Particulars	As at March 31, 2016	As at March 31, 2015
(A) Provision for Employees Benefits		
Gratuity	302.92	205.20
Leave Encashment	600.96	263.36
Leave Travel Concession	127.99	89.04
(B) Other Provisions		
Total (A)+(B)	1,031.87	557.60

8.1 Employees Benefits.

a) Gratuity:

Provision for Gratuity liability for the period has been made as per Actuarial Valuation as on 31-03-2016.

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 year attributable to each are the following:

Change in Present Value of Obligation:

Amount (₹ in Lakh)

Particulars	As at March 31, 2016	As at March 31, 2015
Opening Balance	213.38	109.93
Interest Cost	17.07	9.34
Current Service Cost	86.33	63.86
Benefit Paid	-	-
Actuarial (Gain)/ Loss on Obligation	7.35	30.25
Closing Balance	324.13	213.38

Expenses Recognized:

Amount (₹ in Lakh)

Particulars	As at March 31, 2016	As at March 31, 2015
Interest Cost	17.07	9.34
Current Service Cost	86.33	63.86
Actuarial (Gain)/ Loss on obligation	7.35	30.25
Expenses recognized and transferred to Development Account	110.75	103.45

Movement in the Liability recognized in the Balance sheet:

Amount (₹ in Lakh)

Particulars	As at March 31, 2016	As at March 31, 2015
Opening Net Liability	213.38	109.93
Expenses as Above	110.75	103.45
Benefit Paid	-	-
Actual Return on Plan Assets	-	-
Acquisition Adjustment	-	-
Closing Net Liability	324.13	213.38

Recognized as under:

Long Term Provision	302.92	205.20
Short Term Provision	21.21	8.19
Total	324.13	213.38

Actuarial Assumptions:

	Year ended March 31, 2016	Year ended March 31, 2015
Method Of Valuation :	Project Unit Credit Method	Project Unit Credit Method
Discount Rate :	8.00%	8.00%
Salary Escalation Rate:	6.00%	6.00%
Mortality Rate	IALM (2006-08)	IALM (2006-08)



b) Leave Encashment:

Provision for Leave Encashment Liability for the period has been made as per Actuarial Valuation as on 31-03-2016.

Employees are entitled to encashment of Earned Leaves (LAP)/ Half Pay Leave (LHAP) subject to certain limits and other conditions specified for the same.

A Reconciliation of Opening & Closing Balances of the present value of obligation and the effects during the year attributable to each are the following:

Change in Present Value of Obligation:

Amount (₹ in Lakh)

Particulars	As at March 31, 2016	As at March 31, 2015
Opening Balance	286.94	160.09
Acquisition Adjustment	-	17.24
Interest Cost	22.96	12.81
Current Service Cost	218.57	117.66
Past Service Cost	125.51	-
Benefit paid	(14.00)	(23.07)
Actuarial (Gain)/ Loss on obligation	16.97	2.21
Closing Balance	656.95	286.94

Expenses Recognized:

Amount (₹ in Lakh)

Particulars	As at March 31, 2016	As at March 31, 2015
Interest Cost	22.96	12.81
Past Service Cost	125.51	-
Current Service Cost	218.57	117.66
Actuarial Loss / (Gain) on obligation	16.97	2.21
Expenses recognized and transferred to Development Account	384.01	132.68

Movement in the Liability recognized in the Balance sheet:

Amount (₹ in Lakh)

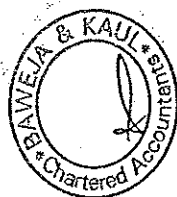
Particulars	As at March 31, 2016	As at March 31, 2015
Opening Net Liability	286.94	160.09
Expenses as Above	384.00	132.68
Benefit Paid	(14.00)	(23.07)
Actual Return on Plan Assets	-	-
Acquisition Adjustment	-	17.24
Closing net liability	656.94	286.94

Recognized as under:

Long Term Provision	600.96	263.36
Short Term Provision	55.98	23.58
Total	656.94	286.94

Actuarial Assumptions:

	Year ended March 31, 2016	Year ended March 31, 2015
Method Of Valuation :	Project Unit Credit Method	Project Unit Credit Method
Discount Rate :	8.00%	8.00%
Salary Escalation Rate:	6.00%	6.00%
Mortality Rate	IALM (2006-08)	IALM (2006-08)



c) Leave Travel Concession:

Provision for Leave Travel Concession for the period has been made as per Actuarial Valuation as on 31-03-2016.

Employees are entitled to leave travel concession subject to certain limits and other conditions specified for the same.

A Reconciliation of Opening & Closing Balances of the present value of obligation and the effects during the year attributable to each are the following:

Change in Present Value of Obligation:

Amount (₹ in Lakh)

Particulars	As at March 31, 2016	As at March 31, 2015
Opening Balance	92.12	79.68
Acquisition Adjustment		
Interest Cost	7.37	6.77
Current Service Cost	83.89	53.24
Benefit paid	(7.65)	(4.83)
Actuarial (Gain)/ Loss on obligation	(42.33)	(42.74)
Closing Balance	133.40	92.12

Expenses Recognized:

Amount (₹ in Lakh)

Particulars	As at March 31, 2016	As at March 31, 2015
Interest Cost	7.37	6.77
Current Service Cost	83.89	53.24
Actuarial Loss / (Gain) on obligation	(42.33)	(42.74)
Expenses recognized and transferred to Development Account	48.93	17.27

Movement in the Liability recognized in the Balance sheet:

Amount (₹ in Lakh)

Particulars	As at March 31, 2016	As at March 31, 2015
Opening Net Liability	92.12	79.68
Expenses as Above	48.92	17.27
Benefit Paid	(7.65)	(4.83)
Actual Return on Plan Assets		
Acquisition Adjustment		
Closing net liability	133.39	92.12

Recognized as under:

Long Term Provision	127.99	89.04
Short Term Provision	5.40	3.08

Total	133.39	92.12
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Actuarial Assumptions:

	Year ended March 31, 2016	Year ended March 31, 2015
Method Of Valuation :	Project Unit Credit Method	Project Unit Credit Method
Discount Rate :	8.00%	8.00%
Salary Escalation Rate:	6.00%	6.00%
Mortality Rate	IALM (2006-08)	IALM (2006-08)



9 Other Current Liabilities

Amount (₹ in Lakh)

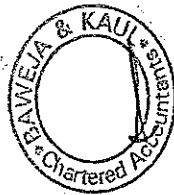
Particulars	As at March 31, 2016	As at March 31, 2015
(i) Earnest Money Deposit	216.74	138.24
(ii) Fund received from MOR towards Land (Pending transfer to SLAO A/c)	2,683.12	3,382.70
(iii) Advance Received from Customers Against Deposit Work	6.48	6.48
(iv) Statutory Dues Payable	4,373.56	2,054.18
(v) Others Payables	37,911.19	31,718.04
(vi) Deposits/ Retention Money (Received from Supplier & Service Providers)	2,576.54	1,033.77
(vii) Income Received in Advance	5.55	5.55
(viii) Funds Received from MOR pending adjustment	-	2,793.10
(ix) Interest Accrued but not due on Loan from MoR on IBRD	419.36	126.42
(x) Other Advances Received	205.00	-
Total	48,397.54	41,258.48

10 Short Term Provisions

Amount (₹ in Lakh)

Particulars	As at March 31, 2016	As at March 31, 2015
(A) Provision for Employees Benefits		
Gratuity	21.21	8.19
Leave Encashment	55.98	23.58
Leave Travel Concession	5.40	3.08
(B) Other Provisions		
Income Tax 2015-16 (Net of TDS & Advance Tax)	114.07	1.84
Total (A)+(B)	196.66	36.69

- 10.1 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 Contractors, Liquidated damages (LDA) recovered, Interest on Advance Consumption Deposit, D&G and Supervision charges recovered as the same has been considered as Capital Receipts. No adjustment has been made for Deferred Taxes on Income as per AS 22, as the Company is in construction stage.



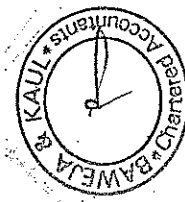
DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED
Notes to the Financial statements

11 Fixed Assets

Particulars	GROSS BLOCK		DEPRECIATION			NET BLOCK			
	As at 1st April 2015	Additions during the Period	Deletions/ Adjustments during the Period	As at March 31, 2016	Charge for the Period	Deletions/ Adjustments during the Period	As at March 31, 2016	As at March 31, 2015	
(A) Tangible Assets									
(i) Flat (Leasehold)	160.00	160.00	-	320.00	10.66	6.82	17.48	302.52	149.34
(ii) Leasehold Premises Improvement	1,427.56	53.23	-	1,480.79	1,099.72	79.18	1,178.90	301.89	327.84
(iii) EDP Assets	634.22	294.24	50.09	878.37	363.02	172.89	493.11	385.26	271.20
(iv) Office equipment	562.74	90.98	0.93	652.79	399.45	43.65	441.81	210.98	163.29
(v) Furniture and fixtures	387.31	87.60	7.46	467.45	119.42	55.68	174.69	292.76	267.90
(vi) Machinery	3.07	-	-	3.07	0.06	0.28	0.34	2.73	3.01
Total (A)	3,174.90	686.05	58.48	3,802.47	1,992.33	388.50	2,306.33	1,496.16	1,182.58
(B) Intangible Assets									
(i) Computer software	182.29	153.25	0.29	335.25	140.92	54.58	195.39	139.86	41.37
Total (B)	182.29	153.25	0.29	335.25	140.92	54.58	195.39	139.86	41.37
Total (A) + (B)	3,357.19	839.30	58.77	4,137.72	2,133.25	413.08	2,501.72	1,636.01	1,223.95
Previous Year	2,862.39	606.14	111.34	3,357.19	1,924.08	277.36	2,133.24	1,223.95	

Notes :

- Company has taken leasehold premises at various locations for offices for varying lease period. Improvements on such leasehold assets is depreciated/amortized as per accounting policy at 2.3(e).
- Keeping in view the amount and nature of Fixed Assets, during the construction phase, Physical Verification of assets is done once in three years.
- Considering the size of company and materiality of financial impact, assets having individual value of ₹ 5,000/- or less are depreciated fully in the year of purchase.
- Lease Deed in respect of Flat amounting to ₹ 320.00 Lakh (Previous Year- ₹ 160.00 Lakh) is yet to be executed in favour of the Company



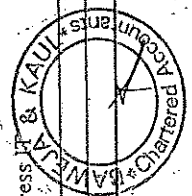
DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED
Notes to the Financial Statements

(C) Capital Work In Progress

Particulars	Amount (₹ In Lakh)			
	Opening Balance As at March 31, 2015	Additions during the Period	Capitalized during the Period	Closing Balance As at March 31, 2016
(i) Earthwork	25,780.66	2,793.59	-	28,574.25
(ii) Bridges Under Progress	1,41,906.83	33,614.51	-	1,74,681.90
(iii) Tracks	38,031.53	1,68,024.12	-	2,04,919.39
(iv) Other Project Expenditure	55,683.60	20,642.67	-	75,673.40
(v) Formation	170.72	17.67	-	175.89
(vi) Overhead Electric Equipment	81.11	2,131.06	-	2,212.17
(vii) Compensatory Afforestation Expenses	2,185.69	8,298.28	-	10,446.18
(viii) Material Issued to Contractors	10,396.39	165.46	-	10,561.85
(ix) Expenditure During Construction Period (Development A/c Pending Capitalisation)	52,973.35	28,059.35	-	81,032.70
Total (C)	3,27,209.88	2,63,746.71	-	5,77,715.86

(D) Assets Under Development

Particulars	Amount (₹ In Lakh)			
	Opening Balance As at March 31, 2015	Additions during the Period	Capitalized during the Period	Closing Balance As at March 31, 2016
(i) Tangible				
(i) Leasehold Improvements Under Progress	8.18	88.59	96.77	-
(ii) Office Equipments under Installation	10.81	-	10.81	-
Total (i)	18.99	88.59	107.58	-
(ii) Intangible				
(ii) Software Under Progress	911.88	84.26	-	989.54
Total (ii)	911.88	84.26	-	989.54
Total (D)	930.87	172.85	107.58	989.54



DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED

Notes to the Financial Statements

12 Long Term Loans & Advances

Amount (₹ in Lakh)

Particulars	As at March 31, 2016	As at March 31, 2015
A. Capital Advance		
a) Secured Considered Good		
i. Mobilisation Advance (Secured against Hypothecation of Plant & Machinery in favour of DFCCIL)		
	3,080.79	3,734.84
b) Unsecured Considered Good		
i. Advance for Shifting of Utilities		
	2,28,583.39	1,79,047.00
ii. Advance for ROB/RUB		
	36,152.20	-
iii. Advance for Capital Works- Others		
	27,190.77	1,876.44
iv. Mobilisation Advance		
	1,53,939.91	98,969.29
Total (A)	4,48,947.06	2,83,627.57
B. Security Deposit		
Unsecured Considered Good		
i. Security Deposit-Electricity		
	32.95	32.60
ii. Security Deposit - Lease Rent		
	86.18	75.58
iii. Security Deposit Against-Telephone & Others		
	1.52	1.36
iv. Security Deposit Against-Cutting of Trees		
	55.49	36.08
v. Other Deposits including Interest		
	287.83	265.43
Total (B)	463.97	411.05
C. Others		
Advance to Employees (Unsecured Considered Good)		
	18.14	-
Advance Income Tax & TDS #		
	305.08	440.50
Total (C)	323.22	440.50
Total (A+B+C)	4,49,734.25	2,84,479.12

This represents Advance Income Tax & TDS (Net of provision for Income Tax) of ₹ 305.08 lakh (Previous Year ₹ 440.50 lakh) for earlier years Pending Assessment/Refund.

- 12.1 The Company has given advances to various parties for various capital works and for shifting of utilities along the Freight Corridors under construction. The total amount of such advances (Note No. 12.A b (i) (ii) (iii) as on 31.03.2016 is ₹ 2,91,926.35 Lakh (Previous Year ₹ 1,80,923.44 Lakh). The works are under various stages of progress and the same will be accounted for as CWIP on completion of respective works by the concerned parties.

13 Cash and Bank Balances

Amount (₹ in Lakh)

Particulars	As at March 31, 2016	As at March 31, 2015
(a) Cash and Cash Equivalents		
Bank Balances		
- Current Accounts & Flexi		
	17,479.84	17,046.45
- Deposit Accounts with maturity of 3 months or less		
	1,42,700.00	66,000.00
- Cheque in Hand		
	11.09	21.96
(b) Other Bank Balances		
- Deposit Accounts with maturity beyond 3 months		
	-	-
- Fixed Deposit Accounts Pledged as Security		
	416.34	416.34
Total (a) + (b)	1,60,607.27	83,484.75



- 13.1 Bank-Balances includes ₹ 2,683.12 Lakh (Previous Year Rs. 3,382.70-Lakh) in-Current Accounts & Flexi held on behalf of Ministry of Railways.

14 Short Term Loans & Advances

Amount (₹ in Lakh)

Particulars	As at March 31, 2016	As at March 31, 2015
(a) Other Loans & Advances (Unsecured Considered Good)		
(i) Employee advances	12.34	15.16
(ii) Prepaid Expense	19.65	12.26
(iii) Service Tax Input Credit & Advance Paid	91.26	113.15
(iv) Security Deposit - NDMC	9.98	10.33
(v) Others	58.70	29.95
Total	191.93	180.85

- 14.1 Advance to Directors outstanding as on 31.03.2016-NIL (Previous Year-NIL)

15 OTHER CURRENT ASSETS

Amount (₹ in Lakh)

Particulars	As at March 31, 2016	As at March 31, 2015
(a) Interest Accrued on Fixed Deposit, Mobilization Advances & Others		
On Deposit Accounts with Banks	2,193.71	385.39
On Mobilisation Advances	1,588.46	664.09
(b) Expenditure on Land Acquisition -Recoverable from MOR	2,084.26	355.41
(c) Expenditure on Pets Survey -Recoverable from MOR	1,355.30	974.47
(d) Recoverable from Staff	3.45	3.38
(e) Recoverable from Contractors/Consultants	16.83	5.10
(f) Other Recoverable	184.47	228.61
(Represents Rent & Facility Management Charges etc. receivable on account of sub-lease)		
(g) Gold/Silver Medallian in hand	0.24	1.69
Total	7,426.72	2,618.14

15.1 Expenditure on Land Acquisition :

(a) As per the directions of Ministry of Railways (MOR), Land for the project shall be acquired in the name of MOR under The Railways Act, 1989 as modified by The Railways (Amendment) Act, 2008 and the Land so acquired shall be leased to the Company at lease rent of 6% per annum of the Cost of Land on the date of handing over to DFCCIL. Lease rent shall commence from the date of commissioning. Funds for acquisition of land are being provided by MOR to separate bank accounts, being operated jointly by the State Land Acquisition Officer, being the Competent Authority under the above Act and a nominated official of the Company. Such Bank Accounts do not form part of the Company's Accounts.

(b) In addition to the compensation payments for Land acquisition, for which funds are given by MOR in separate account as explained in (a) above, Company is incurring facilitation & Administrative Expenditure in connection with acquisition of land, which are reimbursable by MOR on actual basis.



DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED

Notes to the Financial Statements

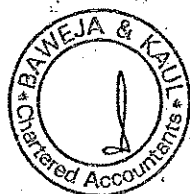
16 Other Income

Amount (₹ in Lakh)

Particulars	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
(A) Interest Income		
Interest on Flexi/FDR	9,869.17	5,635.78
Total (A)	9,869.17	5,635.78
(B) Other Non Operating Income		
Misc. Income	6.86	2.02
Rent Recovery on Sub Lease (See note No. 16.1)	274.24	499.17
Housekeeping Exp. Recovered from Sub-Lessee	15.45	25.28
Office Security Exp. Recovered from Sub-Lessee	20.01	40.60
Electricity Exp. Recovered from Sub-Lessee	25.57	55.26
Annual Maintenance Charges Recovered from Sub-Lessee	6.03	14.75
Composite Rent & Facility Management Charges	236.17	182.35
Total (B)	584.33	819.43
(C) Less : Direct Expenses		
Housekeeping Expenses	13.73	21.38
Rent	274.24	499.17
Composite Rent & Facility Management Exp	162.47	141.91
Office Security Expenses	17.78	34.33
Electricity Exp. Office	22.73	46.73
Annual Maintenance Charges	5.37	12.49
Total (C)	496.32	756.01
(D) Net Other Non Operating Income [(B) - (C)]	88.01	63.42
Net Other Income [(A) + (D)]	9,957.18	5,699.20
Less: Transferred to Development Account (Note 19)	-	-
Balance (Transferred to Statement of Profit & Loss)	9,957.18	5,699.20

16.1 Sub Lease :

Rent Receivables on account of Sub-Lease recognised in the Statement of Profit & Loss for the period ended 31.03.2016 is ₹ 274.24 Lakh (Previous Period ₹ 499.17 Lakh)



17 Employees Benefits Expense

Amount (₹ in Lakh)

Particulars	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
Salary, Wages & Allowances	7,683.45	6,028.39
Leave Salary & Pension Contribution	319.75	293.22
Gratuity, Contribution to PF & Pension Scheme (including Admin fee)	417.43	322.50
Staff Welfare Exp.	476.34	356.00
Total	8,896.97	7,000.11
Less: Transferred to Development Account (Note 19)	8,896.97	7,000.11
Balance (Transferred to Statement of Profit & Loss)	-	-

17.1 Disclosure in respect of Defined Contribution Plan in terms of AS - 15 is as under :

Contribution to Defined Contribution Plan recognized as development expenses are as under:

- Employer's Contribution to Provident Fund (Rs. in Lakh)	283.40	199.80
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17 A Finance Cost

Amount (₹ in Lakh)

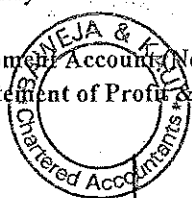
Particulars	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
<u>Interest Expenses on:</u>		
EAP/JICA Loan	8,947.00	5,767.60
IBRD Loan	856.46	264.33
Interest on Income Tax	-	16.32
Upfront Fee	376.33	1,332.06
Guarantee Fee	266.94	-
<u>Other Borrowing Costs:</u>		
Exchange Differences regarded as Adjustment to Interest Cost	4,922.52	1,684.16
Total	15,369.25	9,064.47
Less: Transferred to Development Account (Note 19)	15,369.25	9,064.47
Balance (Transferred to Statement of Profit & Loss)	-	-

Note : In terms of para 4(e) of Accounting Standard 16 on Borrowing Cost, Borrowing Cost shall include exchange differences arising from foreign currency borrowings to the extent they are regarded as adjustment to interest. To determine the same interest on borrowings has been computed @ 7%, which is the interest rate at which local currency borrowings to DFCCIL has been made available from MOR.

17 B Depreciation & Amortization Expenses

Amount (₹ in Lakh)

Particulars	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
Depreciation - EDP Assets	217.35	90.49
Depreciation - Office Equipment	49.71	157.72
Depreciation - Furniture & Fixture	55.68	(33.51)
Depreciation - Leasehold Improvement	79.18	57.28
Depreciation - Leasehold Flat	6.82	5.33
Depreciation - Plant & Machinery	0.28	0.06
Total	409.02	277.37
Less: Transferred to Development Accounts (Note 19)	409.02	277.37
Balance (Transferred to Statement of Profit & Loss)	-	-



Particulars	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
Advertisement Expenses	341.18	220.68
Communication Expenses	105.79	93.09
Printing & Stationary	135.89	122.59
Misc. Expenses	70.18	43.81
Books & Periodicals	2.57	2.41
Legal & Professional Charges	158.63	104.25
Directors Sitting Fee	-	2.02
Consultancy Fees to Consultants	134.15	127.83
Cost of Outsourced Staff (Placement)	415.77	260.95
Recruitment Expenses	1.10	470.23
Electricity Expenses	117.89	83.18
Power & Fuel	3.54	7.13
Housekeeping Expenses	321.26	303.15
Payment to Statutory Auditors *	16.72	13.79
Corporate Social Responsibility	167.98	32.27
Meeting & Conference	51.71	43.96
Rates & Taxes	112.03	102.04
Rent **	1,590.38	1,324.94
Tours ,Travels and Conveyance	2,172.11	1,659.96
Seminar & Training Expenses	380.81	230.95
Repair & Maintenance-others	118.61	86.98
Annual Subscription Fees-IT Consultancy & Software	6.92	1.94
Office Expenses	41.71	14.76
Hospitality Expenses	17.68	13.22
Office Security Expenses	215.08	68.32
Interest on Duties & Taxes	-	2.37
Foreign Currency Expenditure	7.57	2.25
	-	-
Total	6,707.26	5,439.07
Less: Transferred to Development Account (Note 19)	6,539.28	5,406.80
Balance (Transferred to Statement of Profit & Loss)	167.98	32.27

* Payment to Statutory Auditors includes :

Statutory Audit Fee	9.78	9.22
Tax Audit Fee	2.26	2.19
Reimbursement of Expenses (paid during the period)	1.02	0.08
Provision towards out of Pocket Expense	1.41	0.37
Other Audit Fee (EDFC-I Audit)	1.96	1.93
Other Audit Fee (EDFC-II Audit)	0.29	-
	16.72	13.79

** Lease Rent :

The Company's significant leasing arrangements are in respect of operating leases of premises for offices & guesthouses. These leasing arrangements, which are not non-cancellable, are usually renewable on mutually agreeable terms. Lease payments in respect of premises for offices, guest house are shown in Rent.

Lease payments recognised in the Accounts for the period ended 31.03.2016 is ₹ 1590.38 Lakh (Previous Period ₹ 1324.94 Lakh)



17 C-1 Details of Recovery from Sub-Lease and Composite Rent Towards Expenses:

Amount (₹ in Lakh)

Nature of Expenditure	Gross Expenditure	Recovery from Sub-Lease (Refer point C of Note 16)	Recovery from Composite Rent (Refer point C of Note 16)	Net Expenditure (Refer Note 17C)
Rent	2,002.10	274.24	137.48	1,590.38
Electricity Expenses	147.64	22.73	7.02	117.89
Housekeeping Expenses	343.77	13.73	8.78	321.26
Repair & Maintenance	125.93	5.37	1.95	118.61
Office Security Expenses	240.10	17.78	7.24	215.08
Total	2,859.54	333.85	162.47	2,363.22



DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED
Notes to the Financial Statements

18 Prior Period Adjustment

Amount (₹ in Lakh)

Particulars	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
Consultancy Charges	0.75	7.93
Meeting Exp.	3.06	-
Electricity Exp.	-	0.29
Vehicle Hiring Charges	1.03	4.14
Misc. Prior Period Adjustments	-	2.94
Prior Period Consultancy-IT	7.26	-
Placement Consultancy Exp.	0.55	22.83
Tours, Travels and Conveyance	6.07	1.63
Seminar & Training Exp.	-	(29.45)
Professional Charges	-	5.31
Salary, Wages & Allowances	125.51	(1.02)
Foreign Service Contribution	-	12.99
Security Charges	-	(0.97)
Rent	(1.39)	0.59
Interest on Loan	-	(4.63)
Interest on Consumption Deposit	-	(16.23)
Depreciation	3.64	-
Total	146.48	6.35
Less: Transferred to Development Account (Note 19)	146.48	6.35
Balance (Transferred to Statement of Profit & Loss)	-	-



DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED

Notes to the Financial Statements

19 Development Account (Pending Capitalisation)

Amount (₹ in Lakh)

Particulars	Note No	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
Employees Benefit Expense	17	8,896.97	7,000.11
Finance cost	17 A	15,369.25	9,064.47
Depreciation and Amortization Expense	17 B	409.02	277.37
Other Expenses	17 C	6,539.28	5,406.80
Prior Period Adjustment	18	146.48	6.35
Total (A)		31,361.00	21,755.10
Less:			
Liquidated Damage (LDA)		1,918.30	302.67
Interest on Mobilization Advance		1,385.50	1,838.90
Interest on Advance Consumption Deposit		22.40	29.21
Interest on Advances-Employees		0.93	-
Cash Discount from Contractors		0.72	233.95
Recruitment Fees Received		186.28	77.17
Profit on Sale of Fixed Assets		0.69	32.21
Foreign Currency Fluctuation Gain / (Loss)		(326.52)	209.62
Security Deposit/EMD Forfeited		6.06	14.70
D&G ,Supervision & Plant Estimation		5.85	7.44
Charges Received			
Sale of Tender		40.40	22.61
Total (B)		3,240.61	2,768.48
Net Expenditure (A-B)		28,120.39	18,986.62
Profit Transferred From Statement of Profit And Loss		61.04	45.92
Total Transferred To Capital Work In Progress (CWIP)		28,059.35	18,940.70



20.

a) Contingent Liabilities as on: -

(₹ in Lakh)

Description	As on 31.03.2016	As on 31.03.2015
Claims against the Company not acknowledged as debts in respect of Capital Works	34,805.54	31,796.38
Disputed Taxation Demands	119.08	705.87
Total	34,924.62	32,502.25

- b) The above Contingent Liabilities do not include Contingent Liabilities on account of pending cases in respect of service matters & others where the amount cannot be quantified.
- c) It is not practicable to disclose the uncertainties relating to any outflow.
- d) A number of cases are lying for adjudication at different forums pertaining to Land Compensation. Since Land Acquisition is being done by the Company as a facilitator for Ministry of Railways, company is not subject to any liability that may arise pursuant to the decision of aforesaid adjudicating authorities

21. In accordance with Accounting Standard – 29, particulars of Provisions are as under:

(₹ In Lakh)

Particulars	Gratuity	Leave Encashment	Leave Travel Concession	Income Tax
Opening Balance	213.38	286.94	92.12	1.84
Additions during the Year	110.75	384.00	48.92	3,408.33
Amount Used/Incurred	-	14.00	7.65	3,296.10
Unused Amount Reversed	-	-	-	-
Closing Balance	324.13	656.94	133.39	114.07

22. Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 24,70,940.11 Lakh (Previous Year ₹ 10,00,720.72 Lakh).

23. Balances shown under Material issued to Contractors, Claims Recoverable, Advance for Capital Expenditure, Advances to Contractors, Recoverable/Payable from/to MOR, Sundry Creditors and Deposits/Earnest money from contractors are subject to Reconciliation/ Confirmation and respective consequential adjustments.



24. In the opinion of the management, the value of Current Assets, Loans and Advances on realisation in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.
25. The effect of Foreign Exchange Fluctuation during the period ended 31st March,2016 is as under:

(₹ in Lakh)

S.No	Particulars	Year ended March 31, 2016	Year ended March 31, 2015
(i)	Amount charged to Development Account as Borrowing Cost	4922.52	1684.16
(ii)	Amount charged to Development Account as FERV	326.52	(209.62)

26. The amount of borrowing cost capitalised by transfer to 'Development Account' during the current year is ₹ 15,369.25 Lakh (Previous Year ₹ 9,048.15 Lakh).
27. During the financial year ended 31.03.2016, following Significant Accounting Policies have been reworded / modified / introduced:

Significant Accounting Policy	Description	Impact on Accounts
Policy No. 2.5(b)	Policy is reworded to disclose the fact of using the useful life indicated in Para 219 of Indian Railway Finance Code for the purpose of depreciation of Railway Assets.	Depreciation for the current year has been decreased by ₹ 20.71 Lakh.

28. (a) The Company is in construction stage for the work relating to construction of Eastern and Western Freight Corridors. Operations are yet to be started. Statement of Profit & Loss is being drawn only for non-operational income i.e. interest on Bank deposit & service charges income on Facility Management Services provided on sub-lease and these do not form a reportable segment as per Accounting Standard - 17 on Segment Reporting notified by The Companies Accounting Standard Rules, 2006.



(b) Since the Company is constructing freight corridor within the country, geographical segments is also not applicable.

29. In compliance of Accounting Standard – 18 on Related Party Disclosures, the required information is as under: -

a) Key Management Personnel

Shri Adesh Sharma	Managing Director
Shri H.D. Gujrati	Director (OPR & BD)
Shri Anshuman Sharma	Director (PP)
Shri M. K. Mittal	Director (Finance)
Shri D.S.Rana	Director (INFRA)
Ms. Meenu Kapoor	Company Secretary

b) Transactions carried out with the Related Parties:

Remuneration to Key Management Personnel is ₹ 148.51 Lakh (Previous Year ₹ 136.32 Lakh) and amount of dues outstanding to the Company as on 31.03.2016 is Nil (Previous Year – Nil).

30. Earnings Per Share:-

The elements considered for calculation of Earnings Per Share (Basic and Diluted) are as under:

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Net Profit After Tax used as Numerator (₹ in Lakh)	6,319.84	3,738.26
Weighted Average number of Equity Shares used as Denominator		
– Basic	4,69,27,808	3,51,40,830
– Diluted	4,81,04,710	3,71,86,469
Earnings Per Share (₹)		
– Basic	13.47	10.64
– Diluted	13.14	10.05
Face Value Per Share (₹)	1,000	1,000



31. Income / Expenditure in Foreign Currencies

(₹ In Lakh)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Income:	Nil	Nil
Expenditure:		
Interest	853.34	264.32
Professional & Consultation Fee	3,757.63	5,611.34
Contractual Payments	37,552.20	8,195.40
Others	69.81	60.68

32. The Board of Directors has approved a sum of ₹ 135.00 Lakh to be incurred for Corporate Social Responsibility (CSR) during the year 2015-16. During the year, company has incurred ₹ 167.98 Lakh on CSR Activities.

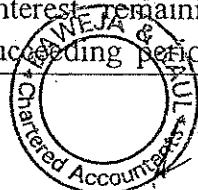
(₹ in Lakh)

Particulars	In Cash	Yet to be Paid in Cash	Total
Construction/Acquisition of any Asset	NIL	NIL	NIL
On purpose other than above	130.42	37.56	167.98
Total	130.42	37.56	167.98

33. Disclosure as required under Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006 is as follows:-

(₹ in Lakh)

Sr. No.	Particulars	Year ended March 31, 2016	Year ended March 31, 2015
(i)	Principal amount remaining unpaid to Micro, small & medium enterprise.	NIL	NIL
(ii)	Interest accrued on principal amount remaining unpaid as (i) above	NIL	NIL
(iii)	Amount of Interest paid during the FY along with the payment of principal amount made beyond 15 days or agreed time from the date of delivery/rendering of services.	NIL	NIL
(iv)	Interest due but yet to be paid on principal paid during the FY	NIL	NIL
(v)	Amount of further interest remaining due and payable even in the succeeding period, until such	NIL	NIL



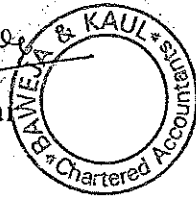
date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as deductible expenditure.		
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34. Pending approval of superannuation scheme by MOR in terms of Para 2(iii) of DPE OM no 2(70)/08-DPE (WC)-GL-VII/09 dated 02.04.2009, no provision has been made in the accounts towards Pension & Post Superannuation medical benefits since the approval of MOR is considered as obligating event in term of AS-29 for creation of provision in terms of ibid AS.
35. The figures in the Financial Statements have been rounded off to ₹ Lakh. Previous year figures / Opening balances have been regrouped/re-arranged/re-cast wherever necessary.

These are the Notes referred to in our report of even date.

For Baweja & Kaul
Chartered Accountants
Firm Registration No: 05834N

Sakshi Kaul Dha
CA Sakshi Kaul Dha
Partner
M.No. 514325



For and on behalf of the Board of Directors

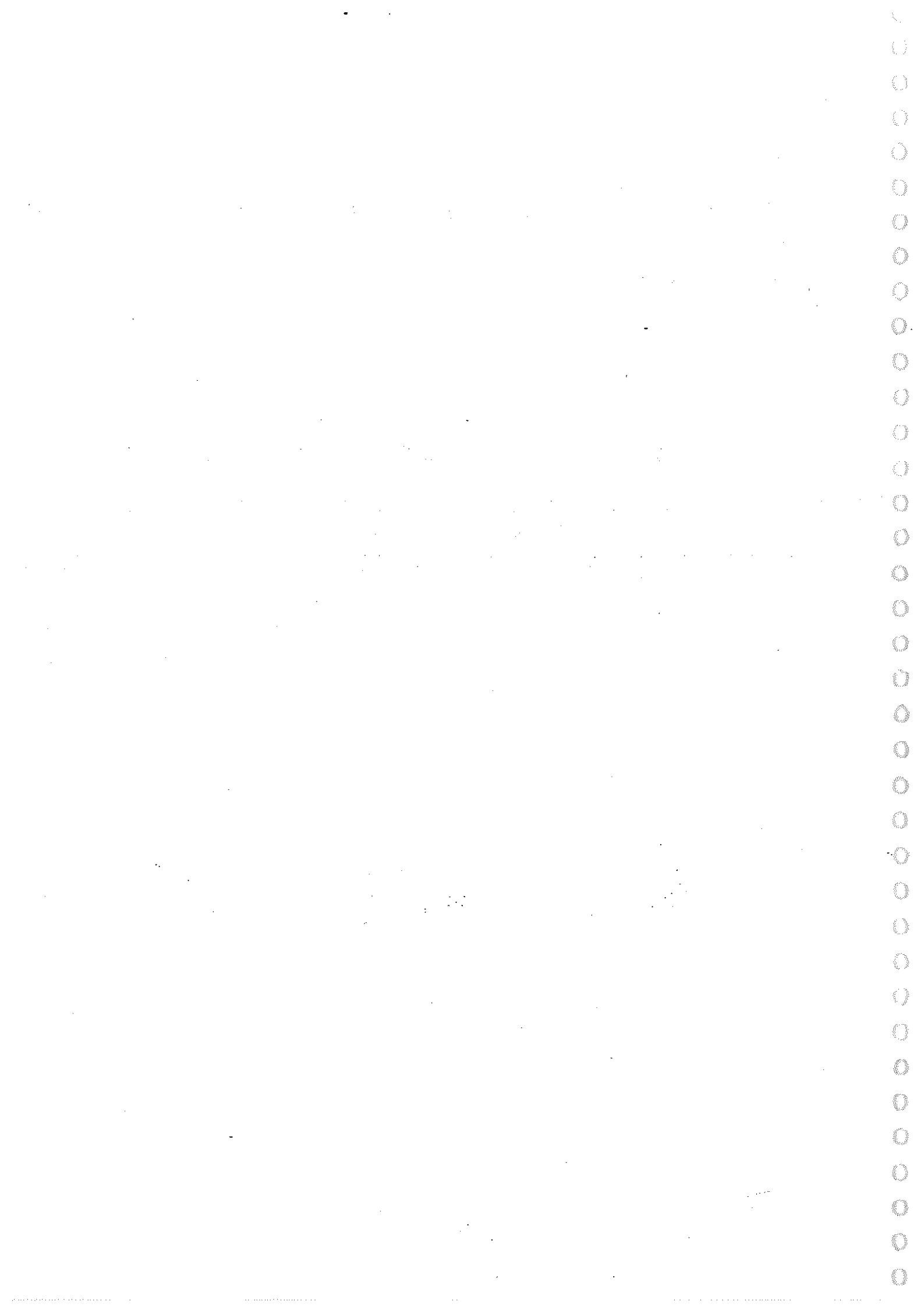
Adesh Sharma
(Adesh Sharma)
Managing Director
DIN - 7022393

M.R. Mittal
(M.R. Mittal)
Director Finance
DIN - 2889021

Meenu Kapoor
(Meenu Kapoor)
Company Secretary
ACS - 18954

Place : New Delhi

Date : 27/6/2016



Independent Auditor's Report

To the Members of
Dedicated Freight Corridor Corporation of India Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Dedicated Freight Corridor Corporation of India Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

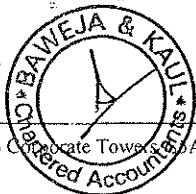
Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate



in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements:

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its Profit and its Cash Flows for the year ended on that date.

Emphasis of Matter

We draw attention to the matter in the Notes to the financial statements:

Note No 23 wherein, it has been stated that the Balances shown under Material issued to Contractors, Claims recoverable, Advance for Capital Expenditure, Advances to Contractors, Recoverable/Payable from/to Ministry of Railways, Sundry Creditors and Deposits/Earnest Money from Contractors are subject to Reconciliation/Confirmation and respective consequential adjustments.

Our opinion is not modified in respect of matter stated under Emphasis of Matter.


Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraphs 3 and 4 of the Order.
2. The Comptroller and Auditor General of India has issued directions indicating the areas to be examined in terms of sub section (5) of Section 143 of the Companies Act 2013, the compliance of which is set out in "Annexure B".
3. As required by Section 143 (3) of the Act, we report that:
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;



- (d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) in terms of Notification No. G.S.R. No. 463(E) dated 5th June, 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 164(2) of the Act regarding disqualification of directors, are not applicable to the Company;
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C"; and
- (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer Note 20 to the financial statements;
 - ii. The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. The provision of transferring the amount to the Investor Education and Protection Fund is not applicable to the company.

For BAWEJA & KAUL
Chartered Accountants
FRN: 005834N


CA Sakshi Kaul Dhar
Partner
M.No. 514325



Place: New Delhi
Dated: 27.06.16

Annexure A to the Independent Auditor's Report referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Dedicated Freight Corridor Corporation of India Limited for the financial year ended on 31st March 2016

i. (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) The company has a regular program of physical verification of its fixed assets once in three years. However, during the year the company has conducted Physical Verification of those Fixed Assets for which Physical Verification was not conducted in the financial year 2014-15. In our opinion, this periodicity of physical verification is reasonable having regard to the nature of its assets and the size of the company. According to the information and explanations given to us by the management, no material discrepancies as compared to book records were noticed in respect of fixed assets physically verified during the year.

(c) According to the information and explanations given to us by the management and on the basis of our examination of the records of the company,

The company does not have any immovable properties in its name except two flats on leasehold basis amounting to Rs 320 Lakh, as disclosed in the Note no. 11 to the financial statements; in respect of which leasehold deed is yet to be executed:

ii. The company has been incorporated for running and maintaining dedicated freight corridor. Since the railway freight corridors are under construction, it does not hold any physical inventories. Therefore, clause 3(ii) of the Order is not applicable.

iii. The Company has not granted any loans, secured or unsecured to the companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. In view of this, sub clauses (a), (b), and (c) of clause 3(iii) of the Order are not applicable.

iv. According to the information and explanations given to us by the management, the company has not given any loans, investments, guarantees and securities as per section 185 and 186 of the Companies Act, 2013. Accordingly, clause 3(iv) of the Order is not applicable.

v. The Company has not accepted any deposits from the public within the meaning of section 73 to 76 or any other relevant provisions of the Companies Act, 2013, and the rules framed there under, consequently the directives issued by the Reserve Bank of India and provisions of the Companies Act, 2013 and rules framed there under are not applicable.

vi. According to the information and explanations given to us by the management, the Central Government has not prescribed for the maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013 in respect of any of the activities of the company.

vii. (a) According to the information and explanations given to us by the management and on the basis of our examination of the records of the company, amounts deducted / accrued in the books of accounts in respect of undisputed statutory dues including provident fund, employee's state insurance, income tax, sales tax, service tax, duty of

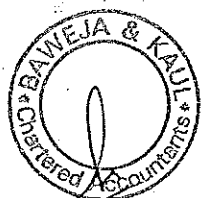


customs , duty of excise, Value added tax, Cess and any other material statutory dues have generally been regularly deposited during the year by the Company, with the appropriate authorities.

(b) According to the information and explanation given to us by the management and as per the records of the Company, the following dues of income tax & Sales Tax/VAT have not been deposited on account of dispute.

Name of the Statute	Nature of Dues	Amount (Rs. in Lakhs)	Year to which it pertains	Forum at which case is pending
Sales Tax Act	Sales Tax/VAT	2.97	2013-14	VATO (Ward 2), New Delhi
Income Tax Act, 1961	Income Tax	7.03	2009-10	CIT (Appeals), New Delhi
Income Tax Act, 1961	Income Tax	15.23	2011-12	ITAT, New Delhi
Income Tax Act, 1961	TDS	0.04	2007-08	ACIT, New Delhi
Income Tax Act, 1961	TDS	2.13	2008-09	ACIT, New Delhi
Income Tax Act, 1961	TDS	45.57	2009-10	ACIT, New Delhi
Income Tax Act, 1961	TDS	8.04	2010-11	ACIT, New Delhi
Income Tax Act, 1961	TDS	0.04	2011-12	ACIT, New Delhi
Income Tax Act, 1961	TDS	23.06	2012-13	ACIT, New Delhi
Income Tax Act, 1961	TDS	14.97	2013-14	ACIT, New Delhi

- viii. Based on our audit procedures and according to the information and explanations given to us by the management, the company has not defaulted in repayment of loans & borrowings to any financial institution, bank, government and dues to debenture holders.
- ix. Based on our audit procedures and according to the information and explanations given to us by the management, the company has not raised any funds by way of initial public offer or further public offer (including debt instruments).. However, the company has raised the term loans during the financial year ending 31st March, 2016 and the same were applied for the purpose for which those were raised.
- x. Based on our audit procedures and according to the information and explanations given to us by the management, no fraud by the company or any fraud on the company, by any person including its officers/employees, has been noticed or reported during the year.
- xi. In view of the exemption given in terms of Notification No. G.S.R. No. 463(E) dated 5th June, 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 197



read with schedule V to the Companies Act, 2013 regarding managerial remuneration are not applicable to the company.

- xii. According to the information and explanations given to us by the management, the company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the company.
- xiii. According to the information and explanations given to us by the management and on the basis of our examination of the records of the Company, transactions with related parties are in compliance with the provisions of section 177 and 188 of the Companies Act, 2013, wherever applicable and the details of such transactions have been disclosed in the notes to the financial statements as required by the applicable accounting standards.
- xiv. Based on our audit procedures and according to the information and explanations given to us by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, the provisions of clause 3(xiv) of the Order are not applicable to the company.
- xv. In our opinion and according to the information and explanations given to us by the management, the company has not entered into any non-cash transactions with directors or persons connected with them. Therefore the provisions of clause 3(xv) of the Order are not applicable to the company.
- xvi. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Therefore the provisions of clause 3(xvi) of the Order are not applicable to the company.

For BAWEJA & KAUL
Chartered Accountants
FRN: 005834N

Sakshi Kaul Dhar

CA Sakshi Kaul Dhar
Partner
M.No.: 514325


Place: New Delhi
Dated: 27.06.16



Annexure B to the Independent Auditor's Report referred to in paragraph 2 under the heading 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Dedicated Freight Corridor Corporation of India Limited for the financial year ended on 31st March 2016

S. No.	Directions	Our Report
1.	Whether the company has clear title/lease deeds for freehold and leasehold land respectively? If not, please state the area of freehold and leasehold land for which title/lease deeds are not available.	According to information and explanations given to us by the management, the Company does not own any land either on freehold or leasehold basis. However, the company has leasehold rights of two flats of 199.5 sqm. each, in respect of which leasehold deed is yet to be executed.
2	Whether there are any cases of waiver/write off of debts/loans/interest etc., if yes, the reasons therefore and the amount involved.	According to information and explanations given to us, there are no cases of waiver/write off of debts/loans/interest etc.
3	Whether proper records are maintained for inventories lying with third parties & assets received as gift/grant(s) from Government or other authorities?	The Company does not maintain any inventories. According to information and explanations given to us, the company has not received any assets as gifts/grant(s) from government or other authorities.

For BAWEJA & KAUL
Chartered Accountants
FRN: 005834N

Sakshi Kaul Dhar


CA Sakshi Kaul Dhar
Partner
M. No.: 514325

Place: New Delhi
Dated: 27.06.16

Annexure C to the Independent Auditor's Report referred to in paragraph 3(f) under the heading 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Dedicated Freight Corridor Corporation of India Limited for the financial year ended on 31st March 2016

Report on the Internal Financial Control under Clause (i) of Sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Dedicated Freight Corridor Corporation of India Limited ("the Company") as on 31st March 2016 in conjunction with our audit of the financial statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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



Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For BAWEJA & KAUL
Chartered Accountants
FRN: 005834N

Sakshi Kaul Dhar

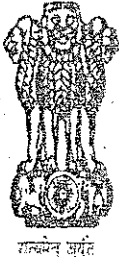
CA Sakshi Kaul Dhar
Partner
M. No.: 514325



Place: New Delhi
Dated: 27.06.16



CONFIDENTIAL/ गोपनीय



भारतीय लेखा परीक्षा एवम् लेखा विभाग
 प्रधान निदेशक लेखा परीक्षा, रेलवे-वाणिज्यिक का कार्यालय
 काफ़मो, भारतीय रेल, तिलाक ब्रिज, नई दिल्ली - 110 002
 INDIAN AUDIT AND ACCOUNTS DEPARTMENT
 OFFICE OF THE PRINCIPAL DIRECTOR OF AUDIT,
 RLY-COMMERCIAL,
 COFMOW, INDIAN RAILWAYS, TILAK BRIDGE, NEW
 DELHI- 110002

No: PDA/RC/RPSU/32-31/DFCCIL/2015-16/172

दिनांक: 13-7-16

सेवा में,

प्रबंध निदेशक,

डेडीकेटेड फ्रेट कौरीडोर कारपोरेशन ऑफ इणिया लिमिटेड
 नई दिल्ली

विषय: 31 मार्च 2016 को समाप्त वर्ष के लिये डेडीकेटेड फ्रेट कौरीडोर कारपोरेशन ऑफ इणिया लिमिटेड के वित्तीय विवरणों पर कंपनी अधिनियम 2013 की धारा 143 (6)(b) के अन्तर्गत भारत के नियंत्रक-महालेखा परीक्षक की टिप्पणियाँ।

महोदय,

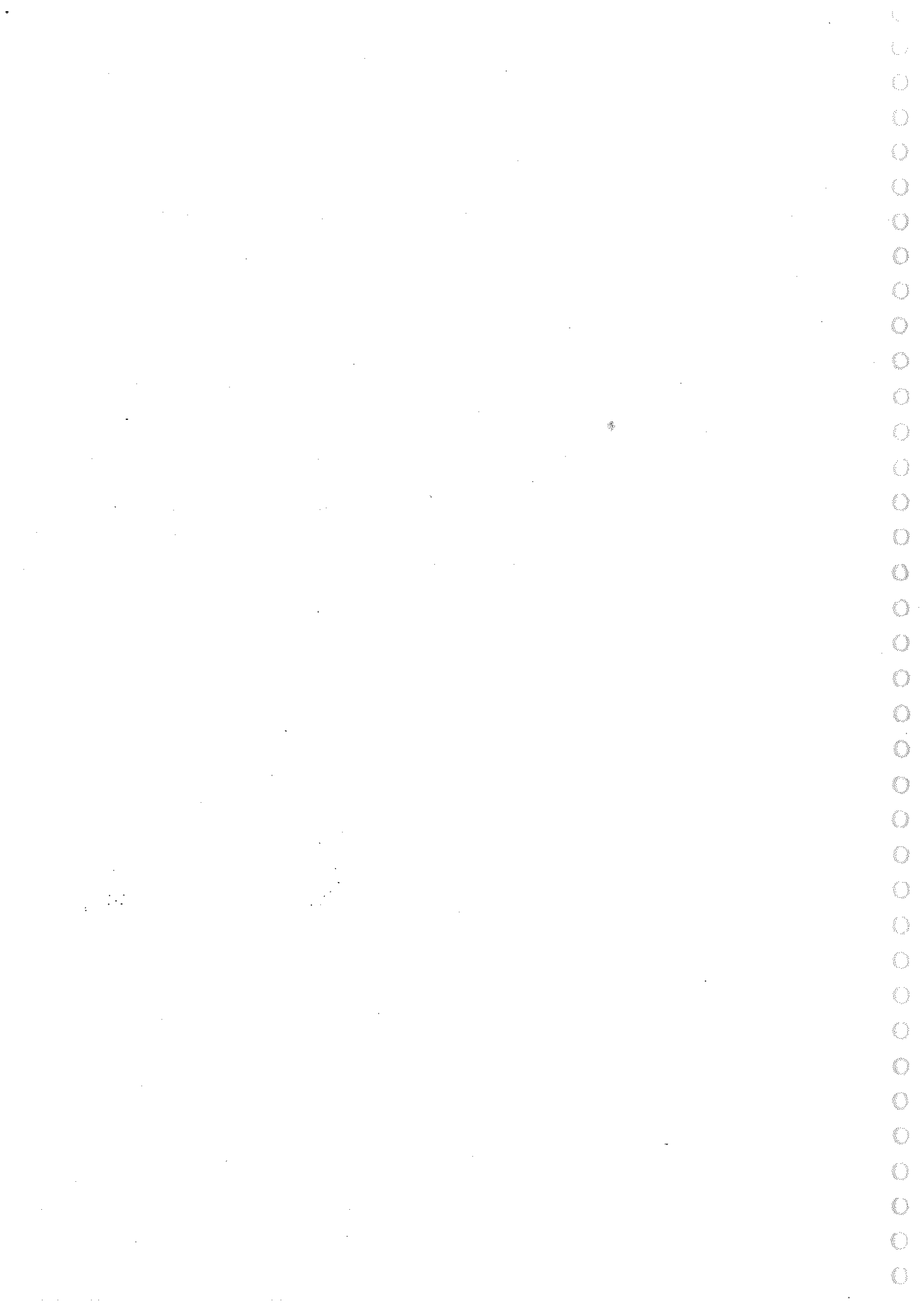
मैं, डेडीकेटेड फ्रेट कौरीडोर कारपोरेशन ऑफ इणिया लिमिटेड के 31 मार्च 2016 को समाप्त वर्ष के वित्तीय विवरणों पर कंपनी अधिनियम 2013 की धारा 143 (6)(b) के अंतर्गत भारत के नियंत्रक-महालेखा परीक्षक की टिप्पणियाँ अद्योपि कर रहा हूँ।

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

भवदीय,

संलग्न: यथोपरि।

दिनांक 21-मार्च-16
 (दिनेश भार्गव)
 महानिदेशक/आर.सी.



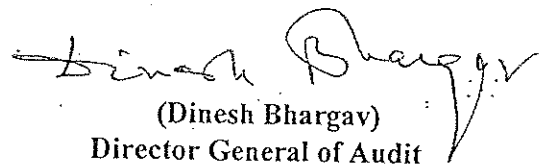
92

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL
STATEMENTS OF DEDICATED FREIGHT CORRIDOR CORPORATION OF
INDIA LIMITED FOR THE YEAR ENDED 31 MARCH 2016.**

The preparation of financial statements of Dedicated Freight Corridor Corporation of India Limited for the year ended 31 March 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 27 June 2016.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) of the Act of the financial statements of Dedicated Freight Corridor Corporation of India Limited for the year ended 31 March 2016. 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.

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


(Dinesh Bhargava)
Director General of Audit
Railway Commercial, New Delhi

Place: New Delhi

Dated: 13 July, 2016

