



डेडीकेटेड फ्रेट कोरीडोर

**Dedicated Freight Corridor Corporation of India Ltd.**

**डेडीकेटेड फ्रेट कोरीडोर कॉर्पोरेशन ऑफ इंडिया लिमिटेड**



Annual Report | 2014-2015  
वार्षिक रिपोर्ट



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भारत सरकार (रेल मंत्रालय) का उपक्रम

**Annual Report** | **2014-2015**  
**वार्षिक रिपोर्ट**

**Regd. Office & Corp. Office:**

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

# GENERAL INFORMATION

## **REGISTERED OFFICE / CORPORATE OFFICE**

5<sup>th</sup> Floor, Pragati Maidan Metro Station Building Complex,  
New Delhi-110001

## **STATUTORY AUDITOR**

Baweja & Kaul, Chartered Accountants  
306, Corporate Towers  
85A, Zamrudpur, Greater Kailash-1,  
New Delhi - 110048

## **INTERNAL AUDITOR**

A. R. & CO., Chartered Accountant  
Address: C-1, 2nd Floor, RDC,  
Raj Nagar, Ghaziabad-201002

## **BANKERS**

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



## LIST OF DIRECTORS (As on 21.09.2015)

S. No.	Name of 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 (Operation & 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 Director (Official)	14.11.2012
8.	Sh. Gajendra Haldea	Part Time Director (Official)	02.05.2008



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## CHAIRMAN'S MESSAGE

It gives me immense pleasure to welcome you to the Ninth Annual General Meeting of the Company. The Directors' Report and audited Financial Statements of the Company for the year ended 31<sup>st</sup> March 2015 together with the Auditor's Report have already been circulated.

DFCCIL was created with an objective to expand IR's freight carrying capacity through a strategy of big leap rather than through small incremental steps as in the past. The Company is steadily going ahead towards the achievement of its mission to build the two corridors with state of the art technology that would enable Indian Railways to regain its market share of freight transport using the additional capacity and offering efficient, reliable, safe and cheaper options to its customers.

**As on date, the Company has the following achievements to its credit.**

1. The total capital expenditure incurred in FY 2014-2015 is ₹ 2897.50 Crores. The cumulative capital expenditure incurred since inception of the project is ₹ 13247.70 Crores.
2. On the Eastern DFC, the land acquisition over a length 1318 Km. for an area of about 4548 hectares (excluding Sonnagar-Dankuni section of 538 Kms covering an area of 1002 hectares) has been largely completed. On Western DFC, an area of about 5989 hectares along 1520 Kms has been substantially completed. As on 31.03.2015, the progress of land acquisition is approximately 84.2% (except Sonnagar-Dankuni section) and 81% overall. Total compensation amounting to ₹6882 Crore (WDFC- ₹ 4140 Crore, EDFC- ₹ 2742 Crore) has been awarded.
3. During last one year, pace in award of contracts has accelerated. Contracts worth ₹ 17,590 Crores have been awarded. Overall, Contracts for 65% Civil and 48% Electrical and S&T over the complete length of DFCCIL (except Sonnagar-Dankuni section on PPP) have been awarded. Major contracts awarded during this period are:
  - Civil contract – Mughalsarai-Kanpur (EDFC-2) – 402 kms.
  - Civil contract – Vaitarna-Makarpura (WDFC Phase-II) – 320 kms.
  - Electrical Contract for Rewari-Vadodara Section (WDFC Phase I).
  - Electrical and S&T contract – Khurja-Kanpur (EDFC-1).
  - S&T contract – Rewari-Makarpura (WDFC Phase-I).
  - Special Bridge Package for WDFC.
  - Train Protection Warning System for WDFC.
  - Heavy Haul Rail Capacity Development in India (HHRCDI).
4. **Funding arrangements:**
  - Negotiation for EDFC-3 Project has been completed and loan amount of US\$ 650 Million sanctioned by World Bank on 30.06.2015.
  - Loan Agreement of World Bank loan of \$1.1 Billion for Kanpur-Mughalsarai section was signed in December 2014.
  - Revised cost estimate of ₹ 81459 Crores was approved by the Cabinet Committee of Economic Affairs (CCEA) in its meeting held on 24.06.2015.

**5. Significant progress has been made in the works already awarded:**

- The progress of Earthwork & Concreting in Rewari-Iqbalgarh section of WDFC has been accelerated. Sleeper plant at Bhagega in WDFC has been commissioned.
  - The progress of Earthwork & Concreting in Khurja-Kanpur section of EDFC has been accelerated and Track linking with Mechanized New Track Construction machine started for the first time in India in EDFC.
  - Durgawati-Sasaram Section: Engine rolling of the section after completion of Track & OHE Work and first junction arrangement with Indian Railways commissioned at Durgawati in June, 15.
  - Construction of Sone Bridge is in advance stage. Launching of PSC girders is under progress.
6. During the year 2014-2015, 85 employees were recruited from open market recruitment. In addition, 21 posts were filled from amongst serving Government/PSU employees through immediate absorption. All the new entrants have been provided the prescribed initial/induction training. During the year, a number of initiatives were taken for rewarding and motivating the employees of the Company who serve the company in an exemplary manner. Various training programmes were organized for capacity building and enhancing the skills of officials covering 1295 mandays.
7. DFCCIL was awarded the SAP ACE Award 2014, as a Special Recognition for leveraging technology in the core business process.
8. During the year, an amount of Rs.53.86 Lakh was spent on CSR activities for providing Eco Sanitation, Computers with Accessories in Schools and for providing Skill Development training to PAPs in the selected Project Implementation Units (PIUs). The Company actively participated in Swachh Vidyalaya Campaign.

The Company is committed towards ensuring that business ethics and values are adhered to. As per the guidelines issued by Department of Public Enterprises (DPE) on Corporate Governance for Central Public Sector Enterprises (CPSE) in May 2010, "A Report on Corporate Governance" and "Management Discussion and Analysis Report", form the part of the Annual Report for the year ended 31<sup>st</sup> March 2015.

**Acknowledgments**

The Company has been receiving excellent cooperation and support from the Ministry of Railways, Zonal Railways, other Ministries of the Government of India and State Governments. The Officers and staff of the Company have put in their best to take forward the mammoth task assigned to the Company.

I would also like to express my sincere thanks to all other stakeholders of the Company for their support and to my colleagues on the "Board" for their valuable advice and their unstinted support and cooperation.

I must place on record my sincere thanks to our lending agencies, Bankers and Business Associates for their support to DFCCIL. I have no doubt that with our combined efforts and focused approach, it would be possible to achieve the mission of the Company by pursuing the Company's motto of Sincerity, Speed and Success.

Date : 21-09-2015  
Place : New Delhi

**Sd/-**  
**A.K. Mital**  
Chairman

## **NOTICE**

NOTICE is hereby given that 9<sup>th</sup> Annual General Meeting of the Members of Dedicated Freight Corridor Corporation of India Limited (CIN : U60232DL2006GOI155068) will be held on Monday, 21<sup>st</sup> day of September 2015 at 12:30 Hrs. in Board Room, 5<sup>th</sup> 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 31<sup>st</sup> March, 2015, 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 appointed by the Comptroller and Auditor General of India for the year 2015-16 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 2015-2016 by the Comptroller and Auditor General of India, on a remuneration as may be decided, by the Board of Directors on the recommendation of the Audit Committee."

### **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), 196 and other applicable provisions, if any, of the Companies Act 2013 read with the relevant 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 letter No. 2014/E(O)II/40/9 dated 14.10.2014, of Sh. Adesh Sharma, IRSE, CAO/South Western Railway, as (Managing Director)/ DFCCIL on immediate absorption basis for a period of five years w.e.f. 20.10.2014 (FN). or till the date of superannuation or until further order, whichever is earlier, on the terms & conditions, as contained in Railway Board's Letter No. 2014/E(O)II/40/24 dated 17.12.2014

"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), 161 196 and other applicable provisions, if any, of the Companies Act 2013 read with the relevant 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 letter No 2013/E(O)II/40/4 dated 27.10.2014, of Sh. D.S. Rana, CPM/DFCCIL as Director (Infrastructure) on the Board of DFCCIL on immediate absorption basis for a period of five years w.e.f. 27.10.2014 (FN). or till the date of superannuation or until further order, 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), 196 and other applicable provisions, if any, of the Companies Act 2013 read with the relevant 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 letter No 2009/Infra/6/2 dated 03.02.2015, of Sh. A.K. Mital, Chairman Railway Board as Part Time Chairman on the Board of DFCCIL with immediate effect vice Sh. Arunendra Kumar, Ex Chairman Railway Board till he hold the post of Chairman, Railway Board 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.”

Place: New Delhi

Date: 31-08-2015

By Order of the Board

Sd/-

**Meenu Kapoor**

Company Secretary

**Note:**

- 1) The relative Explanatory Statement pursuant to section 102 of the Companies Act, 2013 (Act) in respect of the business under Item Nos. 3 -5 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 2014-15 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.



## 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.

- 2) **Article 81 of Articles of Association of the Company** ( Appointment of Chairman, Chairman-cum-Managing Director, Directors and their terms of Office ) provides –Article 81-

- (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) Section 196 deals with Appointment and Remuneration of Managerial Personnel- According to section 196. (1) No company shall appoint or employ at the same time a managing director and a manager.

- (2) No company shall appoint or re-appoint any person as its managing director, whole-time director or manager for a term exceeding five years at a time:

Provided that no re-appointment shall be made earlier than one year before the expiry of his term.

- (3) No company shall appoint or continue the employment of any person as managing director, whole-time director or manager who —

- (a) is below the age of twenty-one years or has attained the age of seventy years:

Provided that appointment of a person who has attained the age of seventy years may be made by passing a special resolution in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such person;

- (b) is an undischarged insolvent or has at any time been adjudged as an insolvent;

- (c) has at any time suspended payment to his creditors or makes, or has at any time made, a composition with them; or

- (d) has at any time been convicted by a court of an offence and sentenced for a period of more than six months.

- (4) Subject to the provisions of section 197 and Schedule V, a managing director, whole-time director or manager shall be appointed and the terms and conditions of such appointment and remuneration payable be approved by the Board of Directors at a meeting which shall be



subject to approval by a resolution at the next general meeting of the company and by the Central Government in case such appointment is at variance to the conditions specified in that Schedule:

Provided that a notice convening Board or general meeting for considering such appointment shall include the terms and conditions of such appointment, remuneration payable and such other matters including interest, of a director or directors in such appointments, if any: Provided further that a return in the prescribed form shall be filed within sixty days of such appointment with the Registrar.

- (5) Subject to the provisions of this Act, where an appointment of a managing director, whole time director or manager is not approved by the company at a general meeting, any act done by him before such approval shall not be deemed to be invalid.
- 4) In exercise on the powers conferred by clauses (a) and (b) of sub-section(1) of section 462 and in pursuance of sub-section (2) of said section of the Companies Act, 2013 (18 of 2013) and to supersession of notifications issued under section 620 of the Companies Act, 1956 (1 of 1956), except as respects things done or omitted to be done before such supersession, the Central Government in the interest of public hereby directs that certain provisions of the Companies Act, 2013, as specified in column (2) of the Table, shall not apply or shall apply with such exceptions, modification and adaptations as specified to column (3) of the Table, to a Government company. (Dt. 05.06.2015) Accordingly, DFCCIL being a Government Company is exempted from the provisions of section 196 (2) 4 and 5 of the Act.
- 5) During the year 2014-2015, Vide Railway Board's letter No. 2014/E(O)II/40/9 dated 14.10.2014, the President of India approved the appointment of Sh. Adesh Sharma, IRSE, CAO/South Western Railway, as Managing Director/ DFCCIL on immediate absorption basis for a period of five years. He assumed the charge of MD/DFCCIL w.e.f. 20.10.2014 (FN). A copy of the terms and conditions of appointment attached herewith forms the part of explanatory statement.
- 6) In terms of section 152(2), it is mandatory to take the appointments made by the President of India for consent of the Shareholders.

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 the Managing Director.

#### 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.
- 2) **Article 81 of Articles of Association of the Company** ( Appointment of Chairman, Chairman-cum-Managing Director, Directors and their terms of Office )provides –Article 81-
  - (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) Section 196 deals with Appointment and Remuneration of Managerial Personnel- According to section 196. (1) No company shall appoint or employ at the same time a managing director and a manager.
- (2) No company shall appoint or re-appoint any person as its managing director, whole-time director or manager for a term exceeding five years at a time:  
Provided that no re-appointment shall be made earlier than one year before the expiry of his term.
- (3) No company shall appoint or continue the employment of any person as managing director, whole-time director or manager who —
- (a) is below the age of twenty-one years or has attained the age of seventy years:  
Provided that appointment of a person who has attained the age of seventy years may be made by passing a special resolution in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such person;
- (b) is an undischarged insolvent or has at any time been adjudged as an insolvent;
- (c) has at any time suspended payment to his creditors or makes, or has at any time made, a composition with them; or
- (d) has at any time been convicted by a court of an offence and sentenced for a period of more than six months.
- (4) Subject to the provisions of section 197 and Schedule V, a managing director, whole-time director or manager shall be appointed and the terms and conditions of such appointment and remuneration payable be approved by the Board of Directors at a meeting which shall be subject to approval by a resolution at the next general meeting of the company and by the Central Government in case such appointment is at variance to the conditions specified in that Schedule:  
  
Provided that a notice convening Board or general meeting for considering such appointment shall include the terms and conditions of such appointment, remuneration payable and such other matters including interest, of a director or directors in such appointments, if any:  
  
Provided further that a return in the prescribed form shall be filed within sixty days of such appointment with the Registrar.
- (5) Subject to the provisions of this Act, where an appointment of a managing director, whole-time director or manager is not approved by the company at a general meeting, any act done by him before such approval shall not be deemed to be invalid.
- 4) In exercise on the powers conferred by clauses (a) and (b) of sub-section(1) of section 462 and in pursuance of sub-section (2) of said section of the Companies Act, 2013 (18 of 2013) and to supersession of notifications issued under section 620 of the Companies Act, 1956 (1 of 1956), except as respects things done or omitted to be done before such supersession, the Central Government in the interest of public hereby directs that certain provisions of the Companies Act, 2013, as specified in column (2) of the Table, shall not apply or shall apply with such exceptions, modification and adaptations as specified to column (3) of the Table, to a Government company. (Dt. 05.06.2015) Accordingly, DFCCIL being a Government Company is exempted from the provisions of section 196 (2) 4 and 5 of the Act.

- 5) During the year 2014-2015, vide Railway Board letter No 2013/E(O)II/40/4 dated 27.10.2014, the President of India had approved the appointment of Sh. D.S. Rana, CPM/DFCCIL as Director (Infrastructure) on the Board of DFCCIL on immediate absorption basis for a period of five years. He assumed the charge of the post of Dir/ Infrastructure, DFCCIL w.e.f. 27.10.2014 (FN). or till the date of supranation or until further order, whichever is earlier.
- 6) In terms of section 152(2), it is mandatory to take the appointments made by the President of India for consent of the Shareholders.

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 the Director (Infrastructure).

## Item 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.
- 2) Article 81 of Articles of Association of the Company ( Appointment of Chairman, Chairman-cum-Managing Director, Directors and their terms of Office ) provides –Article 81-
  - (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) Section 196 deals with Appointment and Remuneration of Managerial Personnel- According to section 196.
  - (1) No company shall appoint or employ at the same time a managing director and a manager.
  - (2) No company shall appoint or re-appoint any person as its managing director, whole-time director or manager for a term exceeding five years at a time:
 

Provided that no re-appointment shall be made earlier than one year before the expiry of his term.
  - (3) No company shall appoint or continue the employment of any person as managing director, whole-time director or manager who —
    - (a) is below the age of twenty-one years or has attained the age of seventy years:
 

Provided that appointment of a person who has attained the age of seventy years may be made by passing a special resolution in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such person;
    - (b) is an undischarged insolvent or has at any time been adjudged as an insolvent;
    - (c) has at any time suspended payment to his creditors or makes, or has at any time made, a composition with them; or

- (d) has at any time been convicted by a court of an offence and sentenced for a period of more than six months.
- (4) Subject to the provisions of section 197 and Schedule V, a managing director, whole-time director or manager shall be appointed and the terms and conditions of such appointment and remuneration payable be approved by the Board of Directors at a meeting which shall be subject to approval by a resolution at the next general meeting of the company and by the Central Government in case such appointment is at variance to the conditions specified in that Schedule:
- Provided that a notice convening Board or general meeting for considering such appointment shall include the terms and conditions of such appointment, remuneration payable and such other matters including interest, of a director or directors in such appointments, if any: Provided further that a return in the prescribed form shall be filed within sixty days of such appointment with the Registrar.
- (5) Subject to the provisions of this Act, where an appointment of a managing director, whole-time director or manager is not approved by the company at a general meeting, any act done by him before such approval shall not be deemed to be invalid.
- 4) In exercise on the powers conferred by clauses (a) and (b) of sub-section(1) of section 462 and in pursuance of sub-section (2) of said section of the Companies Act, 2013 (18 of 2013) and to supersession of notifications issued under section 620 of the Companies Act, 1956 (1 of 1956), except as respects things done or omitted to be done before such supersession, the Central Government in the interest of public hereby directs that certain provisions of the Companies Act, 2013, as specified in column (2) of the Table, shall not apply or shall apply with such exceptions, modification and adaptations as specified to column (3) of the Table, to a Government company. (Dt. 05.06.2015) Accordingly, DFCCIL being a Government Company is exempted from the provisions of section 196 (2) 4 and 5 of the Act.
- 5) During the year 2014-2015, Vide Railway Board letter No 2009/Infra/6/2 dated 03.02.2015, the President of India appointed Sh. A.K. Mital, Chairman Railway Board as Part Time Chairman on the Board of DFCCIL with immediate effect vice Sh. Arunendra Kumar, Ex -Chairman Railway Board till he hold the post of Chairman, Railway Board or further orders whichever is earlier.
- 6) In terms of section 152(2), it is mandatory to take the appointments made by the President of India for consent of the Shareholders.

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 Sh.A.K.Mital, Chairman/DFCCIL.

**GOVERNMENT OF INDIA  
MINISTRY OF RAILWAYS  
RAILWAY BOARD**

No. 2014/E(O)II/40/9

New Delhi, dated 14.10.2014

The Company Secretary  
DFCCIL  
5th Floor, Pragati Maidan Metro Stn Building  
New Delhi-110001

**Sub: Appointment to the post of Managing Director, DFCCIL**

The competent authority has approved the appointment of Shri Adesh Sharma, IRSE, CAO/South Western Railway, as Managing Director, Dedicated Freight Corridor Corporation of India Limited (DFCCIL) in the scale of pay of Rs. 80,000-1,25,000/- on immediate absorption basis for a period of five years from the date of his assumption of charge of the post or till the date of superannuation, or until further orders, whichever is the earliest. The resignation of the officer has been accepted with effect from the date of relief from Railways. The date of assumption of charge by the officer may please be advised.

Sd/-  
(Manoj Kumar)  
Under Secretary/E(O)II Railway Board

No. 2014/E(O)II/40/9

New Delhi, dated 14.10.2014

Copy to:

1. Shri Adesh Sharma, CAO/South Western Railway, Hubli with the advice that he should take he should take up the assignment at the earliest.
2. The General Manager, South Western Railway, Hubli, with a request to relieve the officer immediately.
3. AM(CE), AM(Plg), Adv. (Infra), Adv (Vig), OSD/ME, Railway Board.
4. PSs/MR/MOS(R)
5. PSOs/Sr. PPSs to CRB, MT, MM, ME, MS, ML, FC and Secretary/ Railway Board.
6. DOP&T (Shri Virender Singh, Under Secy.) w.r.t. OM No. 23(44)EO/2014(ACC) dated 08.10.2014.
7. Secretary, PESB, P E Bhavan, CGO Complex, Lodi Road, New Delhi-110003 with reference to PESB's U O No. 6/4/2013-PESB dated 25.06.2014.

Sd/-  
(Manoj Kumar)  
Under Secretary/E(O)II Railway Board



Dedicated Freight Corridor  
Corporation of India Limited



**GOVERNMENT OF INDIA  
MINISTRY OF RAILWAYS  
RAILWAY BOARD**

No. 2014/E(O)/II/40/24

New Delhi, dated 17.12.2014

The Company Secretary  
Dedicated Freight Corridor Corporation of India Ltd. (DFCCIL)  
5th Floor, Pragati Maidan Metro Station Building Complex,  
New Delhi-110001

**Sub: Permanent absorption of Shri Adesh Sharma, IRSE in DFCCIL-reg.**

Sir,

I am directed to convey the sanction of the President to the permanent absorption of Shri Adesh Sharma, IRSE, a permanent Railway officer in the Ministry of Railways as Managing Director in Dedicated Freight Corridor Corporation of India Limited (DFCCIL) on the terms and conditions envisaged in the Ministry of Railways letters No. F(E)III/86/PN-1/5 dated 16.04.1986, F(E)III-84/PN1/4 dated 25.06.1987, F(E)III-95/PN1/9 dated 10.07.1995 and F(E)III/86/PN1/5 dated 22.12.1995 with effect from and on the terms and conditions as indicated hereafter.

2. Date of effect : The permanent absorption shall take effect from 20.10.2014.
3. Pension / Gratuity
  - I. The officer will draw pension and pro-rata retirement gratuity for the service rendered under the Railways. He will also be eligible to commute up to 40% of his pension.
  - II. Calculation of retirement benefits : The pro-rata retirement gratuity and pension will be calculated in accordance with the Railway Services (Pension) Rules, 1993 and instructions issued in implementation of VI CPC recommendations.

**Note:** The benefit of the Scheme of voluntary retirement issued vide Ministry of Railways' letter No. E(P&A)I-77/RT-46 dated 09.11.1977 is not admissible in this case.
  - iii. Date of payment of retirement benefits : The amount of retirement gratuity and other retirement benefits will be payable immediately after the date of his permanent absorption. The amount of monthly pension will also be payable from the date following the date of cessation of service under the Railways.
  - iv. Limitation as to the total amount of gratuity : The total gratuity admissible in respect of the service rendered under the Railways and that under the DFCCIL shall not exceed the amount that would have been admissible, had Shri Adesh Sharma, IRSE, continued in Railway Service and retired on the same pay which he drew on retirement from DFCCIL.
4. Family pension
  - I. On his permanent absorption in DFCCIL, the family of Shri Adesh Shama will be eligible for family pension as admissible under the Railways in terms of Railway Services (Pension) Rules, 1993 in force at the time of absorption.



- II. The liability of the Railways in regard to the amount of family pension will be frozen as on the date of permanent absorption in DFCCIL and will be calculated with reference to the pay drawn and the rules in force on the date of permanent absorption. The eligibility of family members to receive family pension will be regulated in accordance with the Railway Rules/orders in force at the relevant time.

**Note:** The family will not be eligible for any benefit under the family pension scheme of the railways if he is not permanent and also does not have a qualifying service of not less than ten years on the date of absorption.

5. Fixation of pay on absorption : The pay of Shri Adesh Sharma will be governed as per DPE rules.
6. Leave : Shri Adesh Sharma will be entitled to encashment of Leave to his credit at the time of acceptance of his resignation from the Government Service subject to a maximum of 300 days in terms of letter No. F(E)III/2008/LE-1/2 dated 27.10.2011.
7. Benefits after permanent absorption : For the period of service rendered by Shri Adesh Sharma in DFCCIL from the date of permanent absorption, he will be entitled to all the benefits admissible to the corresponding employees of the said organization and continue to be governed by its rules in all respects.
- 8.. Provident Fund : The amount of subscription together with interest thereon standing to the credit of Shri Adesh Sharma in the State Railway Provident Fund Account (SRPF) will be transferred to his new provident fund Account under the DFCCIL with its consent. In case DFCCIL does not have Provident Fund Scheme or the P.F. Scheme of the DFCCIL does not provide for acceptance of balance from other Provident Funds, the SRPF balance shall be paid to Shri Adesh Sharma in cash. Once such a transfer of provident fund balance has taken place, Shri Adesh Sharma will be subject to the Provident Fund Rules of the DFCCIL and not of the Provident Fund Rules of the Railways.

Sd/-  
Yours faithfully,  
(Manoj Kumar)  
Under Secretary/E(O)II/Railway Board

**No. 2014/E(O)/II/40/9**

**New Delhi, dated 17.12.2014**

Copy forwarded to Principal Directors of Audit, South Western Railway, Hubli and Western Railway, Mumbai and Dy. Comptroller & Auditor General of India (Railways), Room No. 224, Rail Bhavan, New Delhi.

for Financial Commissioner, Railways.

**No. 2014/E(O)/II/40/9**

**New Delhi, dated 17.12.2014**

Copy to :

1. The General Managers and FA&CAOs, South Western Railway, Hubli and Western Railway, Mumbai (It is requested that the settlement benefits of Shri Adesh Sharma, IRSE, formerly CAO/CN/BNC, South Western Railway may be released by South Western Railway, Hubli).
2. Shri Adesh Sharma, MD/DFCCIL, 5th Floor, Pragati Maidan Metro Station Building Complex, New Delhi-110001.
3. AM(T), Adv. (Vig.), Adv. (Confd.), JS(G), JS(D), OSD(MT), US(C), F(E)III & E(O)III Branches, Railway Board.

**(Manoj Kumar)**  
**Under Secretary/E(O)II/Railway Board**

## **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.

Affix Revenue  
Stamp

Signed: this \_\_\_\_\_ day of \_\_\_\_\_

Signature of shareholders: \_\_\_\_\_

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 Ltd.

Regd. Off : 5<sup>th</sup> 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 9<sup>th</sup> Annual General meeting of the Company at its Registered Office at 5<sup>th</sup> Floor, Pragati Maidan, Metro station Building Complex, New Delhi-110001, on Monday, 21.09.2015 at 12.30 Hrs.

Signature of the Shareholder/ Proxy Present: \_\_\_\_\_



# DIRECTORS' REPORT

Ladies /Gentlemen,

Your Directors have pleasure in presenting the Ninth Annual Report of the Company along with the Annual Accounts for the year ended 31<sup>st</sup> March 2015.

## 1.1 Financial Statements

Financial Statements for financial year 2014-2015 have been prepared in accordance with the Schedule III of the Companies Act, 2013. The Corporation has incurred the following expenditure during the year 2014-2015.

### A) Capital Expenditure on Project Execution was as under :

(Rupees in Crore)

Description	As at 31.03.2014	During Financial Year 2014-15	As at 31.03.2015
<b>CAPEX (Without cost of land)</b>			
Tangible assets	8.98	2.85	11.83
Intangible assets	0.41	0.00	0.41
Capital work in Progress	1,561.32	1,711.10	3,272.42
Assets under development	7.63	1.68	9.31
Capital Advances	2,590.87	245.40	2836.27
<b>Total Capex (Without cost of land)</b>	<b>4,169.21</b>	<b>1,961.03</b>	<b>6130.24</b>
<b>COST OF LAND (Borne by MOR)</b>	<b>6,180.99</b>	<b>936.47</b>	<b>7117.46</b>
<b>Total Capex with cost of land</b>	<b>10,350.20</b>	<b>2,897.50</b>	<b>13,247.70</b>



## B) Development Account

During the year the balance of Development Account ₹189.73 Crore has been transferred to Capital work in progress, details of which are as under:-

(Rupees in Crore)

Particulars	For year ended 31.03.2015	For year ended 31.03.2014
Employee benefit expenses	70.00	61.55
Finance cost (Including Interest)	90.65	27.98
Depreciation & amortization expenses	2.77	2.62
Administration & Other expenses	53.68	46.80
<b>Sub-Total</b>	<b>217.10</b>	<b>138.95</b>
Forex variation (Loss\Gain))	(2.10)	2.70
Less : Other Income	25.27	19.71
<b>Total Transferred to CWIP</b>	<b>189.73</b>	<b>121.94</b>

## C) Dividend

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

## D) An amount proposed for transfer to reserve: NIL

## 1.2 Source of Fund: Capital Structure.

As on 31<sup>st</sup> March 2015, the Authorized Share Capital of Company stands at ₹8000, 00, 00,000 (Rupees Eight Thousand Crore) divided into 8, 00, 00,000 (Eight Crore) Equity shares of ₹1,000/- each.

As on 31.03.2015, the Company's paid up Share Capital was ₹3715, 66, 88,000 (Rupees Three Seven One Five Crore Sixty Six Lac Eighty Eight Thousand only) divided into 37156688 (Three Crore seventy one lac fifty six thousand six hundred eighty eight only) Equity Shares of ₹1000 each and Share Application Money was ₹1087.00 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 31.3.2015	As at 31.3.2014
<b>EQUITY FUNDING</b>		
Shareholder's Fund	3,826.10	2,780.46
Share application money pending allotment	1,087.00	1,007.93
<b>DEBT FUNDING</b>		
JICA	912.86	743.93
IBRD	528.22	252.69
<b>Total</b>	<b>6,354.18</b>	<b>4,785.01</b>

### 1.2.1 Debt Funding

**(I) Phase I (Vadodara – Rewari) 920 km & Phase II (Vadodara – JNPT and Rewari-Dadri) 564 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 920 km was signed with JICA and funds to the tune of ₹116.45 Crore have been utilized up to 31.03.2015.

Another loan Agreement ID-P212 for Engineering Services Consultancy (Phase II) (Vadodara - JNPT and Rewari–Dadri) – 564 km for 1.616 Billion Japanese Yen was signed with JICA and ₹ 64.81Crore have been utilized in this loan up to 31.03.2015.

**ii) Phase I (Vadodara – Rewari) 920 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 ₹731.60Crore have been utilized in this loan up to 31.03.2015.

**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 with this funding arrangement for entire WDFC has been tied up. No expenditure is incurred upto 31.03.2015 against this loan.

**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 ₹499.27 Crore have been utilized in this loan up to 31.03.2015.
- 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 ₹1.55 Crore have been utilized in this loan up to 31.03.2015.
- 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.

## 2. The State of the Company's Affairs

### 2.1 Contracts Awarded During the Financial Year 2014-2015:

The details of Contracts awarded during 2014-2015 are as follows:

#### (A) Western Dedicated Freight Corridor: (Works & Consultancy)

1. **Electrical and Mechanical Package for Rewari-Vadodara section (EMP-4):** Letter of Acceptance was issued on 18.11.2014 and the contract agreement signed on 04.03.2015. The Contract was effectuated from 01-05-2015 and the date of commencement for the contract is 15.05.2015.
2. **Special Steel Bridges Package (CTP-3A (R)) for bridges over Sabarmati and Mahi Rivers:** Letter of Acceptance was issued on 26.08.14. The contract was effectuated in November 2014 and the date of commencement for the contract is 20.11.2014.
3. **Project Management Consultancy for WDFC Phase-I (PMC-I) :** Letter of Acceptance was issued on 21-02-2014, Contract Agreement was executed on 27-03-2014 and the contract was effectuated on 11<sup>th</sup> April 2014.

#### (B) Eastern Dedicated Freight Corridor: (Works & Consultancy)

1. Design and Construction of Civil, Structures and Track Works for Mughalsarai - Karchana section **(EDFC-2) Contract Package-201:** Contract awarded on 31.03.2015 to GIL – SIL (JV). Contract agreement signed on 27.05.2015 and commencement date is 12.05.2015.
2. Design and Construction of Civil, Structure and Track work for Karchana – New Bhaupur Section **(EDFC-2) Contract Package-202:** Contract awarded on 31.03.2015 to GIL – SIL (JV). Contract agreement signed on 27.05.2015 and commencement date is 12.05.2015.
3. **Quality and Safety Audit consultancy Services for Bhaupur – Khurja Section of Eastern DFC Project -1:** Contract was awarded to Mott MacDonald Ltd., (UK) and Mott MacDonald Pvt. Ltd. (India) and contract was signed on 06.05.2014.
4. **PMC services for Mughalsarai- New Bhaupur section of EDFC-2 Project** was awarded to JV of SYSTRA S.A. France, SYSTRA MVA Consulting (India) Pvt Ltd., Mott MacDonald Limited (U.K) & Mott MacDonald Private Limited (India) on 31.03.2015.

#### (C) Operations & Business Development Department.

1. Consultancy contract for appointment of Legal Consultant for Developing a Model Concession Agreement for PPP in Construction, Operation & Maintenance of Dankuni – Gomoh Phase-I of Dankuni-Sonnagar Section of Eastern Dedicated Freight Corridor (EDFC) was awarded to M/s HAS Advocates.

### 2.2 Contracts likely to be awarded in the Current Financial Year 2015-2016:

#### (a) Western Dedicated Freight Corridor (Works & Consultancy):

Following contracts have been finalized during the current financial year:

1. **Signal & Telecom Package (STP-5), for Rewari-BRC section, WDFC Phase-I:** Letter of Acceptance was issued on 22.06.15.

2. **Civil and Track Package (CTP-13) for section between Makarpura-Sachin (134 Kms.) on WDFC Phase-II:**Letter of Acceptance was issued on 22.5.2015.
3. **Civil and Track Package (CTP-12) for section between Sachin-Vaitarna (186 Kms.) on WDFC Phase-II:**Letter of Acceptance was issued on 22.05.2015.
4. **Special Steel Bridges Packages 15A, 15B & 15C on WDFC Phase-II:** Letter of Acceptance for three contract packages having jurisdiction between JNPT-Sanjali, Bharuch-BRC and Rewari-Dadri section respectively for bridges over major rivers and long span Rail Fly Overs, were issued on 03.06.2015.
5. **Signal and Telecom package (STP-5A):**Letter of Acceptance has been issued on 12.08.2015.

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

6. **Civil and Track Package (CTP-3(R)) for section between Iqbalgarh to Makarpura,** WDFC Phase-1 is planned to be awarded by January 2016. This package was earlier discharged for re-invitation and has been called with post qualification criteria to reduce procurement time.
7. Bids for **Civil and Track Package (CTP-11) for the section between Vaitarna to JNPT** having route length of about 102 Kms. has been invited and the bids are scheduled to be received in the month of October 2015. It is expected that LOA would be issued by the end of Feb. 2016.
8. Bids for **Civil and Track Package (CTP-14) for section between Rewari-Dadri (128Kms)** has been invited with last date of submission as 02.11.2015. It is expected that LOA for this package would also be issued by the end of March 2016. This is an integrated combined package for all works i.e. Civil, Electrical and S&T works.
9. Bids for **Electrical and Mechanical Package (EMP-16) for Makarpura-JNPT section** have also been invited with last date of submission as 25.08.2015. It is expected that LOA for the package would be issued by January 2016.
10. Bids for **Signal & Telecom Package (STP-17) for the section Makarpura-JNPT**, has been invited with last date of submission as 07.11.2015. It is expected that package would be finalized by the end of Feb. 2016.
11. **Project Management Consultancy (PMC-II (R)):** Earlier opened RFP for PMC-II for entire WDFC Phase-II, was discharged for re-invitation. Fresh proposal have now been received and technical offer opened on 04.07.2015, which is presently under evaluation. It is expected that the contract would be finalized by the end of Sept. 2015.

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

Following contracts have been finalized during the current financial year:

1. Design, Construction, Supply, Installation, Testing and Commissioning of 2x25kV AC 50 Hz **Electrification, Signalling And Telecommunication for Bhaupur- Khurja Section, Package-104** – Contract awarded to Alstom Consortium on 21.07.2015.
2. **Quality and Safety Audit Consultancy for Mughalsarai – New Bhaupur Section.** Contract awarded to GETINSA – S.N. BHOBE (JV) on 06.07.2015.

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

3. Design, Supply, Construction, **Signalling, Telecommunication for Mughalsarai - New Bhaupur section, Contract Package 203**: Likely to be awarded by March 2016.
4. Design Supply Construction installation, Testing and Commissioning of 2X25KV, 50HZ, AC traction **Electrification for Mughalsarai – New Bhaupur Section, Contract Package 204**: Likely to be awarded by March 2016.
5. Design and Construction of **Civil, Structures and Track Works for Sahnewal-Pilkhani Section, Contract Package -301**: Likely to be awarded by March 2016.
6. Design and Construction of **Civil, Structures and Track Works for Dadri-Khurja section, Package 302**: Likely to be awarded by March 2016.
7. 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. Likely to be awarded by February 2016.
8. Design and Construction of Track and Track related works between Durgauti – Mughalsarai section.

#### **(C) Operations & Business Development Department:**

1. **Consultancy Contract for Heavy Haul Rail Capacity Development in India (HHRCDI)** was awarded to M/s. Deloitte Touche Tohmatsu India Pvt. Ltd.
2. **Consultancy services for Institutional Strengthening Module of DFCCIL (ISMD)**: Draft Contract Agreement was signed on 22.07.2015. The final contract is expected to be signed in August 2015.
3. **Consultancy services for Development of Marketing and Commercial Strategies for DFCCIL (DMCSD)**: Draft Contract Agreement was signed on 23.07.2015. The final contract is expected to be signed in August 2015.
4. **Consultancy services for Non-discriminatory Access for DFCCIL (CSNDAD)**: Draft Contract Agreement is expected to be signed in July 2015 & final contract is expected to be signed in August 2015.

#### **2.3 Physical Progress of the Contracts:**

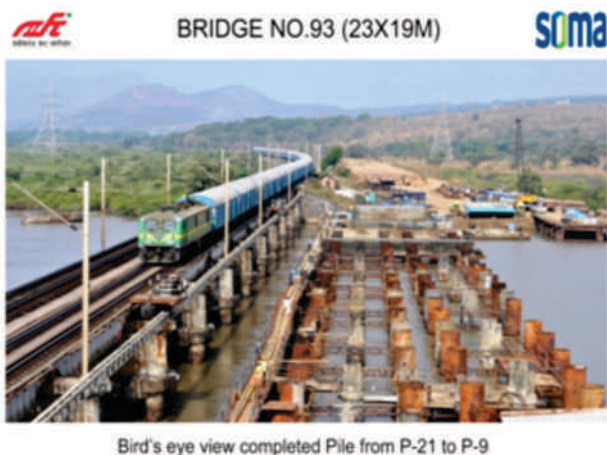
### **Western Dedicated Freight Corridor**

#### **A. 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 66.47%. 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. However, an effort is being made to resolve the matter in order to restart the work, to ensure completion by 2017.



## 2. 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. Works contracts: JICA Funded

### 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 trial production has started.
- About 22% physical progress and 14% financial progress has been achieved.
- 25 % of total earthwork has been completed.
- Work on 32 no. of major bridges is in progress.
- Work on 49 no. of minor bridges completed and 201 no. of bridges are in progress.
- Work of construction of RUB at 21 Nos also completed.



WDFC-Rails at Bhagega Yard



Flash Welding Plant At Bhagega- WDFC





Long Line Sleeper Casting Plant At Bhagega- WDFC

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

- Letter of Acceptance 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.

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

- 05 Nos of Traction Sub-Station (TSS) sites under CPM/Jaipur and 06 nos. under CPM/Ajmer jointly checked with contractor and handed over except for TSS site at Kishangarh where there is Court Stay Order.
- For 05 nos. TSS sites under Ahmedabad and Vadodara units, land is in possession at three locations. For the rest, possession is expected latest by 15-11-15.
- The contractor has submitted various documents e.g. Document Control Procedure Safety, Health & Environment (SHE) Policy Survey Plan & Programme, Design Submission Plan & Programme, Contractual Construction Programme, Design Quality Assurance Plan etc. which have been/being reviewed by the Engineer.

## 4. 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 A(R), EMP-4 & STP-5

## **2. 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 could not be concluded, completion period has presently been extended up to 31<sup>st</sup> December 2015. 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. Technical Bids are under evaluation.
- Bids for Procurement of Civil and Track packages for Iqbalgarh to Makarpura section CTP-3(R), will be received in October 2015.

## **3. 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 could not be concluded, the extension have been granted to the Consultant upto June 2016. At present procurement under following remaining packages of WDFC Phase-II, are in progress:

- Civil and Track Package for the section between JNPT-Vaitaran (CTP-11)
- Civil and Track package -14 in the section Rewari-Dadri,
- EMP-16 for the section between Makarpura and JNPT &
- S&T package, STP -17, for the section between Makarpura to JNPT.

## **Eastern Dedicated Freight Corridor**

### **A. Works Contracts: Equity Funded (Mughalsarai-Sonnagar Section)**

- 1. Design and Construction of formation** including Blanketing, Major Bridges, Minor Bridges, RUBs, ROB, 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 – Ganjkhawaja section is under progress.

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 and ready for opening.
  - Track linking between Sasaram – Karwandiya Section is under progress.



MACHINE PACKING ON DFC TRACK



DFC ELECTRICAL SUB STATION



IPS INSTALLATIONS AT NEW KUDRA



NEWLY LAID DFC TRACKS



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 56% upto July' 2015.



Sone-bridge - launching of girders

4. Design and Construction of Rail Flyover near Ganjkhawaja, 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. Rail Fly Over (RFO) work at Ganjkhawaja is to be started.

## 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 Ganjkhawaja: 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 ₹ 3267 crore. The works are in progress in all the three contract packages.

- Physical progress of about 39% and financial progress of 32% has been achieved.
- 64% of Earthwork has since been completed. 220 Km of embankment has been constructed to half the height (H/2), 180 Km for full height (H) and 152 Km of blanket has been completed.
- Progress on Rail Flyover was 20%. The foundations for 5 RFOs out of 7 Nos have been completed and substructures are in progress.
- Progress on Major Bridges had been 45% and on 6 Major bridges out of 15 Nos, the work has come up to the level of sub structure.
- Progress on Minor bridges had been 62%. 152 Nos of Minor bridges out of 243 Nos and 21 Nos of Minor RUBs out of 152 Nos have been completed.
- Temporary depots at Bhadan, Maitha and Daudkhan were established. 16 Kms of track linking has been completed.



EDFC-1- Minor and Major bridges in progress.





EDFC-1- Rail unloading gantries at Bhadan



EDFC-1- Track linking NTC machine at Bhadan

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

Contract was awarded to Ms. GMR-SEL (JV) in March 2015 and Contract has commenced during May 2015. The contractor has mobilised men and machinery. Geotechnical survey & detailed topographic Survey is in Progress. Work on setting up of the field laboratories has started. Design team has been mobilised and alignment design is in progress. Physical possession of ROW has been started by digging trench at boundary. More than 90% land of ROW has been handed over to CST contractor. Trench digging at boundary has commenced for firm demarcation.



Geotechnical Investigation in Progress



Topographical Survey in progress

## D. Consultancy Contract : World Bank Funded

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

- Contract has been awarded to Ms. SAI- TYPsa 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)

- Contract was awarded to Ms Systra-Mott MacDonald Consortium and Contract agreement signed during June 2015. Contract commenced since 1<sup>st</sup> July 2015.
- 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-2
- The PMC has started mobilisation. Team leader has joined.

### 2.4 Land Acquisition and Social Safeguards Measures.

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.

In view of the heavily populated areas and structures falling in the alignment, the alignment in Khurja-Pilkhani section was changed from parallel to detour at Meerut, Muzaffarnagar and Hapur. Besides, with increase in requirement of land in WDFC, the overall requirement of land has increased from 10667 to 11539 Hectares over more than 3300 Kms. This includes 9804 hectares of private land, the rest being government land. On the Eastern DFC, land acquisition is spread over a length 1318 Kms with an area of about 4548 hectares (excluding Sonnagar-Dankuni over the route of 538 Kms covering an area of 1002 hectares). On Western DFC, it is spread over a length of 1520 Kms with an area of about 5989 hectares. Being notified as a Special Railway Project, land acquisition for the project is governed by the Railways (Amendment) Act, 2008 (RAA 2008).

As on 31.03.2015, the progress of land acquisition is approximately 84.2% (except Sonnagar-Dankuni section) and 81% on overall basis. Out of the total requirement of private land of 9063 Hectares (except for Sonnagar-Dankuni section), 20A notifications for only 100 Hectare for the portion of the changed alignment is pending. Total award for 7888 Hectares (comprising 87%) has been completed. For Sonnagar-Dankuni section, 20A for 903 Hectares out of 1002 has also been issued. Total compensation amounting to ₹ 6882 Crore (WDFC- ₹ 4140 Crore, EDFC- ₹ 2742 Crore) has been awarded.

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 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 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, Public places in affected villages for the public information. Disbursement of ₹234 Crore 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. The Company has a well formulated Resettlement Policy Framework (RPF) to take appropriate resettlement and rehabilitation measures for persons / household adversely affected due to implementation of DFC project. Social Impact Assessment studies have been conducted for EDFC & WDFC to meet the World Bank & JICA Social safeguard policies. During the year 2014-15, Resettlement Action Plan (RAP) and Environmental Assessment (EA) Report including Environmental Management Plan (EMP) of Phase-1 of APL-3 (Sahnewal – Pilkhani, 175 km. and Dadri – Khurja 46 km) total 221 kms 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.

Three NGOs were appointed in EDFC-2 for smooth implementation of RAP, preparation of Micro Plan and assist in resolution of various grievances of PAPs. An External independent Agency for monitoring & review of Social & Environmental Safeguards for EDFC-2 was also appointed during the year. The agency will 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 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 for engaging SESMRC for Phase-1 of APL-3 (Sahnewal – Pilkhani, 175 km. and Dadri – Khurja 46 km) total 221 kms has also been invited.

In order to assess the Cumulative Impacts of Dedicated Freight Corridor, a report on Cumulative Impact Assessment (CIA) has also been prepared. Detailed report on cumulative impact assessment of EDFC project (Ludhiana to Mughalsarai) is under process.

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

## 2.5 Dankuni-sonnagar PPP Project

It has been decided by the Ministry of Railway to construct Dedicated Freight Corridor section between Dankuni-Sonnagar (540Km) through Public Private Partnership model in two phases i.e., Dankuni-Gomoh section (282.2Kms) as Phase-I and Gomoh- Sonnagar section (256.581Kms) as Phase-II. The status of the project is summarized as under:

- **Land Acquisition:** The Phase wise position of Land acquisition are as under:

Description		Land Acquisition Section		
		20 A	20 E	20 F
Dankuni- Gomoh Section (282.2Kms) Phase-I	Total Requirement	552.75 Ha	552.75 Ha	552.75 Ha
	Progress upto	552.75 Ha	503.00 Ha	338.55 Ha
	March 2015	(100%)	(91%)	(61%)
Gomoh- Sonnagar Section (256.581Kms) Phase-II	Total Requirement	449.50 Ha	449.50 Ha	449.50 Ha
	Progress upto	259.70 Ha	160.50 Ha	140.00 Ha
	March 2015	(58%)	(36%)	(31%).

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 compensation package for land acquisition as per New Land Acquisition Act. Due to Maoist activities in Koderma detour (57Km), the progress of stacking of the alignment on the ground and land acquisition has been slow.

- **Detailed Project Report (DPR):**  
The DPR of Dankuni- Gomoh section Ph-I and Gomoh- Sonnagar section - Ph-II has been finalized.
- **Project Estimated Cost:**  
The Concessionaire Cost of Dankuni- Gomoh section Ph-I has been estimated at Rs.4570 Crs . The estimate for Gomoh-Sonnagar section Ph-II has been estimated at Rs.5520 Crs.
- The alignment and location of New Crossing stations (4 nos) and New Junction stations (4 nos) with 2 cabins along with various infrastructure facilities for Dankuni- Gomoh section (282.2Kms)- Ph-I have been firmed up. For Gomoh- Sonnagar section, Ph-II, alignment and location of two nos out of 6 nos of New Crossing stations are under approval.
- **Manual of Standards and Specifications:**  
The consultancy contract for drafting of Manual of Standards & Specifications have been awarded to M/s RITES. The report has been finalized and sent to Railway Board on 17.02.15.
- **Financial Modeling:**  
Based on the Terms of Reference (TOR) for Financial Modeling for Dankuni- Gomoh section Ph-I given by Railway Board, a consultancy contract has been awarded to M/s Grant Thornton. The Final report on Financial Modeling has been submitted by Financial Consultant and sent to Rly Board on 15.10.14.
- **The Feasibility report & Traffic Study report:**  
The “in-house” Feasibility report & Traffic Study report for Dankuni- Gomoh section Ph-I has been prepared and sent to Railway Board.
- Legal Consultant has been engaged for developing Concession Agreement and other documents.

## 2.6 Future Corridors:

Railway Board has entrusted the work of PETS (Preliminary Engineering and Traffic Survey) of following four future corridors:

- i) East - West Corridor (Kolkata – Mumbai) (2328 km as per PETS)
- ii) North – South Corridor (Delhi – Chennai) (2327 km as per PETS)
- iii) East Coast Corridor (Kharagpur – Vijayawada) (1120 km as per PETS)
- iv) Southern Corridor (Chennai-Goa) (890 km)

The work of PETS was awarded to RITES. The work commenced during September 2011 at cost of Rs. 68.5 crore (without tax).

The final draft PETS report of North – South Corridor and East-West Corridor has been submitted by RITES during the year. Field data collection for East-Coast Corridor and Southern Corridor (Renigunta to Hubli) has been completed. Draft PETS report for East – Coast Corridor is expected by September 2015 and for Southern Corridor by March 2016.

## 3.1 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:

**Following directors have joined the Board during the financial year 2014-2015.**

1. Vide Railway Board letter No 2010/E(O)II/40/25 dated 20.03.2014, consequent upon appointment of Sh. R.K. Gupta, MD/DFCCIL on deputation basis, as General Manager, Eastern Railways, it was directed that Sh. R.K. Gupta will continue to look after the duties of MD/DFCCIL till further orders.
2. Vide Railway Board letter No 2010/E(O)II/40/25 dated 28.07.2014, the additional charge of the post of Managing Director (DFCCIL) was entrusted to Shri Anshuman Sharma, Director (PP), DFCCIL, in addition to his own, for a period from the date he takes over the charge of the post and till a regular PESB selected incumbent joins the post of MD/DFCCIL or until further orders, whichever is earlier. He assumed the charge of MD/DFCCIL w.e.f. 28.07.2014 (AN).
3. Vide Railway Board's letter No. 2014/E(O)II/40/9 dated 14.10.2014, the Competent Authority approved the appointment of Sh. Adesh Sharma, IRSE, CAO/South Western Railway, as Managing Director/ DFCCIL on immediate absorption basis for a period of five years. He assumed the charge of MD/DFCCIL w.e.f. 20.10.2014 (FN).
4. Vide Railway Board letter No 2013/E(O)II/40/4 dated 27.10.2014, The Competent Authority had approved the appointment of Sh. D.S. Rana, CPM/DFCCIL as Director (Infrastructure) on the Board of DFCCIL on immediate absorption basis for a period of five years. He assumed the charge of the post of Dir/ Infrastructure, DFCCIL w.e.f. 27.10.2014 (FN).
5. Vide Railway Board letter No 2009/Infra/6/2 dated 03.02.2015, the President of India appointed Sh. A.K. Mital, Chairman Railway Board as Part-time Chairman on the Board of DFCCIL with immediate effect vice Sh. Arunendra Kumar, Ex Chairman Railway Board till he holds the post of Chairman, Railway Board or further orders whichever is earlier.

**The following Directors cease to be hold office during the financial year 2014-2015.**

- a. Vide Railway Board's letter No.2013/Infra/6/29 dated 08.01.2014, Sh. Bhaskar Gupta, Independent Director completed his extended tenure of three months on 07.04.2014.
- b. Vide Railway Board letter No 2010/E(O)II/40/25 dated 28.07.2014, Sh. R.K. Gupta, IRSE, General Manager Eastern Railway relinquished the Additional Charge of the post of Managing Director, DFCCIL on 28.07.2014 (AN).
- c. Sh. Anshuman Dir/PP ceased to hold the additional charge of Managing Director w.e.f 20.10.2014.
- d. Sh. Anshuman Sharma, Dir/PP ceased to hold the additional charge of Dir/Infra w.e.f 27.10.2014.
- e. Sh. Arunendra Kumar, Ex-Chairman Railway Board, ceased to hold the post of Part-Time Chairman/DFCCIL.

**The following Directors cease to hold the office after the closure of the financial year 2014-15.**

- 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.

**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 Director (Official)	14.11.2012
8.	Sh. Gajendra Haldea	Part time Director (Official)	02.05.2008

**3.2 Number of meetings of the Board.**

During the financial year 2014-2015, the Board of Directors met four 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 2014	13.06.2014
2.	For the quarter ended September 2014	29.08.2014
3.	For the quarter ended December 2014	13.11.2014
4.	For the quarter ended March 2015	12.02.2015

### 3.3 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 :

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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;
- 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;
- the directors had prepared the annual accounts on a going concern basis; and
- 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.

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

Sh. R. S. Sharma, Independent Directors, has declaration pursuant to sub section (6) of section 149 of the Companies Act, 2013.

## 4. Auditors.

The Comptroller and Auditor General (C&AG) of India had appointed M/s Bewaja & Kaul, Chartered Accountants as Statutory Auditor of the Company for the year 2014-2015 and in exercise of powers conferred by the members, the Board of Directors have fixed their remuneration at a fee 8,40,000/- (Eight Lac Forty Thousand only) plus service tax as per applicable rate & out of pocket expenses to be paid extra.

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

#### 4.1(a) Statutory Auditors' Report

The Comments of the Auditors and Management's reply thereto are annexed to this report as Annexure-“A”.



#### **4.1(b) Secretarial Auditor Report**

The Comments of the Secretarial Auditor and Management's reply thereto are annexed to this report as Annexure-“B”.

#### **4.2 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 31<sup>st</sup> March, 2015, which is annexed to this Report as Annexure- “C”.

#### **5. 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.

#### **6. 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.

#### **7. 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.

#### **8. 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 31.03.2015 and the date of the report.

#### **9. Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo.**

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:**

Following energy conservation measures have been taken in the Corporate Office building:

- (a) Retro-fitment of existing CFL fittings by energy efficient LED lights.
- (b) Fitment of occupancy sensors
- (c) Policy on mandatory procurement of BEE star rated products.

The Corporate Office building has been rated 4-star by Bureau of Energy Efficiency (BEE).



Efforts will be made to obtain 5-star rating for the corporate building. The average energy consumption has been reduced by 5% in Corporate Office building in spite of increase in electrical load.

**(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. 12.5 lac has been spent on energy conservation measures.

**(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	-	₹ 141.31 Crore out of which
Interest	-	₹ 2.64 Crore
Seminar Training Fee	-	₹0.09 Crore
Tour & Travelling Expenses	-	₹ 0.02 Crore
L.C Opening Charges	-	₹ 0.40 Crore
Bank Charges JICA Loan	-	₹ 0.10 Crore
Consultancy	-	₹ 56.11 Crore
Works	-	₹ 81.95 Crore

**10. 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. The Enterprise Risk Management Framework has been implemented with effect from 1<sup>st</sup> December 2014. The top 20 risks each perceived at the stage of "Planning & Construction Phase" and "Operation Phase" have been identified and prioritized. Mitigation Plan for these top 20 risks has also been formulated. The Risks so identified and Mitigation Plan so designed would be reviewed and updated on periodical basis through risk identification and prioritization workshops. A Risk Management structure has already been defined, which comprise of a Risk Management Committee consisting of Functional as well as Independent Directors, a Chief Risk Management Coordinator 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 Owner 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 as a part of Enterprise Risk Management Framework to assess the effectiveness of mitigation plan for a particular risk.

#### **11. 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 -D forms the part of Directors Report.

#### **12. Other Compliances**

##### **A. Right to Information Act, 2005.**

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

The Company has appointed Central Public Information Officer, whose names are posted on the website of the Company. During the year under review company received approx. 367 RTI applications and all cases were disposed of within the stipulated time. All the replies are available on Company's website which is updated on fortnightly basis.

During the year, total 22 parliament questions related to DFCC were received and all were replied timely to the Ministry of Railways.

##### **B. 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.

##### **C. Memorandum of Understanding**

During the period under review, in terms of the MoU Guidelines issued by Department of Public Enterprises, a Memorandum of Understanding (2015-16) was signed on 23.03.2015 with Ministry of Railways. The Company has been ranked under the "Very Good" grading of MoU for the year 2013-2014 by the Department of Public Enterprises.

## D. Vigilance

Vigilance Department is an important and integral part of Management, which provides platform for improving performance of the Organization. The Vigilance Department is headed by a full time CVO assisted by a team. The Company's emphasis is on preventive vigilance and system improvement as compared to punitive vigilance. The Department ensures implementation of laid down guidelines/procedures through preventive checks of tenders and contracts, execution of works, and other functions as well as carries out investigations into complaints. To increase transparency, all the contracts and purchases made above Rs. One crore are posted on the DFCCIL website.

DFCCIL has well defined complaint handling policy which is available on Vigilance portal of DFCCIL website. During the year, 16 complaints were received through CVC/Railway Board & individuals apart from 08 complaints carried from the last year. Out of which 09 complaints were investigated and finalized. Remaining 15 complaints are at various stages of investigation. During the year, 14 Preventive Checks were conducted, out of which, 07 were finalized and balance 07 are under examination, 12 surprise checks carried and Immovable property returns (IPRs) submitted by 72 officials were scrutinized.

### The Department implements the System Improvements:

1. Uploading of Tenders on the website.
2. Rotational transfer of officials.
3. Joint Inspection of store by executive and Finance official.

### System Improvements under Implementation.

1. Police verification for background check of outsourced staff has been made mandatory part of all outsourcing contracts.
2. Differentiate between the duties of DFCCIL official & competent authority in Land acquisition process.

### Awareness Building & Participative Vigilance

In pursuance to directives issued by the Central Vigilance Commission, the Vigilance Awareness Week was observed in all the offices of DFCCIL from 27<sup>th</sup> September 2014 to 01<sup>st</sup> October 2014. The theme of this year's Vigilance Awareness Week was "Combating Corruption – Technology as enabler". The inauguration of week began with pledge ceremony administered by CVO/DFCCIL on 27.09.2014. An interactive conference on the subject was also organized in the Corporate Office on 30<sup>th</sup> October 2014 in which Sh. Anil Singhal, Chief Technical Examiner of CVC was the Guest Speaker. An Essay competition on the subject "Combating Corruption – Technology as enabler" was also organized and the winners were suitably awarded.

## 14. 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 "E" 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. A declaration signed by the Managing Director affirming the compliance with the code of conduct by the Board Members and Senior Management Personnel during 2014-2015 is placed at Annexure "E1".
  - ii. Certification of financial Statements by Chief Executive Officer and Chief Financial Officer. Annexure "E2".
  - iii. Certificate of compliance of Corporate Governance obtained from practicing Company Secretary is placed at Annexure "E3."
- b) A "Management Discussion and Analysis Report" is placed at Annexure "F."
- c) A Secretarial Audit Report from a Company Secretary in Practice Annexure "G".
- d) An extract of Annual Return in the prescribed form MGT-9 is appended to the Board Report as Annexure 'H'.

## 15. 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.

## 16. 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**

**Place: New Delhi**

**Date : 13.08.2015**

**Sd/-  
(A.K. Mital)  
Chairman**

## Annexure "A"

### DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED REPLIES TO STATUTORY AUDITORS COMMENTS IN THE AUDIT REPORT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2015

Auditors Comments	Management Reply
<p><b>Basis of qualified opinion</b></p> <p>1. Bankers have deducted Tax at Source (TDS) on Interest received on Land Bank Accounts (SLAO). These accounts do not pertain to the company, however, the company has wrongly recognized the TDS on these accounts as its current asset and correspondingly shown as payable to Ministry of Railways. Accordingly the current assets and current liabilities are overstated by Rs. 10018560/-.</p>	<p>1. The TDS is in respect of interest on funds lying in the Joint Bank Accounts (Flexi Deposit) of State Land Acquisition Officer (SLAO)&amp; DFCCIL. SLAO is the Competent Authority for acquisition of land for the Project on behalf of Ministry of Railways (MOR). Money lying in the bank pertains to MOR and do not form part of the Company's Accounts as has also been disclosed vide note no.15.1 (a) of the financial statements. Similarly interest earned on such bank balances as well as TDS on interest earned also do not form part of Company's accounts. Since TDS certificate has been issued by the bank in the name of the Company and the TDS amount is required to be transferred to MOR, an entry has been passed in the books of the Company to give effect to this transfer. In the given situation when TDS Certificates have been issued by the Banks in favour of DFCCIL, there was no alternative but to do the above accounting. As such there is no overstatement of Current assets &amp; current Liability.</p>

## Annexure "B"

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

S.NO.	OBSERVATIONS	MANAGEMENT COMMENTS
1.	The Board of Directors of the Company is not duly constituted with proper balance of Executive and Non Executive Directors.	In terms Article 81 of Articles of Association of the Company- 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 to appoint requisite number of Independent Directors & Woman Director on the Board of Company and the confirmation on same is awaited from the Ministry of Railways.
2	In the absence of appointment of Independent Directors on the Board of the Company by the Govt. of India, the Audit Committee, Remuneration Committee and Corporate Social Responsibility Committee has not been constituted properly as per the requirements of Section 177(2) & (3), 178(1) and Section 135 (1) & (3) of the Companies Act, 2013.	<p>The Company is a "Government Company" with 100% shareholding in the name of the President of India through Ministry of Railways. The entire Share Capital is held by the President of India along with six Ex officio representatives.</p> <p>In terms Article 81 of Articles of Association of the Company- 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 to appoint requisite number of Independent Directors &amp; Woman Director on the Board of Company. In the absence of the Independent Directors on the Board, the Statutory Committees couldn't be constituted in line with the requirement of the Act.</p>



## Annexure "C"



Confidential  
भारतीय लेखा परीक्षा एवम् लेखा विभाग  
कार्यालय प्रधान निदेशक लेखापरीक्षा रेलवे वाणिज्यक  
काफमो, भारतीय रेल, तिलक ब्रिज, नई दिल्ली,  
INDIAN AUDIT AND ACCOUNTS DEPARTMENT  
OFFICE OF THE Pr. DIRECTOR AUDIT (RAILWAY-COMMERCIAL)  
COFMOW, INDIAN RAILWAYS, TILAK BRIDGE, NEW DELHI-110002

No. PDA/R-C/PSU/32-1/DFCCIL/2015-16/284

Dated: 20-07-2015

To

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

Sub: Comments of the Comptroller & 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 31st March 2015.

Sir,

The Nil Comments Certificate under Section 143(6)(b) of the Companies Act, 2013 on the Financial Statements of Dedicated Freight Corridor Corporation of India Limited, New Delhi for the year ended 31<sup>st</sup> March 2015 is enclosed. The Nil Comments Certificate on the Financial Statements may be placed before the Annual General Meeting along with Financial Statements of the Company in compliance with the provisions of the Companies Act, 2013. Six copies of the printed Annual Reports of the Company may please be sent to this office at the earliest.

Receipt of the letter may please be acknowledged.

Yours faithfully,

Encl: As Above

Sd/-  
(Dinesh Bhargav)  
Principal Director of Audit  
(Railway Commercial)

## Annexure "C"

### 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, NEW DELHI FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2015.

The preparation of financial statements of DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED, New Delhi for the year ended 31 March 2015 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 30-06-2015.

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 2015. 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 no behalf of the  
Comptroller & Auditor General of India

Place : New Delhi  
Date : 20.07.2015

Sd/-  
(Dinesh Bhargav)  
Principal Director of Audit  
(Railway Commercial)

## 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. During the year 2014-15, the projects undertaken under the CSR are:

- (i). Skill Development Training to Project Affected Persons (PAPs)
  - (ii). Providing Computers with Accessories in Schools
  - (iii). Eco-Sanitation at Construction Sites
  - (iv). Swachh Vidyalaya Campaign (Provision of Toilets in Schools)
2. Composition of CSR Committee: **Shri H. D. Gujrati, Director/OP&BD/DFCCIL** – Convener, **Shri D. S. Rana, Director/Infra/DFCCIL-Member** and **Shri Girish Pillai, Advisor/Infra, Railway Board – Nominee Director.**
  3. Average net profit of the company for last three financial years: Rs.28.90 Crores
  4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): Rs.57.80 Lacs
  5. Details of CSR spent during the financial year:
    - a) Total amount to be spent for the financial year: Rs. 57.80 Lacs
    - b) Amount unspent, if any: Rs. 3.94 Lacs
    - c) 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 program 1) Local area or other 2) Specify the State and district where projects or programs was undertaken.	Amount outlay (budget) project or programs wise (in Lakh)	Amount spent on the projects or programs Sub-heads: 1) Direct expenditure on projects or programs. 2) Overheads (In Lakh)	Cumulative expenditure up to the reporting period.	Amount spent: Direct or through implementing agency
1.	Skill Development Training to Project Affected Persons (PAPs)	Employment Enhancing Vocational Skills.	<p>(a). Two month Electrician' trade training of 29 candidates started from 12.01.2015 at LJ Raut Private ITI, Chinchani, Dahanu.</p> <p>(b). Training (for 20 candidates) at Abhyankar Institute, Opp. Dahanu Fort, Dahanu-401601.</p> <p>(c). Training (for 67 candidates) at Infalink Computer Education, Vaibhav Complex, Irani Road, Dahanu.</p> <p>(d). Skill development training to PAPs in the nearby areas of Iqbalgarh in Amirgadh Taluka of Banaskanthaby Employment Officer, Palanpur &amp; Banaskantha, Distt.</p> <p>(e). Training of making gents leather purse&amp; Solar Lantern given to PAPs in Meerut Distt., UP.</p> <p>(f) Training of cutting &amp; tailoring and dressmaking given to PAPs in 04 villages of Kanpur District and in 06 villages of Allahabad, Kaushambi &amp; Fatehpur Districts, UP.</p>	14	13.74	13.74	<p>(a) L.J. Raut Private ITI, Chinchani, Dahanu, Maharashtra.</p> <p>(b) Abhyankar Institute, Opp. Dahanu Fort, Dahanu-401601, Maharashtra</p> <p>(c) Infalink Computer Education, Vaibhav Complex, Irani Road, Dahanu, Maharashtra</p> <p>(d) Employment Officer, Palanpur&amp; Banas kantha, Distt., Rajasthan</p> <p>(e) M/s. Dharmendra Nath, Secy., NaiShiksha Sudhar Samiti, 40, V.N. Marg, Hewett Road, Allahabad, UP.</p> <p>(f) M/s. Kartik Shikshan Sanstan, 127/289, Juhi Bus Depot, Kanpur, UP.</p>

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
2.	Providing Computers with Accessories in Schools	Education	<p>(a). Gohelpura Primary School, Village NapadVanta, Distt. Anand, Guj.</p> <p>(b). Indira Nagri Primary School, Village Gana, Distt. Anand, Guj.</p> <p>(c). Primary School, Laxmipura (Asodar), Village Laxmipura (Asodar), Distt. Anand, Guj.</p> <p>(d). Government Sr. Secondary School, Village – KheriKalan, Faridabad, Haryana.</p> <p>(e). Government Sr. Secondary School, Village – Fatehpur Billoch, Faridabad, Haryana.</p> <p>(f). Government Sr. Secondary School, Village – Asawati, Palwal, Haryana</p> <p>(g). Government Sr. Secondary School, Village – Pritthala, Palwal, Haryana.</p>	4.00	3.98	3.98	CPM/ DFCCIL, Vadodara and Noida.
3.	Providing Eco-Sanitation at Construction Sites	Sanitation	<p>(a). Primary School Khera, Village- UllauKhera, Distt. Firozabad, UP</p> <p>(b) Sr. Girls Sr. Sec. School, Gulab Bari, Ajmer City</p>	10.00	5.00	5.00	CPM/ DFCCIL, Tundla and Ajmer

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
4.	Swachh Vidyalaya Campaign (Provision of Toilets in Schools)	Sanitation	(a). Naveen Public School, Gulab Bari, Ajmer City (b). Sr. Girls Sec. School, Ram Ganj, Ajmer City (c). Sr. Girls/Boys Sr. Sec. School, Palara, Ajmer City. (d). Rajkiya Uccharat Madhyamik Vidyalaya, Teni, Distt. Fatehpur, UP. (e). Jr. High School, Mauhar in Fatehpur District, UP. (f). GMS, Gulab Nagar, Dist Yamuna Nagar, Haryana (g). GMS, KherGurna, Dist. Patiala, Pb. (h). GMS, Urdan, Dist. Patiala, Pb. (i). ZP School, Bhomtepada Village Gundale Tehsil Palghar, Distt. Thane, Maha. (j) Bhivandi MNC-URC1, BNCMCS No.69, Dist. Thane, Maha.	30.00	31.14	31.14	CPM/ DFCCIL, Ajmer, Allahabad (West), Ambala & Mumbai.

\*Give details of implementing agency:

1. In case the company has failed to spend the two percent 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:

**Reason:** Two field units i.e. Mughalsarai and Jaipur, could not utilize the amount allotted to them due to local constraints, hectic construction activities, opening of section for traffic and non-materialisation/finalization of schools to undertake activities. The unspent amount will be utilized in the current financial year 2015-2016.

2. 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.

Sd/-  
Adesh Sharma  
(Managing Director)

Sd/-  
Girish Pillai  
(Chairman, CSR Committee)

N.A  
(person specified under clause (d) of  
sub-section (1) of section 380 of the Act)  
(wherever applicable)



## 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

On the date of the report, the total strength of the Board of Directors of the Company is Seven comprising of five whole-time Directors, one part time Chairman, One part-time official Directors (Nominee) from Ministry of Railways. The Nominee Director from Planning Commission (Now NITI Aayog) is no more in service with NITI Aayog and the formal order is awaited. The position of four Independent Directors including one post reserved for Financial Institution are vacant. 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.

**Following directors have joined the Board during the financial year 2014-2015.**

1. Vide Railway Board letter No 2010/E(O)II/40/25 dated 20.03.2014, consequent upon appointment of Sh. R.K. Gupta, MD/DFCCIL on deputation basis, as General Manager, Eastern Railways, it was directed that Sh. R.K. Gupta will continue to look after the duties of MD/DFCCIL till further orders.

2. Vide Railway Board letter No 2010/E(O)II/40/25 dated 28.07.2014, the additional charge of the post of Managing Director (DFCCIL) was entrusted to Shri Anshuman Sharma, Director (PP), DFCCIL, in addition to his own, for a period from the date he takes over the charge of the post and till a regular PESB selected incumbent joins the post of MD/DFCCIL or until further orders, whichever is earlier. He assumed the charge of MD/DFCCIL w.e.f. 28.07.2014 (AN).
3. Vide Railway Board's letter No. 2014/E(O)II/40/9 dated 14.10.2014, the Competent Authority approved the appointment of Sh. Adesh Sharma, IRSE, CAO/South Western Railway, as Managing Director/ DFCCIL on immediate absorption basis for a period of five years. He assumed the charge of MD/DFCCIL w.e.f. 20.10.2014 (FN).
4. Vide Railway Board letter No 2013/E(O)II/40/4 dated 27.10.2014, The Competent Authority had approved the appointment of Sh. D.S. Rana, CPM/DFCCIL as Director (Infrastructure) on the Board of DFCCIL on immediate absorption basis for a period of five years. He assumed the charge of the post of Dir/ Infrastructure, DFCCIL w.e.f. 27.10.2014 (FN).
5. Vide Railway Board letter No 2009/Infra/6/2 dated 03.02.2015, the President of India appointed Sh. A.K. Mital, Chairman Railway Board as Part Time Chairman on the Board of DFCCIL with immediate effect vice Sh. Arunendra Kumar, Ex -Chairman Railway Board till he hold the post of Chairman, Railway Board or further orders whichever is earlier.

**The following Directors cease to hold office during the financial year 2014-2015.**

- a. Vide Railway Board's letter No.2013/Infra/6/29 dated 08.01.2014, Sh. Bhaskar Gupta, Independent Director completed his extended tenure of three months on 07.04.2014.
- b. Vide Railway Board letter No 2010/E(O)II/40/25 dated 28.07.2014, Sh. R.K. Gupta, IRSE, General Manager Eastern Railway relinquished the Additional Charge of the post of Managing Director, DFCCIL on 28.07.2014 (AN).
- c. Sh. Anshuman Dir/PP ceased to hold the additional charge of Managing Director w.e.f 20.10.2014.
- d. Sh. Anshuman Sharma, Dir/PP ceased to hold the additional charge of Dir/Infra w.e.f 27.10.2014.
- e. Sh. Arunendra Kumar, Ex-Chairman Railway Board, ceased to hold the post of part time Chairman/DFCCIL w.e.f 03.02.2015.

**The following Director cease to hold the office after the closure of the financial year 2014-15.**

- 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.

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 2014-2015 and the last Annual General Meeting is tabled below:

S. No.	Category of Directors	Name of Directors/ Date of Appointment	Number of Directorships/ Chairmanships in public companies including DFCCIL and excluding private Companies 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 2014-2015 (during their respective tenures)	No. of Board Meetings attended (during their respective tenures)	Last AGM attended
<b>(I) Chairman (Part-time official)</b>							
1.	Chairman/ Railway Board	Sh. A K. Mital (DIN- 07124281) (Held office from 03.02.2015)	As Part Chairman-1	Nil	1	1	NA
2.	Chairman/ Railway Board (held office upto 03.02.2015)	Sh. Arunendra Kumar (Held office from 05.07.2013 ( DIN- 06643537)	As Part - Time Chairman-1	Nil	3	3	Yes
<b>(II) Whole-time Director</b>							
1.	Looking after Managing Director (held office upto 28.07.2014 AN)	Sh . R.K. Gupta (DIN- 03525313) (Held office from 10.05.2011) and looking after charge from 20.03.2014	1	Nil	1	1	NA
1(b)	Additional charge of Managing Director (held office upto 20.10.2014 AN)	Sh. Anshuman Sharma (DIN-03500815) (Held office from 28.07.2015 AN )	1	Nil	1	1	Yes
1(c)	Managing Director	Sh. Adesh Sharma ( DIN- 07022393) (Held office from 20.10.2014).	1	Nil	2	2	NA
2	Director (Project Planning )	Sh. Anshuman Sharma (DIN- 03500815) (Held office from 05.04.2011)	1	Nil	4	4	Yes

3	Director (Operations & Business Development)	Sh. H.D. Gujrati (Held office from 29.11.2012) <b>(DIN- 01393052)</b>	1	Nil	4	4	Yes
4.	Director (Finance)	Sh. M.K.Mittal, <b>(DIN- 02889021)</b> (held office from 16.09.2013) (FN)	1	Audit Committee (Member) – 1	4	4	Yes
5(a)	Looking after Director (Infrastructure ) (held office upto 27.10.2014 AN)	Sh. Anshuman Sharma <b>(DIN- 03500815)</b> (Held office from 11.03.2014)	Nil	Nil	NA*	NA*	NA
5(b)	Director (Infrastructure )	Sh. D.S. Rana <b>(DIN- 07022825)</b> (Held office from 27.10.2014 (AN)	1	Nil	4	2 (As OSD/WC) & 2 (As Dir/Infra)	Yes (As OSD/WC)
<b>(III) Director (Part-time official)</b>							
1.	Advisor (Infrastructure) /Railway Board	Sh. Girish Pillai <b>(DIN- 00382088)</b> (held office from 14.11.2012)	1	Audit Committee (Chairman) – 1	4	4	Yes (as a Share holder)
2.	Advisor of Deputy Chairman, Planning Commission	Sh. Gajendra Haldea <b>(DIN- 02197994)</b> (held office from 02.05.2008)	1	Nil	4	0	No
<b>(IV) Independent Directors ( Part Time non official )</b>							
1.	Part Time non-official (held office up to 07.04.2014)	Prof. Sh. Bhaskar Gupta (held office from 23.11.2010) <b>(DIN- 03391044)</b>	1	Audit Committee (Chairman) – 1	N.A.	N.A.	N.A.
2.	Part Time non-official (held office up to 24.04.2015)	Sh. R.S. Sharma <b>(DIN-00013208)</b> (held office from 25.04.2012)	3	Audit Communittee (Member)-2	4	3	No

#### 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 and the Shareholders' Grievance Committee alone is taken.
6. The word “NA” denotes “Not Applicable” as either the concerned Directors have joined the Board after the financial year 2014-15 or the relevant parameter has not fallen due during their tenure.

During the financial year 2014-2015, the Board of Directors met four 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	13.06.2014
2.	For the quarter ended September 2014	29.08.2014
3.	For the quarter ended December 2014	13.11.2014
4.	For the quarter ended March 2015	12.02.2015

#### Brief Resume of Directors appointed during the financial year 2014-2015.

##### i) Sh. Adesh Sharma, MD/DFCCIL, w.e.f. 20.10.2014.

Shri Adesh Sharma assumed the charge of Managing Director of the Company on 20.10.2014. A Gold Medallist in Civil Engineering from NIT, Allahabad, he belongs to the 1979 batch of Indian Railway Service of Engineers.

Before taking over the charge of Managing Director/ DFCCIL, he was working as Chief Administrative Officer (Construction) in South Western Railway, Bangalore and has vast experience in civil engineering & construction in rail transportation. He had worked in various capacities in Indian Railways at divisional, zonal and Railway Board level which includes Divisional Railway Manager/Hubli, Chief Engineer (Construction), Executive Director (Vigilance)/Railway Board and Professor at Indian Railways Institute of Civil Engineering, Pune.

While working as CAO/Construction, South Western Railway was awarded Railway Ministers Efficiency Shield for Construction for two consecutive years in 2012-13 & 2013-14 for surpassing the targets by 25% & for commissioning of 240 km of new line, gauge conversion and doubling works respectively. During his tenure as DRM/Hubli in 2008-2010, the Division surpassed the loading target of 36 million tonnes and bagged 7 Shields including Overall Efficiency Shield for South Western Railway.

## **ii) Sh. D.S. Rana, Dir(Infrastructure )/ DFCCIL, w.e.f. 27.10.2014**

Shri D. S. Rana took over as Director (Infrastructure), DFCCIL on 27.10.2014. Shri Rana is a Civil Engineer with Post Graduate qualification in Project Management and belongs to 1986 batch of Indian Railway Service of Engineers and has held many positions in the Construction, Procurement & Vigilance wings of Central Railway. Prior to this assignment, he was working as Chief Project Manager in DFCCIL at Jaipur.

Shri Rana is with DFCCIL right from the inception stage and was one of the first officers to quit the coveted Railway service and join the Company on permanent basis. Incidentally, he is also the first internal officer of DFCCIL to have risen to the Board.

While working as CPM/Mumbai in DFCCIL, Shri Rana undertook many policy initiatives in the spheres of RRP & Compensation Matrix for affected PAPs to ensure land acquisition in highly urbanized areas of Mumbai. He is also credited with obtaining a multitude of statutory Environmental Clearances for the project in Maharashtra, which led to timely Financial Closure of Phase-II leg of Western DFC, in partnership with JICA. A Treatise written by Shri Rana on Environmental & Social issues has been widely circulated to various Infrastructure Ministries & PSUs to serve as a hand book for the Project Managers.

## **iii) Sh. A.K.Mital, Chairman/ DFCCIL, w.e.f. 03.02.2015**

Shri Ashok Kumar Mital, Chairman Railway Board, has taken over as Chairman Railway Board & Ex-Officio Principal Secretary to the Government of India on 1st January 2015. Prior to this, he was Member Staff and Ex-officio Secretary to Government of India in Railway Board. Born on 7th July, 1956, Shri Mital is a Bachelor of Engineering (Hons).

An Officer of 1976 Batch of Indian Railways Service of Stores (IRSS), Shri A.K. Mital has worked on various important posts on Indian Railways. He was Director/Stores, Executive Director/Vigilance and Executive Director/Stores in Railway Board, Ministry of Railways. He has worked as Chief Material Manager in Northern Railway. He was Divisional Railway Manager of Izzatnagar Division in North Eastern Railway and Controller of Stores in South Central Railway, Secunderabad and Diesel Locomotive Works/ Varanasi. Before joining Railway Board as Member Staff, he was General Manager of South Western Railway/ Hubli. He has also held additional charge of three major Railways viz., Southern Railway, South Central Railway.

## **6. 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. Girish Pillai Government Nominee Director	Member	15.01.2013
2	Sh. M. K. Mittal Director (Finance)	Member	13.06.2014
3	Sh. Anshuman Sharma Director(PP)	Member	28.04.2015

**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
  - 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) review 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 **10.06.2014, 18.07.2014, 29.08.2014, 13.11.2014 & 12.02.2015.**

**The attendance of the members of the Committee during 2014-2015 is produced below:**

Member	Position	Meetings held**	Meetings attended ***
Sh. M.K. Mittal	Member	5	5
Sh. R.S. Sharma	Member	5	4
Sh. Girish Pillai	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 his tenure.

## 7. Remuneration Committee

- i) In terms of Chapter 5 of the DPE guidelines on Corporate Governance, the Remuneration Committee of the Board was reconstituted. The Remuneration Committee of the Board comprised of Sh. Girish Pillai, Nominee Director as Chairman, Sh. M.K. Mittal, Dir/Fin and Sh. H.D. Gujrati, Dir/OP&BD, as its Members. Remuneration Committee will decide the annual bonus/variable pay pool and policy for its distribution across the executives and non-unionized supervisors, within the prescribed limits. The Committee will be headed by an Independent Director.”

### ii) Remuneration of Directors

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 sitting fee paid to the Part-time non official Directors for the financial year 2014-15 is detailed below.

S.No.	Name of the Director	No. of Board/Sub-Committee Meetings attended*	Sitting Fee (In ₹)
1	Shri R.S. Sharma	3 (BM) 4 (AC) 1 ( CSR )	1,80,000/-*

\*This includes no. of Board meetings (BM) /Sub-Committee meeting of the Board (Audit Committee Meetings (AC) and Corporate Social Responsibility Committee (CSR)). The sitting fee includes Rs. 20000/- payable for 2013-2014.

The detail of remuneration paid to the whole time Directors for the year 2014-2015 is detailed below.

S. No	Name of Director	Salary & Allowances (In ₹)	Other Benefits Perks (In ₹)	Performance linked incentives (In ₹)	Total (In ₹)
1	Shri R. K Gupta (Managing Director)	31,000.00	--	--	31,000.00
2.	Sh. Adesh Sharma (Managing Director)	14,26,876.00	--	--	14,26,876.00
3.	Sh. H. D Gujrati Director (Opn & BD)	28,01,476.00	1,99,209.00	--	30,00,685.00
4.	Sh D.S. Rana Director ( Infra)	20,95,301.00	2,85,154.00	--	23,80,455.00
5	Sh Anshuman Sharma Director (PP)	27,40,919.00	1,43,047.00	--	28,83,966.00
6.	M.K Mittal Director (Finance)	25,03,289.50	2,00,930.00	--	27,04,219.00
	<b>Total</b>	<b>1,15,98,861.50</b>	<b>8,28,340.00</b>		<b>1,24,27,201.50</b>

Note:

1 'Other Benefits' includes Lease Rent, Medical reimbursement, Foreign Service Contribution, Tax on perquisites borne by Employer, Employer Contribution to PF.

## 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
6th	2011-2012	Corporate Office-Board Room, 5th Floor, Pragati Maidan Metro Station Building Complex, New Delhi-110001	26.09.2012	15:30 Hrs.
7th	2012-2013	Committee Room, 2nd Floor, Rail Bhawan, Raisina Road, New Delhi-110001	27.09.2013	12:30 Hrs
8th	2013-2014	Committee Room, 2nd Floor, Rail Bhawan, Raisina Road, New Delhi-110001	19.09.2014	16:00 Hrs.



## Detail of special resolutions passed in the previous three AGMs.

AGM	Year	Subject Matter of the Special Resolution	Date	Time
6th	2011-2012	Nil	26.09.2012	15:30 Hrs.
7th	2012-2013	Nil	27.09.2013	12:30 Hrs.
8th	2013-2014	Section 180(1) (c) -Power to borrow money in excess of the prescribed limit.	19.09.2014	16:00 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 28 to the financial statements.
- B. The Company has not been imposed penalty by any statutory authority as a result of non-compliance.
- C. The Company has complied with the guidelines on Corporate Governance issued by Department of Public Enterprises. In accordance with the guidelines, DFCCIL evolved a Code of Business Conduct and Ethics for its Board Members and Senior Management Personnel and has included Corporate Governance and Management Discussion and Analysis Report in the Directors Report for the year 2014-2015.
- D. All items of expenditure debited in the books of accounts of DFCCIL are for the purpose of project execution entrusted to DFCCIL and are related to project execution.
- E. There are no personal expenses incurred for the Board of Directors.
- F. The Net administrative expenses as a percentage of total expenses have decreased from 5.24% in 2013-14 to 4.14% in 2014-15.

## 7. Corporate Communication

The increase democratization of the development process is reflected in higher public expectations for participation, transparency and accountability. In this scenario, the role of communication in large infrastructure project has tremendously increased. The success of implementing and executing of such mega projects lies with understanding the organization and its stakeholders. Communication plays a vital role to facilitate dialog among all stakeholders and accessing social and political risk and benefits of the projects. The communication also helps the management in decision making on the development and management of large infrastructure projects. These projects are very sensitive in nature and require special attention to the political, social, environmental and other challenges that are essential to successful execution and implementation of the project.

DFCCIL has formulated its Communication Strategy and drawn an effective action plan based on its Communication Strategy to meet communication needs of its stakeholders. Important updates and information of major events are regularly shared through Press Releases along with respective photographs. During the period 13 Press releases issued on various occasions was given wide coverage by many national newspapers. News items regarding progress of work in DFCCIL are being regularly published in magazines and newspapers. Apart from this media interaction through interviews of Senior Officers of DFCCIL have also been arranged and published in media.

In view of construction activities timely publishing of tenders, notices and statutory land acquisition notifications is very important. A total 235 tenders & notifications were published in international, national and regional dailies during the period.

Besides this, DFCCIL has adopted new and innovative ways to inform and educate its stakeholders specially PAPs through creative Radio Spots. A 30 seconds radio spots was produced and broadcasted on FM channels of major cities along both the corridors on weekends at Prime time on Big FM, Radio Mirchi, FM Gold, Vividh Bharti and other primary channels of respective areas to increase awareness amongst various stakeholders.

Among permanent features of internal communication is the quarterly newsletter- DFC News of which entire content is generated internally and circulated among various stakeholders like Ministries, State Govt. and other important offices besides its own employees.

To improve efficiency & skills of official in communication 2 communications workshops were organized by DFCCIL during the financial year in which 75 participants were given training on Branding, Media Familiarization, Communication and Perception Management.

To create and maintain good brand image of company, DFCCIL participated in Vibrant Gujarat Global Trade Show organized on 7<sup>th</sup> to 13<sup>th</sup> January 2015. An exhibition stall was set up showcasing the project received overwhelming response as over two lacs visitors including professionals visited the stall.

Many steps have been taken to strengthen internal communication. Nominated officer has been designated to coordinate PR works in all CPM offices. Corporate film showcasing iconic infrastructure project of DFCCIL has been prepared and are being shown in offices of CPMs including Corporate Office, national and international exhibitions and conferences. Meetings with PAPs are being organized regularly at all CPM offices to understand the problem of PAPs and to clear misunderstandings about the project. To assist stakeholders FAQs have also been prepared and uploaded on DFCCIL website.

## **8. Audit Qualifications**

The replies of the Management on the qualifications of the Auditor's including Secretarial Auditor forms the part of the Board's report.

## **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, including basic induction training organized by Institute of Public Enterprises and other Training courses i.e training at ISB Mohali.

## **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 E-2" 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 Board members and Senior Management Personnel. The Code of Conduct is also posted on the Website of the Company [www.dfccil.gov.in](http://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 2014-2015 is placed at Annexure "E1".

## 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 "E3").

## **Annexure "E-1"**

Declaration by Managing Director regarding compliance with the Code of Business and Ethics Conduct by Board members and Senior Management during financial Year 2014-2015.

I, Adesh Sharma, Managing Director, Dedicated Freight Corridor Corporation of India Limited, do hereby declare that all the functional members of the Board of Directors and the Senior Management Personnel have affirmed compliance of the Code of Business and Ethics Conduct during 2014-2015.

**Place: New Delhi**  
**Date: 12.06.2015**

**Sd/-**  
**(Adesh Sharma)**  
**Managing Director**



## Dedicated Freight Corridor Corporation of India Ltd.

(A GOVERNMENT OF INDIA UNDER TAKING)

### 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 2014-15 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 propose 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.

**Sd/-**  
**M.K. Mittal**  
**Director Finance**

**Sd/-**  
**Adesh Sharma**  
**Managing Director**

Place: New Delhi  
Dated : 13.06.2015

Regd. Off : 5<sup>th</sup>Floor, Pragati Maidan Metro Station Building Complex, New Delhi – 110001  
CIN- U60232DL2006GOI155068, Tel.: +91-11-23454700, Fax: +91-11-23454701, Website : dfccil.gov.in



AKG & Co.  
Company Secretaries

Add: A-16 Jitar Nagar, Parwana Road, Delhi-110051 Phone: 011-22025417, 9312210264  
Email: guplaashish75@gmail.com

### Annexure "E-3"

To the Members of  
M/s. Dedicated Freight Corridor Corporation of India Limited  
Regd Office: 5th Floor, Pragati Maidan Metro Station Building Complex  
New Delhi – 110001

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

1. This Certificate is in accordance with compliance of conditions of Corporate Governance by M/s. Dedicated Freight Corridor Corporation of India Limited. (Hereinafter referred to as "Company") for the Financial year ended on 31st March, 2015 as stipulated in the Guidelines issued for Central Public Sector Enterprises 2010 effective from May 2010 (Hereinafter referred to as "Guidelines").
2. The Compliance of conditions of Corporate Governance is the responsibility of the Management. My examination is limited to review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said guidelines. It is neither an audit and nor an expression of opinion of the financial statement of the Company. My responsibility is to carry out an examination, on the basis of my professional judgment so as to award a reasonable assurance of the correctness and completeness of the records for the purpose of this certificate.
3. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of certification and have been provided with such records, documents, certifications etc as had been required by me.
4. I certify that in respect of the aforesaid financial year ended 31 March 2015, the company has complied with various provisions of the Guidelines in its Corporate Governance Report except:
  - a) Clause No. 3.2 relating to composition of Board of Directors<sup>st</sup> – Independent and Nominee Directors.
  - b) Clause No. 3.6 relating to integration and alignment of Risk Management System
5. I hereby state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Sd/-

Ashish Kumar Gupta  
Company Secretary  
FCS, LLB, B.Sc(H)  
FSC-6433, C.P-6359

Place : Delhi  
Date : 05.08.2015



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### Industry Structure and Developments

The overall economic development of the Country could be measured with the development of different sectors of the economy. The railway map of India is a network of veins that pump life-giving blood into the heart of India's economy. Indian Railways is a unique integrator of modern India, with a major role in its socio-economic development.

Rail transportation is the backbone of our country's transportation infrastructure. Rail transport must be made reliable, comfortable and safe and benchmarked to global standards. Bhartiya Rail must substantially regain the market share of freight transport. To fulfil the objectives, DFCCIL, a "Special Purpose Vehicle" is aimed to undertake planning and development, construction, maintenance and operation of Dedicated Freight lines.

In his speech, The Hon'ble Railway Minister mentioned about the DFCCIL project – "The implementation of two dedicated freight corridor projects on Eastern and Western routes is gathering pace. We will target to award 750 km of civil contracts and 1300 km of system contracts in 2015-16. Durgawati-Sasaram, a 55 km section of Eastern DFC is proposed to be completed in the current year. Preliminary Engineering cum Traffic Survey (PETS) for four other DFCs is in progress and will be completed this year. We intend to explore the idea of construction of DFC feeder routes through private participation."

**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 31<sup>st</sup> March, 2015, the Cumulative expenditure on Project Execution is 6130.24 Crore which includes Fixed Assets 12.24 Crore, Capital Work in progress 3272.42 Crore, Assets under Development

₹ 9.31 Crore and Capital advances ₹ 2836.27 Crore. The gross expenditure during the year 2014-15 on project execution is ₹1961.03 Crore which includes tangible assets ₹2.85 Crore, assets under development ₹ 1.68 Crore, Capital Advances ₹ 245.40 Crore and Capital Work in Progress ₹1711.10 Crore.

## Strengths

Land Acquisition in the project continues to be its hallmark of strength. The acquisition process has been moving smoothly as a result of a cautious and sensitive approach with the Project Affected People (PAPs) and intense frequent engagement with the State Revenue and other officials.

Implementation of electrified DFC itself is an environment friendly and energy saving activity and a major strength. On environmental front, necessary pre-project statutory clearances are being obtained for forest land diversion, CRZ, ASI protected monument, other Eco-sensitive zone. Permission to cut trees within the right of way including those in Taj Trapezium Zone (TTZ), mangrove areas, periphery of Sanjay Gandhi National Park have been obtained in all the states.

Capacity building for Social and Environment Management Unit (SEMU) have been done. SEMU dept. of EDFC & WDFC are headed by separate General Manager supported by a team of professional experts. Similar capacity building of SEMU has been done in the field level through training and designation of APM for Social & Environmental activities.

Each corridor now is headed by separate General Manager supported by a team of professional experts. Similar capacity building of SEMU has been done in the field level as well where designated APM has been positioned for EDFC-1, EDFC-2 & EDFC-3 for Social & Environmental activities.

For construction phase- manning & positioning of adequate number of experienced officers have been done. The team with experience of Railway working provide valuable strength to the organization.

## 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 authority is being maintained to expedite the matter. Delay in obtaining various statutory clearance by the contractor and his subcontractors could lead to risk of reputation to the project.

DFC requires 11539 hectares of Land spread over 3376 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 passage 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. Time bound execution of the project is hindered on account of delays in getting approvals from the concerned authorities.

## 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 quantum increase in rail transport capacity, thereby providing faster movement within guaranteed transit time, and operational efficiency, contributing to national economy both directly and indirectly.

Successful completion of the work is expected to give a new dimension to Rail freight transportation by rail in the country which ultimately will bring down "Transport Logistics" cost in the country.

The project provides a great opportunity for shifting of road traffic to rail and thereby increasing rail share in the total transport.

New opportunities arising from "Make in India initiative, plan for Delhi Mumbai Industrial Corridor (DMIC) and (ADKIC) Amritsar Kolkata Industrial Corridor, is expected to provide a big impetus to manufacturing sector in the country. DFC with its infrastructure advantages, Higher-volumetric and tonnage and Higher Speed capabilities has a major edge over other competing mode of transport. For this development of logistics terminal and wagons are pre-requisites.

The Company shall build Marketing team within organizational structure of DFCCIL and coordinate with Industry to create handling capacity within DFCCIL network/IR network. Awareness regarding advantages of rail transport like fuel efficient, environment friendly, faster delivery, economical, reduced inventory cost in comparison to road sector will help in world class logistics service providers to participate in development of world class logistics infrastructure.

In order to capture the growth in this sector, Company should proactively encash all opportunities to form JVs with the logistic provider in the markets. In this direction, beginning has been made with the Company entering into a Memorandum of Understanding with Inland Water Authority of India.

## Threats

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. Despite of the coordinated efforts, the implementation of the project is not barred from threats arising out of internal and external factors. During the construction phase, it is really challenging to hand over encumbrance free land to the contractor. Relocation of different utilities from the alignment, before construction schedule and ensuring safety of Indian Railways Assets during construction in the parallel section are posing a big threat. Though the Company has built its own organizational strength, for proper implementation of the Project, availability of qualified and experienced staff by the contractor and project management consultant is to be ensured.

## 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 National Rehabilitation and Resettlement Policy adopted by the Government of India. 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. Besides Arbitrators have been appointed in each District, District Level Grievance Redressal Committee have also been formed in EDFC-1 & EDFC-2. The process of Land Acquisition is stretched over 9 States. In order to ensure the timely and hassle free acquisition, the State Level Coordination Committee have been formed headed by Chief Secretaries of the states for monitoring the progress of land acquisition in the states and to have a better liaisoning with the state machinery.

The Company is stepping ahead in streamlining the current system and procedures. DFCCIL under World Bank guidance selected an IT firm for its ERP (SAP) implementation. 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, Document management system etc. The ERP solution would manage the most critical functions of the organization. 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

## 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.

## Risk and Concerns

The Company has developed the Enterprise Risk Management Framework which has been approved by the Audit Committee. The Enterprise Risk Management Framework has been implemented with effect from 1<sup>st</sup> December 2014. The top 20 risks each perceived at this stage during "Planning & Construction Phase" and "Operation Phase" have been identified and prioritized. Mitigation Plan for these top 20 risks has also been formulated. The Risk so identified and Mitigation Plan so designed would be reviewed and updated on periodical basis through risk identification and prioritization workshops. A Risk Management structure has already been defined, which comprise of a Risk Management Committee consisting of Functional as well as Independent Directors, a Chief Risk Management

Coordinator 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 Owner 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 as a part of Enterprise Risk Management Framework to assess the effectiveness of mitigation plan for a particular risk.

## Internal Control Systems

In any organization, 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. Accordingly, Audit Committee has approved to conduct a study on the adequacy of Internal Control systems in the Company. 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.

## Industrial Relations

During the year under review, the Industrial Relation remained peaceful and harmonious. DFCCIL commemorated its 9th foundation day on 30.10.14 in its precincts in corporate office at Pragati Maidan metro station complex. Festivities lent ceremonial touch to organization's annual event which was attended by Chairman, DFCCIL & Railway Board, Senior Official from Railway Board & DFCCIL's officials and staff. On this occasion CRB facilitated DFCCIL's employees by distributing annual awards for their distinguish service. Anti-terrorism day was observed on 21.05.14 & Sadbhawna Diwas was observed on 20.08.14. National integration pledge was administered on 19.11.14 amid presence of all officers/staff of the company.

## Information Technology and Development

DFCCIL was awarded the SAP ACE Award 2014, on 13th August, 2014 as a Special Recognition for leveraging technology in the core business process. This being the first case for any public sector undertaking where SAP solution has been leveraged for its core process of Land Acquisition and integrated the same with GIS and CAD solution both in the Corporate Office and in all the 14 CPM offices across Eastern and Western Corridors.

DFCCIL is now undergoing the final stage of SAP implementation. Almost all the testing is complete and staff and officers have started working in SAP. A state of the art Data center has been set up at 4th



Floor of DFCCIL Corporate Office. This Data Centre has been connected with all the 14 CPM locations by using either VPN or MPLS (Multi-Protocol Label Switching) based WAN (wide area network). Thus all CPM offices in both Eastern and Western corridor are connected to the DFCCIL's data center. DFCCIL is considering shifting Data Center to a spacious location along with its capacity augmentation. Also Disaster Recovery Data Center proposal has been initiated.

Operational Acceptance Phase is under process. Operational testing of significant portion has been completed by HR Department and they are working regularly through SAP. Petty and small bills and payroll are processed through SAP.

Almost all DFCCIL employees have been issued ESS (Employee Self Service) licenses. Thus through the Portal each employee can access his pay slip, apply for leave and access various user manuals and other information as well.

The project contractors and consultants are also accessing the ERP system through VPN for online submission of bills.

SAP implementation is progressing under the directions of the Steering Committee, Process Owners, Core Team members. Since SAP implementation is a dynamic process, any future requirements will be addressed 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 cannot be avoided. Environment Impact Assessment studies have been conducted for Eastern and Western Freight Corridor to meet the World Bank & JICA safeguard policies.

All major environmental clearances except that of Aravalli Eco-sensitive zone have been obtained. The process for clearance for Aravalli region in the district of Alwar, Rajasthan has been initiated. Details of Mewat & Gurgaon, Haryana are being compiled for the same. The clearance under the Coastal Regulation Zone Notification has been obtained. A GPR survey was conducted through IIT/Kanpur in Gulistanpur of Greater Noida area at the cost of DFCCIL has now been completed and DFCCIL shall be getting the clearance very soon as no ancient remains have surfaced beneath the alignment in the study.

During the year 2014-15, Environmental Assessment (EA) Report including Environmental Management Plan (EMP) of Pikhani-Sahnewal (Ludhiana) and Khurja-Dadri sections of EDFC have been prepared and finalized, awaiting final approval from World Bank. These draft EA reports have been cleared by World Bank for uploading 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) for Lot 101, 102 & 103. The contractor has obtained ISO-14001 EMS & OHSAS 18000 certification for its construction activities in all Lots of EDFC-1, which are valid till November, 2017. Regular monitoring of SHE & EMP implementation are carried out and reports are generated. DFCCIL officials, PMC officials & SESMRC of the EDFC are inspecting work sites regularly as per schedule. Site Safety committee meetings are held. Construction works are going on without any major incident reported. All regulatory compliances are also being ensured through the implementing agencies.

Officials of DFCCIL were trained on EIA & SIA with assistance of Centre for Science and Environment

(CSE) in August, 2014. An experience sharing workshop of all linear infrastructure projects conducted by CSE with assistance from World Bank on Environmental management in February, 2015.

MD, DFCCIL issued a message based on theme “Raise your voice, not the sea level” on the occasion of World Environment Day on 5th June, 2014. This was disseminated widely. Fire Service Day was observed at work sites on 14th April, 2014 as well as National Safety Day on 4th March, 2015. It has been ensured that the implementing agencies observe all national days related to workmen, safety and environment.

EIA studies of both the corridors, EDFC & WDFC, have revealed negligible impact on the habitat of water bodies, wildlife, flora & fauna, ambient air quality, soil and not significant noise & vibration pollution due to DFC. Suitable mitigation measures and Environment Management Plan have been recommended in the reports. Cutting of trees to clear Right of Way (RoW), compensatory tree plantation and silicosis exposure reduction strategy have been adequately addressed in the EIA reports.

At implementation level, DFCCIL has already committed itself to take all necessary steps to mitigate the unavoidable impacts due to the construction and operation of the freight corridor. All such steps and the measures required to improve the quality of flora and fauna, wildlife and water-bodies; etc has been made integral parts of its procurement plans.

## **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**

Initially the experienced personnel from Indian Railways were inducted on deputation as a part of manpower induction strategy. 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 2014-2015, 85 candidates joined DFCCIL through open market recruitment. In addition to above, 21 posts were filled from amongst serving Government/PSU employees through immediate absorption. All the 106 candidates have been provided the prescribed initial/induction training. Selection for filling up of 178 posts during construction phase from open market direct recruitment and 127 posts of Durgawati-Karwandiya Section was completed during the year.

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 – gazette employees on deputation terms. The normal deputation tenure in DFCCIL for Railway employees is 5 years, as approved by Railway Board in 2012. During the year, 55 employees have joined on deputation basis and deputation extension of 51 officers have been issued by HR.

With new induction, total strength increases to 635 officers, out of which 392 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, 07 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 Pension, Gratuity, Staff Welfare, Perks & Allowances, CTG and Advances etc., besides updation/ modification in existing human resource policies.

## Welfare Schemes

The DFCCIL Welfare Fund Rules have been approved by the Board of Directors in their 48th meeting held on 12.02.2015. The basic intent is to provide facilities to employees to keep their motivation levels high and provide better life and health to them. Major welfare activities proposed are- Annual picnic, Sports and cultural activities, Scholarships to employees' children, Annual health checkups, Marriage gifts etc.

## Training

Technical trainings have been planned for professional up gradation of staff and officers of DFCCIL.

Training of DFCCIL is broadly divided into 4 groups:

- (i) Induction Training for direct recruits
- (ii) Induction Training for absorbees
- (iii) World Bank Approved Trainings
- (iv) Other Professional Trainings

### Induction Training for Direct Recruits:

- For fresh recruits Induction and specialized technical trainings were organized at various Railway Training Institutes like: IRISSET, IRICEN, ZETC/Vadodara, ZRTI/Udaipur, IRIEEN

### Induction Training for officers taken on immediate absorption basis:

- For officers taken on immediate absorption basis, Induction and specialized technical trainings were organized at ZRTI/Muzaffarpur, NIFM, Faridabad

### World Bank approved Training:

- 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. The target kept in World Bank Plan was for 321 officers and 869 mandays. The target has already been achieved.

### **Other Professional Training:**

- Special trainings for Updation of knowledge and infusion of latest knowhow has been specially organised for DFCCIL employees in resputed institute. A few of these areas under:

### **Few Highlights of the Training Plan:**

#### **a) Organizational & Team Leadership – Indian School of Business (ISB)**

- Training course at ISB Mohali helped officers in understanding contemporary context of leadership, levels of leadership, managing subordinate relationships etc. The 2 day training programme covered case studies and group discussions for practical learning experience for 31 senior level participants.

#### **b) Brand Communication & Perception Management – Indian School of Business (ISB)**

- One day Training on Communication & Perception Management was organized for middle and senior level officers for a group of 37 persons. The programme covered key concepts in branding, issues and challenges in the world of communication, PR and Perception Management.

#### **c) Training in FIDIC Conditions:**

- International FIDIC Trainer Mr. Bogdan Oprea from Romania was engaged for giving training on Practical use of FIDIC Contracts as per the requirement of DFCCIL. 45 officials participated in two day training programme.
- This practical training explained and illustrated the use of the FIDIC Conditions of Contract for Construction (the "Construction Contract") and the FIDIC Conditions of Contract for Plant and Design-Build (the "Design Build Contract").

#### **d) Training in Land Acquisition and Resettlement & Rehabilitation Program:**

- Program on land acquisition and resettlement and rehabilitation was organized through ASCI, Hyderabad.

#### **e) Training Programme on RTI**

- One day workshop on RTI Act was held at ISTM for 25 officials. The training helped participants to understand purpose and concept of Right to Information, salient features of the act, procedure of appeals and penalties imposable by Information Commission, strategy for operationalizing Right to Information.

#### **f) Training on Financial Literacy**

- A Training on Financial Literacy was organized for 45 DFCCIL officials through CII at Allahabad for four days. The programme covered topics such as concepts of financial literacy, practical application of financial literacy concepts, introduction to financial concepts etc.
- In addition, DFCCIL official participated in training/ seminar held in Korea, Philippines and also various locations in the Country.

# Corporate Social Responsibility

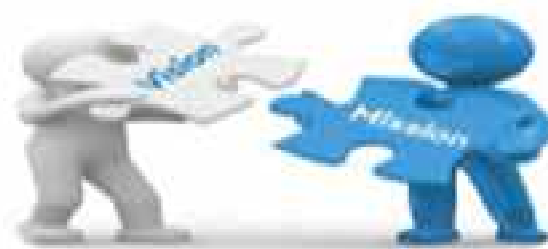


## Vision

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.



Consequent upon introduction of the Companies Act, 2013, a Sub-Committee of the Board to be known as Corporate Social Responsibility Committee was constituted during the year under review. As on date of Report, the Sub-Committee of the Board comprises Sh. Girish Pillai, Nominee Director, as Chairman, Sh. H.D. Gujrati, Dir/OP&BD, Convenor and Sh. D.S. Rana, Dir/Infra, as its members. During the year under review, the Company developed and implemented a Corporate Social Responsibility policy duly approved by the Board. It was further decided that an amount of Rs.58 Lakhs may be incurred on various CSR activities to be undertaken during 2014-15. An amount of Rs. 53.86 lakhs has been spent on the CSR activities during 2014-2015 by all the field units.

As per MoU 2014-15 signed between the Company and Ministry of Railways read with revised DFCCIL's Corporate Social Responsibility and Sustainability Policy 2014, it was decided to undertake following CSR activities during the year 2014-15-

- Swachh Vidyalaya Campaign (Provision of toilets in schools)/ Eco-Sanitation at Construction Sites.
- Skill Development Training to Project Affected Persons (PAPs) with a view to generate employment among them.
- Providing Computer Literacy with accessories in school.

The details of above CSR activities are as under:

- I. Toilet Blocks were provided at 12 places/schools by Ajmer, Allahabad (W), Ambala, Mumbai and Tundla field units under Swachh Vidyalaya Campaign/ Eco-Sanitation at Construction.





एक कदम स्वच्छता की ओर

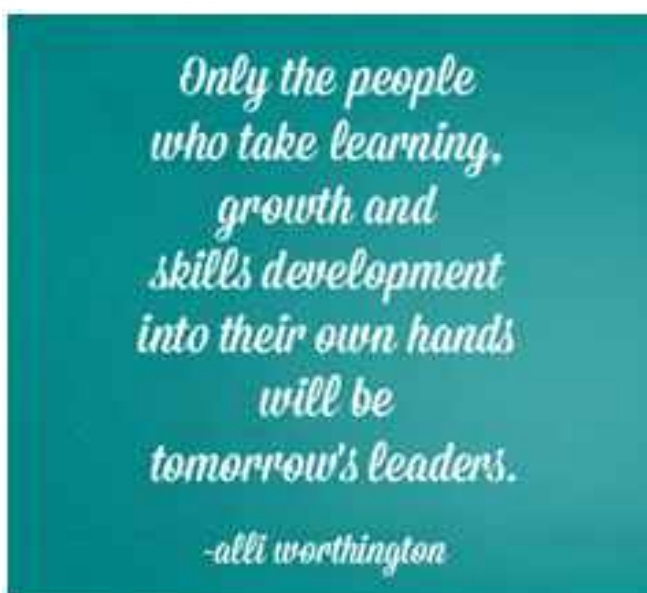


Toilet Blocks constructed under Eco-Sanitation/Swacch Vidyalaya Campaign.



ii. Total **475** PAPs were provided **Skill Development Training of 26535** mandays in different job oriented trades by DFCCIL field units, namely, Allahabad (W), Ahmadabad, Meerut and Mumbai. The key areas in which the trainees were given trainings are as under:

- Cutting & Tailoring and Dress Making
- Pre-training for employment in Police/Military/Para-Military as Soldier
- Making Gents Leather Purse and Solar Lantern
- Electrician Trade Training
- Typing Training
- Computer Training



Skill Development Training being imparted to PAPs.

iii. In the field of **providing Computer literacy**, a total 10 desktop computers with all accessories like **UPSs, Speakers, Printers & computer tables** were provided in 7 schools located in areas of PAPs by Vadodara and Noida field units respectively.

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR 2014 – 15**

**Annexure "G"**

*[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 of,  
Dedicated Freight Corridor Corporation of India Limited  
5 Floor, Pragati Maidan Metro Station  
Building Complex , Delhi-110001  
CIN:U60232DL2006GOI155068

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 our opinion thereon.

Based on our verification of the Company's books, papers, minute books, e-Forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit. We hereby report that in our opinion, the company has, during the audit period covering the financial year commencing from 1 April, 2014 and ended on 31 March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, e-forms and returns filed and other records maintained by Dedicated Freight Corridor Corporation of India Limited ("the Company") for the financial year ended on 31st March, 2015 according to the provisions of:

- 1) The Companies Act, 2013 (the Act) and the rules made there under;
- 2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- 4) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- 5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- 6) Being an Unlisted Public Company, the above mentioned acts given in Para 2, 3, and 5 are not applicable to the Company.
- 7) We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. The list of major head/groups of Acts, Laws and Regulations as applicable to the Company is given in Annexure I.  
<sup>st</sup>
- We have not examined compliances of the followings, as provisions of para (i) were not in place till 31 March, 2015 and provisions of para (ii) are not applicable to the Company (being unlisted public company).
- i) Secretarial Standards issued by The Institute of Company Secretaries of India.
  - ii) The Listing Agreements entered into by the Company with N.A. Stock Exchange(s), if applicable;

#### **We further report that**

The Board of Directors of the Company is not duly constituted with proper balance of Executive Directors and Non-Executive Directors, as there are no Independent Directors and a Woman Director. During the year, term of Independent Directors ended as per the terms of the appointment issued by Administrative Ministry i.e. Ministry of Railways. The Company has already requested the Ministry to appoint requisite number of Independent Directors & Woman Director on the Board of Company and the confirmation on same is awaited from the Ministry of Railways.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

**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 as stated above.

We further report that during the audit period the company has:

1. Allotted 1,00,79,288 (One Crore Seventy Nine Thousand Two Hundred Eighty Eight) Equity Shares of Rs. 1000 each on 13.06.2014.
2. Shifted its registered office from "Room No. 101A, Rail Bhawan, Raisina Road, New Delhi-110001" to "5th Floor Pragati Maidan Metro Station, Building Complex, New Delhi-110001" w.e.f 29.08.2014.
3. In the absence of appointment of Independent Directors on the Board of the Company by the Govt. of India, the Audit Committee, Remuneration Committee and Corporate Social Responsibility Committee has not been constituted properly as per the requirements of Section 177(2) & (3), Section 178(1) and Section 135 (1) & (3) of the Companies Act, 2013.

Place: New Delhi  
Date: 28.07.2015

Sd/-  
Signature:  
Balika Sharma & Associates  
Company Secretaries  
FCS No: 4816  
C P No: 3222

This report is to be read with our letter of even date, which is annexed as Annexure II and forms an integral part of this report.

## ANNEXURE I - OTHER LAWS APPLICABLE TO THE COMPANY

1. Employees Provident Funds and (Miscellaneous Provisions) Act, 1952
2. Building and Other Construction workers (Regulation of Employment and Condition of Service ) Act, 1996
3. Building and Other Construction workers Welfare Cess Act, 1996
4. Contract Labour (Regulation and Abolition) Act, 1970
5. Employees State Insurance Act, 1948
6. Equal Remuneration Act , 1976
7. Industrial Employment( Standing Orders) Act, 1946
8. Maternity Benefit Act , 1961
9. Minimum Wages Act, 1948
10. Payment of Bonus Act, 1965
11. Payment of Gratuity Act, 1972
12. Payment of Wages Act, 1936
13. Workmen Compensation Act, 1923
14. Inter-State Migrant Workmen (Regulation of Employment and Condition of Service) Act, 1979
15. Child Labour (Prohibition and Regulation ) Act , 1986
16. Income Tax Act, 1961
17. Foreign Exchange & Management Act, 1999
18. Service Tax Rules, 1994
19. The Central Sales Tax Act, 1956
20. Railway Act, 1989
21. Relevant Provisions & NRRP -2007
22. Right to Information Act, 2005
23. Environment (Protection) Act, 1986 and Rules & Amendments
24. Wildlife(Protection) Act, 1972 and Rules
25. Forest( Conservation) Act, 1980 and Rules
26. Coastal Regulation Zone N/N, 2011
27. The Wetlands (Conservation and Management) Rules , 2010
28. Tree Preservation Act/ Relevant Act of the Particular State
29. Air ( Prevention & Control of Pollution) Act, 1981
30. Water ( Prevention & Control of Pollution) Act, 1974
31. The Noise Pollution (Regulation and Control) Rules, 2000
32. Ancient Monuments and Archaeological Sites and Remains Act 2010 and National Monuments Authority Rules, 2011
33. Delhi Shops & Establishment Act, 1954

Balika Sharma & Associate  
Company Secretaries

Add: Flat No. 211, Pocket A/3, Sector 7, Rohini, New Delhi-110085  
Phone: 011-27931217 Mobile: 9811387646, E-mail: balikasharma@gmail.com

## ANNEXURE II

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

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

1. Management 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 secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations & happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: New Delhi

Date: 28.07.2015

Sd/-

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



Dedicated Freight Corridor  
Corporation of India Limited



**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
as on the financial year ended on 31.03.2015

**Annexure "H"**

[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 G01155068
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 <sup>th</sup> Floor, Pragati Maidan Metro Station Building Complex, New Delhi
vi)	Whether listed company	Yes / No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	N.A.

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sl.No.	NAME AND ADDRESS OF THE COMPANY	CIN/GIN	HOLDING/SUBSIDIARY / ASSOCIATE	% of shares held	Applicable Section
1		NA			
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 Shares	
A. Promoters (1) Indian									
(g) Individual /HUF									
(h) Central Govt	-	27,077,400	27,077,400	100%	-	37,156,688	37,156,688	100%	37.23%
(i) State Govt(s)	-	-	-	-	-	-	-	-	-
(j) Bodies Corp.	-	-	-	-	-	-	-	-	-
(k) Banks/ FI	-	-	-	-	-	-	-	-	-
(l) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(1):	-	27,077,400	27,077,400	100%	-	37,156,688	37,156,688	100%	37.23%
(2) Foreign	-	-	-	-	-	-	-	-	-
(a) NRIs- Individuals	-	-	-	-	-	-	-	-	-
(b) Other Individual	-	-	-	-	-	-	-	-	-
(c) Bodies Corp	-	-	-	-	-	-	-	-	-
(d) Banks/ FI									
(e) Any									
Sub-total (A)(2):									
Total share holding of Promoter(A) = (A)(1) + (A) (2)		27,077,400	27,077,400	100%		37,156,688	37,156,688	100%	37.23%
B. Public Share holding	N.A.								
(a) Mutual Funds									
(b) Banks/ FI									
(c) Central Govt									
(d) State Govt(s)									

(e) Venture Capital Funds	N.A.								
(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 share holders holding nominal share capital upto Rs. 1 lakh									
ii) Individual share holders holding nominal share capital in excess of Rs 1 lakh									
c) Others (specify)									
Sub-total(B)(2):-									
Total Public Share holding (B) = (B)(1) + (B)(2)									
C. Shares held by Custodian for GDRs & ADRs									
Grand total (A+B+C)	-	27,077,400	27,077,400	100%	-	37,156,688	37,156,688	100%	37.23%

**(ii) Share holding of Promoters**

SL. No.	Shareholder's Name	Share holding at the beginning of the year			Share holding at the end of the year			% change in share holding 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	27,077,400	100%	--	37,156,688	100%	--	37.23%
	Total	27,077,400	100%	--	37,156,688	100%	--	37.23%

**(iii) Change in Promoters' Share holding (please specify, if there is no change)**

SL. No.		Share holding at the beginning of the year		Cumulative share holding 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	2,70,77,400	100%	2,70,77,400	100%
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	14.06.2014  1,00,79,288		1,00,79,288	
	At the End of the Year	3,71,56,688	100%	3,71,56,688	100%

**(iv) Share holding Pattern of top ten Share holders  
(other than Directors, Promoters and Holders of GDRs and ADRs):**

SL. No.		Share holding at the beginning of the year		Cumulative share holding during the year	
		No. of shares	%of total shares of the company	No. of shares	%of total shares of the company
	For Each of the Top 10 Share holders				
	At the beginning of the year	NA			
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	NA			
	At the End of the year (or on the date of separation, if separated during the year)	NA			

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

SL. No.		Share holding at the beginning of the year		Cumulative share holding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Directors and KMP				
	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/		NA		
	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		99,662,12,120	--	99,662,12,120
(ii)Interest due butnotpaid		--	--	--
(iii) Interest accrued but not due		28,65,70,785		28,65,70,785
Total (i + ii + iii)		1025,27,82,905		1025,27,82,905
Change in Indebtedness during the financial year				
Addition (Int + Loan)	--	502,81,84,437		502,81,84,437
Reduction		--		--
Net Change		502,81,84,437		502,81,84,437
In debtedness at the end of the financial year (i) Principal Amount		1441,08,48,582		1441,08,48,582
ii) Interestduebut notpaid		--		--
(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



## 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	Adesh Sharma	C0096, R.K.Gupta, 01022234	C0244, H.D. Gujrati, DI42192 -135	C0330, M.K. Mittal	C0091, Anshuman Sharma, DL-42192 -007	D.S. Rana	
		Designation	M.D.	M.D.	W.T.D (OPR & BD)	W.T.D. (Finance)	W.T.D. (PP)	W.T.D. (INFRA)	
1	Gross salary (a)Salary as per provisions contained in section 17(1) of the Income		1,426,876.00	31,000.00	2,801,476.00	2503289.50	2,740,919.00	2,095,301.00	11,598,861.50
	(b)Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--	--	199209.00	200930.00	143047.00	285,154.00	828,340.00
	(c)Profits in lieu of salary under section 17(3) Income tax Act, 1961	--	--	--	--	--	--	--	--
2	Stock Option	--	--	--	--	--	--	--	--
3	Sweat Equity	--	--	--	--	--	--	--	--
4	Commission -as% of profit-others,specify	--	--	--	--	--	--	--	--
5	Others, please specify	--	--	--	--	--	--	--	--
	Total (A)		1,426,876.00	31,000.00	3,000,685.00	2,704,219.50	2,883,966.00	2,380,455.00	12,427,201.50
	Ceiling as per the Act								

**B. Remuneration to other directors:**

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		R.S. Sharma	-	-	-	
	3. Independent Directors Fee for attending board/ committee meetings	1,80,000	-	-	-	1,80,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	1,80,000	-	-	-	1,80,000
	4. Other Non - Executive Directors Fee for attending board /committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total(2)	-	-	-	-	-
	Total(B)=(1 + 2)	1,80,000	-	-	-	1,80,000
	Total Managerial Remuneration	-	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-	-

**C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD**

Sl. 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	-	10,54,521.00	-	10,54,521.00
	(b) Value of perquisites/s 17(2) Income-tax Act, 1961	-	150134.00	-	150134.00
	(c) Profits in lieu of salary under section 17(3) Income - tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission -as% of profit -others, specify...				
5	Others, please specify	-	12,04,655.00	-	12,04,655.00
	Total				

**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)
<b>A. COMPANY</b>					
Penalty					
Punishment		Nil			
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment		Nil			
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment		Nil			
Compounding					



डेडीकेटेड फ्रेट कोरीडोर

**Dedicated Freight Corridor Corporation of India Ltd.**

**डेडीकेटेड फ्रेट कोरीडोर कॉर्पोरेशन ऑफ इंडिया लिमिटेड**

**FINANCIAL STATEMENTS  
OF DFCCIL  
FOR THE  
FINANCIAL YEAR  
2014-15**

# BALANCE SHEET AS AT MARCH 31, 2015

CIN - U60232DL2006GOI155068

Amount in (₹ Lakh )

Particulars	Note No	As at March 31, 2015	As at March 31, 2014
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	3	371,566.88	270,774.00
(b) Reserves and Surplus	4	11,042.88	7,272.35
<b>(2) Share application money pending allotment</b>	5	108,700.00	100,792.88
<b>(3) Non-Current Liabilities</b>			
(a) Long-Term Borrowings	6	144,108.49	99,662.12
(b) Other Long Term Liabilities	7	22,888.80	9,296.30
(c) Long Term Provisions	8	557.60	325.78
<b>(4) Current Liabilities</b>			
(a) Other Current Liabilities	9	41,258.49	18,209.40
(b) Short Term Provisions	10	36.69	89.68
<b>TOTAL</b>		<b>700,159.83</b>	<b>506,422.51</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed assets	11		
(i) Tangible assets		1,182.58	897.57
(ii) Intangible assets		41.37	40.74
(iii) Capital work in progress		327,242.15	156,131.90
(iv) Tangible Assets under development		18.99	249.55
(v) Intangible Assets under development		911.88	513.85
(b) Long-term loans and advances	12	284,213.70	259,622.67
<b>(2) Current Assets</b>			
(a) Cash and Bank Balances	13	83,484.75	84,062.11
(b) Short-term loans and advances	14	400.85	407.68
(c) Other current assets	15	2,663.56	4,496.44
<b>TOTAL</b>		<b>700,159.83</b>	<b>506,422.51</b>
General Information	1		
Significant Accounting Policies	2		
Development Account (Pending Capitalisation)	19		
Note 1 to 34 form integral part of the Financial Statements.			

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

For M/s Baweja & Kaul

Chartered Accountants

Firm Registration No: 005834N

For and on Behalf of the Board of Directors

Sd/-

CA Dalip K Kaul

Partner

M.No. 083066

Place: New Delhi

Date: 30-06-2015

Sd/-

(Adesh Sharma)

Managing Director

DIN-7022393

Sd/-

(M. K. Mittal )

Director Finance

DIN-2889021

Sd/-

(Meenu Kapoor)

Company Secretary

ACS - 18954



Dedicated Freight Corridor  
Corporation of India Limited

# STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2015

CIN - U60232DL2006GOI155068

Amount in (₹ Lakh )

Particulars	Note No.	Year ended March 31, 2015	Year ended March 31, 2014
<b>REVENUE</b>			
I. Revenue from operations		-	-
II. Other Income	16	5,699.20	5,686.58
III. Total Revenue (I + II)		<b>5,699.20</b>	<b>5,686.58</b>
<b>EXPENSES</b>			
Employee Benefit expense	17	-	-
Finance cost	17A	-	-
Depreciation and amortization expense	17B	-	-
Other expenses	17C	-	-
IV. Total Expenses		-	-
V. Profit before exceptional and extraordinary items and tax (III-IV)		<b>5,699.20</b>	<b>5,686.58</b>
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		<b>5,699.20</b>	<b>5,686.58</b>
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		<b>5,699.20</b>	<b>5,686.58</b>
X. Tax expense:			
(1) Current tax		1,914.25	1,930.88
(2) Income Tax (Earlier Year)		(31.50)	-
(3) Deferred tax		-	-
XI. Profit(Loss) for the year from continuing operations (IX-X)		<b>3,816.45</b>	<b>3,755.70</b>
(A) Transferred to Development Account		<b>45.92</b>	<b>58.63</b>
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))		<b>3,770.53</b>	<b>3,697.07</b>
XVI. Earnings Per Share (Face Value ₹ 1000 each)			
Basic		<b>10.73</b>	<b>13.95</b>
Diluted		<b>10.14</b>	<b>13.93</b>
General Information	1		
Significant Accounting Policies	2		
Development Account (Pending Capitalisation)	19		
Note 1 to 34 form integral part of the Financial Statements.			

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

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

For and on behalf of the Board of Directors

Sd/-  
CA Dalip K Kaul  
Partner  
M.No. 083066  
Place: New Delhi  
Date: 30-06-2015

Sd/-  
(Adesh Sharma)  
Managing Director  
DIN-7022393

Sd/-  
(M. K. Mittal )  
Director Finance  
DIN-2889021  
  
Sd/-  
(Meenu Kapoor)  
Company Secretary  
ACS - 18954



Dedicated Freight Corridor  
Corporation of India Limited

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ANNUAL REPORT 2014-2015



# CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

CIN - U60232DL2006GOI155068

Amount in (₹ Lakh )

S.N.	PARTICULARS	Year ended March 31, 2015	Year ended March 31, 2014
1	<b>Cash Flow from Operating Activities</b>		
	Net profit before tax	5,699.20	5,692.49
	Interest Income on Bank Deposits	(5,635.78)	(5,600.78)
	Adjustment for charge to Development Account	(45.92)	(64.54)
	Adjustment for changes in Working Capital:		
	(Increase)/Decrease in other receivables	3,322.69	8,082.28
	Increase (Decrease) in current liabilities	36,451.01	13,538.80
	(Decrease) Increase in Provision	-	-
	Cash Generated from/(used in) Operations	39,791.20	21,648.25
	Income Taxes Paid/Received	(1,880.91)	(1,865.11)
	<b>Net Cash generated from /(used in) Operating Activities (A)</b>	<b>37,910.29</b>	<b>19,783.14</b>
2	<b>Cash Flow from Investing Activities :-</b>		
	Purchase of Fixed assets Including Capital work in progress (CWIP)	(169,890.13)	(52,288.61)
	Sale of Fixed Assets	10.93	51.18
	Interest Income from Bank Deposits	5,978.29	5,040.80
	(Increase)/Decrease in Capital Advances	(24,591.03)	(128,588.24)
	<b>Net Cash generated from / (used in) Investing activities (B)</b>	<b>(188,491.94)</b>	<b>(175,784.87)</b>
3	<b>Cash flow from Financing Activities :-</b>		
	Proceeds from issuance of Share capital	-	-
	Proceeds from Share Application Money	108,700.00	100,792.88
	Proceeds from long -term borrowings	42,762.20	89,207.12
	Interest & Borrowing Costs	(1,544.83)	(78.18)
	<b>Net Cash generated from / (used in) Financing activities (C )</b>	<b>149,917.37</b>	<b>189,921.82</b>
	<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(664.28)</b>	<b>33,920.09</b>
	<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>83,732.70</b>	<b>49,812.62</b>
	<b>Cash and Cash Equivalents at the closing of the year</b>	<b>83,068.42</b>	<b>83,732.71</b>
	<b>Cash and Cash Equivalents comprise:</b>		
	Cash and Bank Balances	83,046.46	83,728.61
	Cheques in hand	21.96	4.10
		<b>83,068.42</b>	<b>83,732.71</b>

## Notes :

- The Cash and Cash Equivalents includes ₹ 3,382.70 Lakh (Previous Year ₹ 4,175.75 Lakh) in Current/Deposit Account with bank, held on behalf of MOR and not freely available for the business of the company.
- The Cash Outflow from Investing activities includes ₹ 15.06 Lakh (Previous Year ₹ 17.53 Lakhs) incurred for CSR activities.

is the Cash Flow Statement referred to in our report of even date.

For M/s Baweja & Kaul  
Chartered Accountants  
Firm Registration No: 005834N

Sd/-  
CA Dalip K Kaul  
Partner  
M.No. 083066  
Place: New Delhi  
Date: 30-06-2015

For and on Behalf of the board of Directors

Sd/-  
(Adesh Sharma)  
Managing Director  
DIN-7022393

Sd/-  
(Meenu Kapoor)  
Company Secretary  
ACS - 18954

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



Dedicated Freight Corridor  
Corporation of India Limited

# 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 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 currency 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 employee 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, 2015	As at March 31, 2014
<b>Authorized Share Capital</b>		
8,00,00,000 (Previous Year 8,00,00,000)	800,000.00	800,000.00
Equity Shares of ₹ 1000/- each		
	<b>800,000.00</b>	<b>800,000.00</b>
<b>Issued, Subscribed &amp; Paid up Capital</b>		
3,71,56,688 (Previous Year 2,70,77,400)	371,566.88	270,774.00
Equity Shares of ₹ 1000/- each		
	<b>371,566.88</b>	<b>270,774.00</b>

### 3.1 Reconciliation of the Number of Equity Shares

Particulars	As at March 31, 2015		As at March 31, 2014	
	Number of shares	Amount in (₹ Lakh )	Number of shares	Amount in (₹ Lakh )
<b>Balance as at the beginning of the year</b>	27,077,400	270,774.00	19,650,500	196,505.00
<b>Add :</b> Equity Shares issued during the Year/ Period	10,079,288	100,792.88	7,426,900	74,269.00
<b>Balance as at the end of the year</b>	<b>37,156,688</b>	<b>371,566.88</b>	<b>27,077,400</b>	<b>270,774.00</b>

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

Particulars	As at March 31, 2015		As at March 31, 2014	
	Number of shares	% of Holding	Number of shares	% of Holding
<b>Equity Shares :</b>				
The President of India & his nominees (Ministry of Railways)	37,156,688	100.00%	27,077,400	100.00%

### 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 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, 2015	As at March 31, 2014
<b>Surplus:</b>		
Opening Balance	7,272.35	-
Add : Transfer from Development Account	-	3,575.28
Add : Profit after Tax (Current Year)	3,770.53	3,697.07
	<b>11,042.88</b>	<b>7,272.35</b>
Less : Appropriations	-	-
<b>Closing Balance</b>	<b>11,042.88</b>	<b>7,272.35</b>

4.1 Money on account of equity is kept in bank deposits, pending its utilization. Profit after tax for the current year includes ₹ 3,770.53 Lakh (P.Y. 3,697.07 Lakh) towards interest earned on such bank deposits. Such interest income amounting to ₹ 3,575.28 Lakh till financial year 2012-13, earlier credited to Development Account, was transferred to Reserves & Surplus in FY 2013-14.

### 5 Share Application Money Pending Allotment

(a). Company had opening balance of ₹ 1,00,792.88 Lakh of share application money received from Ministry of Railways. Company issued Equity shares at par in respect of this outstanding share application money on 13.06.2014.

(b). Company has closing balance of ₹ 1,08,700.00 Lakh of share application money received from Ministry of Railways as on 31.03.2015. 1,08,70,000 number of equity shares are required to be issued at par for said outstanding application money during FY 2015-16. 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 31.03.2015.

### 6 Long Term Borrowings

Particulars	Amount in (₹ Lakh )	
	As at March 31, 2015	As at March 31, 2014
<b>Term Loans From Others</b>		
<b>Unsecured Loan</b>		
Loan from Ministry of Railways for EAP/ JICA Projects (Loan from Ministry of Railway For External Aided Project.) JICA - 205	11,645.53	11,414.15
Loan from Ministry of Railways for EAP/ JICA Projects (Loan from Ministry of Railway For External Aided Project.) JICA - 209	73,159.85	57,972.53
Loan from Ministry of Railways for EAP/ JICA Projects (Loan from Ministry of Railway For External Aided Project.) JICA - 212	6,480.99	5,006.48
Loan from Ministry of Railways for EAP/IBRD Projects - 8066	52,665.53	25,268.96
Loan from Ministry of Railways for EAP/IBRD Projects - 8318	156.59	-
<b>Total</b>	<b>144,108.49</b>	<b>99,662.12</b>



Dedicated Freight Corridor  
Corporation of India Limited

### 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 DFCCIL as a Loan on the same terms and conditions. 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 that the loan will be passed to MoR as GBS.

### 6.2 Terms of Repayment (EAP/IBRD LOAN)

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 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. DFCCIL has also entered into a Project Agreement with the Bank for implementation of 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 DFCCIL through the Ministry of Finance has entered into another Loan Agreement with the IBRD dated 11/12/2014 to avail a loan of USD 1100 Million. 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 through the Ministry of Finance. According to this agreement, the loan proceeds shall be directly available to DFCCIL.

The repayment of Loan along with interest will be made by DFCCIL to MOR in Rupee equivalent of the USD Loan/interest amount.

### 6.3 Principal Repayment Terms & Details:

Loan	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, 2015	As at March 31, 2014
Trade payables	-	-
Others		
(i) Interest accrued but not due on Loan from MoR on EAP/JICA	8,574.76	2,807.16
(ii) Deposits/ Retention money (Received from Supplier & Service Providers)	8,562.62	755.75
(iii) Income Received in Advance	189.90	171.87
(iv) Advance received from customers against Deposit Work	5,561.52	5,561.52
<b>Total</b>	<b>22,888.80</b>	<b>9,296.30</b>

\* Disclosure requirement under section 22 of The Micro, Small and Medium Enterprises Development Act, 2006 is given in Note No. 33.

### 8 Long Term Provisions

Amount in (₹ Lakh )

Particulars	As at March 31, 2015	As at March 31, 2014
(A) Provision for Employee Benefits		
Gratuity	205.20	104.75
Leave Encashment	263.36	144.50
Leave Travel Concession	89.04	76.53
(B) Other Provisions	-	-
<b>Total (A) + (B)</b>	<b>557.60</b>	<b>325.78</b>



## 8.1 Employee Benefits.

### a) Gratuity:

Provision for gratuity liability for the period has been made as per Actuarial Valuation as on 31-03-2015.

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 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, 2015	As at March 31, 2014
Opening Balance	109.93	25.94
Interest Cost	9.34	2.08
Current service cost	63.86	37.31
Benefit paid	-	-
Actuarial (Gain)/ Loss on obligation	30.25	44.61
Closing Balance	213.38	109.94

Expenses recognized:		Amount in ( ₹ Lakh )
Particulars	As at March 31, 2015	As at March 31, 2014
Interest Cost	9.34	2.08
Current service cost	63.86	37.31
Actuarial (Gain)/ Loss on obligation	30.25	44.61
Expenses recognized and transferred to Development Account	103.45	84.00

Movement in the liability recognized in the Balance sheet:		
Particulars	As at March 31, 2015	As at March 31, 2014
Opening net liability	109.93	25.94
Expenses as above	103.45	84.00
Benefit Paid	-	-
Actual return on plan assets	-	-
Acquisition adjustment	-	-
Closing net liability	213.38	109.94

<b>Recognized as under:</b>	
Long Term Provision	205.20
Short Term Provision	8.19
<b>Total</b>	<b>213.38</b>
	<b>109.93</b>

Actuarial Assumptions:		
	Year ended March 31, 2015	Year ended March 31, 2014
Method Of Valuation :	Project Unit Credit Method	Project Unit Credit Method
Discount Rate :	8.00%	8.50%
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 31-03-2015.

Employees are entitled to encashment of earned leaves 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:**

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Opening Balance</b>	160.09	26.61
Acquisition Adjustment	17.24	-
Interest Cost	12.81	2.13
Current service cost	117.66	73.94
Benefit paid	(23.07)	4.93
Actuarial (Gain)/ Loss on obligation	2.21	52.48
<b>Closing Balance</b>	<b>286.94</b>	<b>160.09</b>

**Expenses recognized:**

Particulars	As at March 31, 2015	As at March 31, 2014
Interest Cost	12.81	2.13
Current service cost	117.66	73.94
Actuarial Loss / (Gain) on obligation	2.21	52.48
<b>Expenses recognized and transferred to Development Account</b>	<b>132.68</b>	<b>128.55</b>

**Movement in the liability recognized in the Balance sheet:**

Particulars	As at March 31, 2015	As at March 31, 2014
Opening net liability	160.09	26.61
Expenses as above	132.68	128.55
Benefit Paid	(23.07)	4.93
Actual return on plan assets	-	-
Acquisition Adjustment	17.24	-
<b>Closing net liability</b>	<b>286.94</b>	<b>160.09</b>

**Recognized as under:**

Long Term Provision	263.36	144.50
Short Term Provision	23.58	15.59
<b>Total</b>	<b>286.94</b>	<b>160.09</b>

**Actuarial Assumptions:**

	Year ended March 31, 2015	Year ended March 31, 2014
<b>Method Of Valuation :</b>	Project Unit Credit Method	Project Unit Credit Method
Discount Rate :	8.00%	8.50%
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 31-03-2015.

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:

Particulars	As at March 31, 2015	Amount in (₹ Lakh )
<b>Change in present value of obligation:</b>		
Opening Balance	79.68	As at March 31, 2014
Interest Cost	6.77	-
Current service cost	53.24	-
Benefit paid	(4.83)	79.68
Actuarial (Gain)/ Loss on obligation	(42.74)	-
<b>Closing Balance</b>	<b>92.12</b>	<b>79.68</b>

Particulars	As at March 31, 2015	Amount in (₹ Lakh )
<b>Expenses recognized:</b>		
Interest Cost	6.77	As at March 31, 2014
Current service cost	53.24	79.68
Actuarial Loss / (Gain) on obligation	(42.74)	-
<b>Expenses recognized and transferred to Development Account</b>	<b>17.27</b>	<b>79.68</b>

**Movement in the liability recognized in the Balance sheet:**

Particulars	As at March 31, 2015	Amount in (₹ Lakh )
Opening net liability	79.68	As at March 31, 2014
Expenses as above	17.27	-
Benefit Paid	(4.83)	79.68
Actual return on plan assets	-	-
Acquisition adjustment	-	-
<b>Closing net liability</b>	<b>92.12</b>	<b>79.68</b>

<b>Recognized as under:</b>	
Long Term Provision	89.04
Short Term Provision	3.08
<b>Total</b>	<b>92.12</b>

**Actuarial Assumptions:**

Method Of Valuation :	Year ended March 31, 2015	Year ended March 31, 2014
Discount Rate :	Project Unit Credit Method	Project Unit Credit Method
Salary Escalation Rate:	8.00%	8.50%
Mortality rate	6.00%	6.00%
	IALM (2006-08)	IALM (2006-08)

**9 Other Current Liabilities**

Particulars	As at March 31, 2015	Amount in (₹ Lakh ) As at March 31, 2014
(i) Earnest Money Deposit	138.24	292.05
(ii) Advance for Land (Pending for transfer to SLAO A/c)	3,382.70	4,175.75
(iii) Advance received from customers against Deposit Work	6.48	6.48
(iv) Duties & Taxes Payable	2,437.07	1,952.24
(v) Others Payables	31,335.15	10,963.95
(vi) Deposits/ Retention money (Received from Supplier & Service Providers)	1,033.78	744.18
(vii) Income received in Advance	5.55	16.20
(viii) Funds received from MOR pending adjustment	2,793.10	-
(ix) Interest accrued but not due on Loan from MoR on IBRD	126.42	58.55
<b>Total</b>	<b>41,258.49</b>	<b>18,209.40</b>

**9.1** Disclosure requirement under section 22 of The Micro, Small and Medium Enterprises Development Act, 2006 is given in Note No. 33.

**10 Short Term Provisions**

Particulars	As at March 31, 2015	Amount in (₹ Lakh ) As at March 31, 2014
<b>(A) Provision for Employee Benefits</b>		
Gratuity	8.19	5.18
Leave Encashment	23.58	15.59
Leave Travel Concession	3.08	3.14
<b>(B) Other Provisions</b>		
Income Tax (Net of TDS & Advance Tax)	1.84	65.77
<b>Total (A) + (B)</b>	<b>36.69</b>	<b>89.68</b>

**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.

## Notes to the Financial statements

### 11 Fixed Assets

Amount in (₹ Lakh )

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 1st April 2014	Additions during the Year	Deletions / adjustments during the Year	As at 31st March 2015	As at 1st April 2014	Charge for the Year	Deletions / adjustments during the Year	As at 31st March 2015
<b>(A) Tangible Assets</b>								
(i) Flat (Leasehold)	160.00	-	-	160.00	5.33	5.33	-	149.33
(ii) Leasehold Premises Improvement	1,127.94	346.85	47.23	1,427.56	1,075.50	57.28	33.06	327.85
(iii) EDP Assets	534.09	140.93	40.80	634.22	326.09	70.13	33.21	271.20
(iv) Office equipment	533.85	48.43	19.54	562.74	241.84	157.72	0.11	163.29
(v) Furniture and fixtures	345.20	45.88	3.77	387.31	154.75	(33.51)	1.82	267.90
(vi) Plant & Machinery	-	3.07	-	3.07	-	0.06	-	3.01
<b>Total (A)</b>	<b>2,701.08</b>	<b>585.16</b>	<b>111.34</b>	<b>3,174.90</b>	<b>1,803.51</b>	<b>257.01</b>	<b>68.20</b>	<b>1,182.58</b>
<b>(B) Intangible Assets</b>								
(i) Computer software	161.31	20.98	-	182.29	120.57	20.35	-	41.37
<b>Total (B)</b>	<b>161.31</b>	<b>20.98</b>	<b>-</b>	<b>182.29</b>	<b>120.57</b>	<b>20.35</b>	<b>-</b>	<b>40.74</b>
<b>Total (A) + (B)</b>	<b>2,862.39</b>	<b>606.14</b>	<b>111.34</b>	<b>3,357.19</b>	<b>1,924.08</b>	<b>277.36</b>	<b>68.20</b>	<b>1,223.95</b>
<b>Previous Year</b>	<b>2,434.81</b>	<b>536.97</b>	<b>109.38</b>	<b>2,862.39</b>	<b>1,721.29</b>	<b>261.34</b>	<b>58.55</b>	<b>938.31</b>

#### 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 2.5(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.
- Lease Deed in respect of flat amounting to ₹ 160.00 Lakh (P.Y. ₹ 160.00 Lakh) is yet to be executed in favour of the company.
- During the year, company has changed the policy to depreciate fixed assets as per Straight Line Method instead of WDV. As such, depreciation charged in earlier years amounting to of ₹ 255.05 Lakh has been reversed in current year.
- With effect from FY 2014-15, company has adopted new methodology to depreciate the fixed assets over the useful life given in Part-C of Schedule II of Companies Act, 2013. As such, remaining WDV of assets having nil life as on 01.04.2014 as per Companies Act 2013 after retaining 5% residual value, amounting to ₹ 214.31 Lakhs has been charged as depreciation for the year in view of transition provisions given in Note No. 7 of Schedule II of the Companies Act, 2013, as amended vide notification dated 29.08.2014.
- Depreciation charge for the year ₹ 277.36 Lakhs includes reversal of depreciation due to change in method from WDV to SLM ₹ 255.05 Lakh, charge for assets having Nil life as on 01.04.2014 ₹ 214.31 Lakhs and depreciation for the year 2014-15 ₹ 318.10 Lakhs.
- 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 .

## Notes to the Financial statements

### (C) Capital Work In Progress Amount in (₹ Lakh )

Particulars	As at April 1, 2014	Additions during the Year	Capitalized during the Period	Deletions / adjustments during the Year	As at March 31, 2015
(i) Earthwork	21,909.47	3,871.19	-	-	25,780.66
(ii) Bridges under progress	53,340.52	89,153.64	-	587.33	141,906.83
(iii) Tracks	3,190.88	34,840.65	-	-	38,031.53
(iv) Other Project Expenditure	35,897.75	20,042.06	-	256.21	55,683.60
(v) Formation	183.88	111.75	-	124.91	170.72
(vi) Overhead Electric Equipment	8.22	72.89	-	-	81.11
(vii) Compensatory Afforestation Expenses	-	2,185.69	-	-	2,185.69
(viii) Material Issued to Contractors	7,568.53	2,827.86	-	-	10,396.39
(ix) Expenditure During construction period (Development A/c Pending Capitalisation)	34,032.65	18,972.97	-	-	53,005.62
<b>Total (C)</b>	<b>156,131.90</b>	<b>172,078.70</b>	<b>-</b>	<b>968.45</b>	<b>327,242.15</b>

### (D) Assets Under Development Amount in (₹ Lakh )

Particulars	As at April 1, 2014	Additions during the Year	Capitalized during the Period	Deletions / adjustments during the Year	As at March 31, 2015
<b>Tangible</b>					
(i) Leashold Improvements Under Progress	249.55	42.12	283.48	-	8.18
(ii) Office Equipments under Installation	-	10.81	-	-	10.81
<b>Intangible</b>					
(ii) Software Under Progress IT	513.85	398.03	-	-	911.88
<b>Total (D)</b>	<b>763.40</b>	<b>450.96</b>	<b>283.48</b>	<b>-</b>	<b>930.87</b>



## Notes to the Financial statements

### 12 Long Term Loans & Advances

Amount in (₹ Lakh )

Particulars	As at March 31, 2015	As at March 31, 2014
<b>A. Capital Advance</b>		
<b>a) Secured Considered Good</b>		
i. Mobilisation Advance (Secured against hypothecation of Plant & Machinery in favour of DFCCIL)	3,734.84	4,180.52
<b>b) Unsecured Considered Good</b>		
i. Advance for Capital Works & Shifting of Utilities	180,923.44	152,899.61
ii. Mobilisation Advance	98,969.29	102,007.14
<b>Total (A)</b>	<b>283,627.57</b>	<b>259,087.27</b>
<b>B. Security Deposit</b>		
<b>a) Unsecured Considered Good</b>		
i. Security Deposit-.Electricity	32.60	20.95
ii. Security Deposit - Lease Rent	75.58	63.31
iii. Security Deposit Against-Telephone & Others	1.37	1.30
iv. Security Deposit Against-Cutting of Trees	36.08	36.02
<b>Total (B)</b>	<b>145.63</b>	<b>121.58</b>
<b>(C) Others</b>		
Advance Income Tax & TDS #	440.50	413.82
<b>Total (C)</b>	<b>440.50</b>	<b>413.82</b>
<b>Total (A+B+C)</b>	<b>284,213.70</b>	<b>259,622.67</b>

# Advance Income Tax & TDS (Net of provision for income tax) for earlier years pending assesment/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) as on 31.03.2015 is ₹ 1,80,923.44 Lakh (Previous Year ₹ 1,52,899.61 Lakh). The works are under various stages of progress and the same will be accounted for on completion of respective works by the concerned parties.

### 13 Cash and Bank Balances

Amount in (₹ Lakh )

Particulars	As at March 31, 2015	As at March 31, 2014
<b>(a) Cash and Cash Equivalents</b>		
Bank Balances		
- Current Accounts & Flexi	17,046.45	13,728.60
- Deposit Accounts with maturity of 3 months or less	66,000.00	70,000.00
Cheques in hand	21.96	4.10
<b>(b) Other Bank Balances</b>		
-- Fixed Deposit Accounts Pledged as Security	416.34	329.41
<b>Total (a) + (b)</b>	<b>83,484.75</b>	<b>84,062.11</b>

- 13.1 Bank Balances includes Rs. 3,382.70 Lakh (Previous Year Rs. 4,175.92 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, 2015	As at March 31, 2014
<b>(a) Other Loans &amp; Advances (Unsecured considered good)</b>		
(i) Employee advances	15.16	19.07
(ii) Prepaid Expense	12.26	5.44
(iii) Service Tax Input Credit & Advance Paid	113.15	94.73
(iv) Security Deposit - NDMC	10.33	10.33
(v) Others	249.95	278.11
<b>Total</b>	<b>400.85</b>	<b>407.68</b>

of Advance Income Tax & IDS (Net of provision for income tax) for current year pending adjustment.

- 14.1 There is no advance to directors outstanding as on 31.03.2015 (Previous year-NIL)

**15 OTHER CURRENT ASSETS**

Amount in (₹ Lakh)

Particulars	As at March 31, 2015	As at March 31, 2014
(a) Interest accrued on Fixed Deposit, Mobilization advances & Others		
On Deposit Accounts with Banks	385.39	727.89
On Mobilisation Advances	664.09	123.05
On Advance Consumption Deposit	45.43	-
(b) Expenditure on Land Acquisition -Recoverable from MOR	355.41	2,247.05
(c) Expenditure on Pets Survey -Recoverable from MOR	974.47	526.76
(d) Recoverable from Staff	3.38	16.92
(e) Recoverable from Contractors/Consultants	5.10	497.84
(f) Other Recoverable	228.60	356.93
(Represents Rent & Facility Management charges etc. receivable on account of sub-lease)		
(g) Gold/Silver Medallian for Employees in hand	1.69	-
<b>Total</b>	<b>2,663.56</b>	<b>4,496.44</b>

**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 land cost. 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.

## Notes to the Financial statements

### 16 Other Income

Amount in (₹ Lakh )

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
<b>(A) Interest Income</b>		
Interest on Flexi/FDR	5,635.78	5,600.78
<b>Total (A)</b>	<b>5,635.78</b>	<b>5,600.78</b>
<b>(B) Other Non Operating Income</b>		
Misc. Income	2.02	10.72
Rent Recovery on Sub Lease (See note No. 16.1)	499.17	462.70
Housekeeping Exp. Recovered from Sub-lessee	25.28	22.28
Office Security Exp. Recovered from Sub-lessee	40.60	40.20
Electricity Exp. Recovered from Sub-lessee	55.25	79.05
Office Repair & Maintenance Recovered from Sub-lessee	-	0.05
Repair & Maintenance Exp. Recovered from Sub-lessee	-	4.41
Annual Maintenance Charges Recovered from Sub-lessee	14.75	8.28
Composite Rent & Facility Management Charges Received	182.35	150.00
<b>Total (B)</b>	<b>819.42</b>	<b>777.69</b>
<b>(C) Less : Direct expenses</b>		
Housekeeping Expenses	21.38	19.82
Rent	499.17	462.70
Composite Rent & Facility Management Exp	141.91	91.94
Office Security Expenses	34.33	35.77
Electricity Exp. Office	46.74	70.33
Office Repair & Maintenance	-	0.04
Repair & Maintenance	-	3.92
Annual Maintenance Charges	12.47	7.37
<b>Total (C)</b>	<b>756.00</b>	<b>691.89</b>
<b>(D) Net Other Non Operating Income [ (B) - (C) ]</b>	<b>63.42</b>	<b>85.80</b>
<b>Net Other Income [ (A) + (D) ]</b>	<b>5,699.20</b>	<b>5,686.58</b>

#### 16.1 Sub Lease :

Sub lease receivables recognised in the Statement of Profit & Loss for the year is ₹499.17 Lakh  
(Previous year ₹ 462.70 Lakh)

**17 Employee Benefits Expense**

Amount in (₹ Lakh )

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Salary, Wages & Allowances	6,028.39	5,213.07
Leave Salary & Pension Contribution	293.22	316.59
Gratuity, Contribution to PF & Pension Scheme (incl. admin fee)	322.50	229.06
Staff Welfare	356.00	396.07
<b>Total</b>	<b>7,000.11</b>	<b>6,154.79</b>
<b>Less: Transferred to Development Account (Note 19)</b>	<b>7,000.11</b>	<b>6,154.79</b>
<b>Balance (Transferred to Statement of Profit &amp; Loss)</b>	<b>-</b>	<b>-</b>

**17.1 Disclosure in term of AS - 15 is as under :****Defined Contribution Plan**

Contribution to defined contribution plan recognized as development expenses are as under:

- Employer's Contribution to Provident Fund	199.80	132.20
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**17 A Finance Cost**

Amount in (₹ Lakh )

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
<u>Interest Expenses on:</u>		
EAP/JICA Loan	5,767.60	1,829.65
IBRD Loan	264.33	132.10
Interest on Income Tax	16.32	-
Upfront Fee	1,332.06	-
<u>Other Borrowing Costs:</u>		
Exchange differences regarded as adjustment to interest cost	1,684.16	836.59
<b>Total</b>	<b>9,064.47</b>	<b>2,798.34</b>
<b>Less: Transferred to Development Account (Note 19)</b>	<b>9,064.47</b>	<b>2,798.34</b>
<b>Balance (Transferred to Statement of Profit &amp; Loss)</b>	<b>-</b>	<b>-</b>

Note : For the purpose of the determining of the determining the quantum of exchange difference to be regarded as interest cost in compliance of para 4(e) of Accounting Standard 16 on Borrowing Cost, interest on local currency borrowing has been computed @ 7% being the interest rate at which borrowing to DFCCIL is available from MOR.

**17 B Depreciation & Amortization Expenses**

Amount in (₹ Lakh )

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Depreciation - EDP Assets	90.49	124.57
Depreciation - Office Equipment	157.72	45.17
Depreciation - Furniture & Fixture	(33.51)	38.50
Depreciation - Leasehold Improvement	57.28	47.77
Depreciation - Leasehold Flat	5.33	5.33
Depreciation - Plant & Machinery	0.06	-
<b>Total</b>	<b>277.37</b>	<b>261.34</b>
<b>Less: Transferred to Development Account (Note 19)</b>	<b>277.37</b>	<b>261.34</b>
<b>Balance (Transferred to Statement of Profit &amp; Loss)</b>	<b>-</b>	<b>-</b>

**17 C Other Expenses**

Amount in (₹ Lakh )

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Advertisement Expenses	220.68	233.35
Communication Expenses	93.09	102.38
Printing & Stationary	122.59	140.97
Misc. Expenses	43.81	52.94
Books & Periodicals	2.41	3.32
Legal & Professional Charges	104.25	81.51
Directors Sitting Fee	2.02	6.14
Consultancy Fees to Consultants	127.83	184.79
Placement Consultancy Charges	260.95	291.25
Recruitment Expenses	393.07	92.65
Electricity Expenses	83.18	33.05
Power & Fuel	7.13	3.86
Housekeeping Expenses	303.15	180.52
Payment to Statutory Auditors *	13.79	8.55
Corporate Social Responsibility	32.27	19.13
Meeting & Conference	43.96	46.57
Rates & Taxes	102.04	76.61
Rent **	1,324.94	1,058.10
Tours ,Travels and Conveyance	1,659.96	1,410.24
Seminar & Training Expenses	230.95	464.46
Repair & Maintenance-others	86.98	66.76
Annual Subscription Fees-IT Consultancy & Software	1.94	22.45
Office Expenses	14.76	18.49
Hospitality Expenses	13.22	15.22
Office Security Expenses	68.32	48.46
Loss on Sale of Fixed Assets	-	0.49
Interest on Duties & Taxes	2.37	0.64
Foreign Currency Expenditure	2.25	35.74
<b>Total</b>	<b>5,361.91</b>	<b>4,698.64</b>
<b>Less:Transferred to Development Account (Note 19)</b>	<b>5,361.91</b>	<b>4,698.64</b>
<b>Balance (Transferred to Statement of Profit &amp; Loss)</b>	<b>-</b>	<b>-</b>

\* **Payment to Statutory Auditors includes :**

As Auditor :

Audit Fee	9.22	4.49
Tax Audit Fee	2.19	2.25
Reimbursement of Expenses	0.45	0.82
Other Audit Fees (EDFC-I Audit)	1.93	0.99
	<b>13.79</b>	<b>8.55</b>

\*\* **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 year 2014-15 is ₹ 1324.94 Lakh (Previous year ₹ 1,058.10 Lakh)

## Notes to the Financial statements

### 18 Prior Period Adjustment

Amount in (₹ Lakh )

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Consultancy Charges	7.93	(15.92)
Meeting Exp.	-	0.78
Electricity Exp.	0.29	25.20
Vehicle Hiring Charges	4.14	1.61
Misc. Prior Period Adjustments	2.94	-
Placement Consultancy Exp.	22.83	19.68
Recruitment Exp.	-	9.14
TA/DA Exp.	1.63	1.32
Annual Subscription Fee	-	0.92
Seminar & Training Exp.	(29.45)	18.42
Professional Charges	5.31	(68.64)
Salary, Wages & Allowances	(1.03)	(9.90)
Foreign Service Contribution	12.99	-
Security Charges	(0.97)	-
Guest House Rent	1.48	-
Lease Rent	(0.89)	-
Interest on Loan	(4.63)	-
Interest on Consumption Deposit	(16.23)	-
<b>Total</b>	<b>6.34</b>	<b>(17.39)</b>
<b>Less: Transferred to Development Account (Note 19)</b>	<b>6.34</b>	<b>(17.39)</b>
<b>Balance (Transferred to Statement of Profit &amp; Loss)</b>	<b>-</b>	<b>-</b>



## Notes to the Financial statements

19 Development Account (Pending Capitalisation)		Amount in (₹ Lakh)	
Particulars	Note No	Year ended March 31, 2015	Year ended March 31, 2014
Employee Benefit expense	17	7,000.11	6,154.79
Finance cost	17 A	9,064.47	2,798.34
Depreciation and amortization expense	17 B	277.37	261.34
Other expenses	17 C	5,361.91	4,698.64
Prior Period Adjustment	18	6.34	(17.39)
<b>Total (A)</b>		<b>21,710.20</b>	<b>13,895.72</b>
Less:			
Liquidated Damage (LDA)		302.67	145.27
Interest on Mobilization Advance		1,838.90	1,731.37
Interest on Advance Consumption Deposit		29.21	-
Cash Discount from Contractors		233.95	-
Profit on Sale of Fixed Assets		32.21	-
Foreign Currency Fluctuation Gain / (Loss)		209.62	(269.95)
D&G and Supervision Charges received		7.44	-
Security Deposit/EMD Forfeited		14.70	5.91
Sale of Tender		22.61	30.36
<b>Total (B)</b>		<b>2,691.31</b>	<b>1,642.96</b>
<b>Net Expenditure (A-B)</b>		<b>19,018.89</b>	<b>12,252.76</b>
<b>Profit Transferred From Statement of Profit And Loss</b>		<b>45.92</b>	<b>58.63</b>
<b>Total Transferred To Capital Work In Progress (CWIP)</b>		<b>18,972.97</b>	<b>12,194.13</b>

**20. a) Contingent Liabilities as on:****(₹ in Lakh)**

Description	As on 31.03.2015	As on 31.03.2014
Claims against the Company not acknowledged as debts in respect of Capital Works	31,796.38	33,744.06
Disputed Taxation Demands	705.87	27.82
<b>Total</b>	<b>32,502.25</b>	<b>33,771.88</b>

- 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. Capital Commitments:**

Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 10,00,720.72 Lakh (Previous Year ₹ 10,47,156.99 Lakh).

22. 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.
23. 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.

24. The effect of foreign exchange fluctuation during the period is as under:

**(₹ in Lakh)**

		Year ended March 31, 2015	Year ended March 31, 2014
(i)	Amount charged to Development account as Borrowing Cost	1684.16	836.59
(ii)	Amount charged to Development account as FERV	(209.62)	269.95

25. The amount of borrowing cost capitalised by transfer to 'Development Account' (including prior period items) during the current year is ₹9,043.52 Lakh (Previous year – ₹2,798.34 Lakh).
26. During the financial year ended 31.03.2015, following Significant Accounting Policies have been reworded / modified / introduced:

(₹ in Lakh)

Significant Accounting Policy	Description	Impact on Accounts
Policy No. 2.1 & 2.2	Policy has been reworded/amended to have better disclosure.	No Impact.
Policy No. 2.5(b)	i. Policy for charging of depreciation has been modified from WDV to SLM. ii. Policy is reworded in view of the requirements of Schedule II of the Companies Act, 2013	Depreciation for the current year has increased by ₹ 82.56 Lakh. Further due to change in method of depreciation from retrospective effect, the depreciation has decreased by ₹ 255.05 Lakh for the period prior to FY 2014-15 which has been reversed during the current year. Amount of assets having Nil life as on 01.04.2014 charged as depreciation ₹ 214.31 Lakh.
Policy No. 2.5(e)	Policy has been reworded/amended to include reference of Companies Act, 2013.	No Impact.

27. The Company is in construction stage for work relating to Eastern Section and Western Section of Dedicated Freight Corridor Project. Operation has yet not been started and no operational income has been earned during the year hence Statement of Profit & Loss is being drawn only for non-operational income i.e. Interest on Bank deposits & Service charges income on Facility Management Services provided on sub-lease.

In view of above provisions of Accounting Standard - 17 on Segment Reporting are not applicable.

28. In compliance of Accounting Standard – 18 on related party disclosures, the required information is given as under: -

**a) Key Management Personnel**

Shri Adesh Sharma	Managing Director w.e.f. 20.10.2014
Shri R.K.Gupta	Managing Director up to 28.07.2014
Shri H.D. Gujrati	Director (OPR & BD)
Shri Anshuman Sharma	Director (PP)
Shri M. K. Mittal	Director (Finance)
Shri D.S.Rana	Director (INFRA) w.e.f. 27.10.2014
Smt. Meenu Kapoor	Company Secretary

**b) Transactions carried out with the related parties is as follows:**

Remuneration to key management personnel is ₹136.32 Lakh (Previous year ₹120.49 Lakh) and amount of dues outstanding to the Company as on 31.03.2015 is Nil (Previous year – Nil).

**29. Earnings per Share:-**

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

	Year ended March 31, 2015	Year ended March 31, 2014
Net Profit after Tax used as numerator (₹ in Lakh)	3,770.53	3,697.07
Weighted Average number of equity shares used as denominator		
– Basic	3,51,40,830	2,65,07,665
– Diluted	3,71,86,469	2,65,35,279
Earnings Per Share (₹)		
– Basic	10.73	13.95
– Diluted	10.14	13.93
Face value per share (₹)	1,000	1,000

**30. 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	109.93	160.09	79.68	65.77
Additions during the year	103.45	149.92	17.27	1,914.25
Amount used/incurred	-	23.07	4.83	1,973.36
Unused amount reversed	-	-	-	4.82
Closing Balance	213.38	286.94	92.12	1.84

**31. Income / Expenditure in Foreign Currency (₹ in Lakh)**

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
<b>Income:</b>	<b>Nil</b>	<b>Nil</b>
<b>Expenditure:</b>		
Interest	264.32	132.10
Professional & Consultation Fee	5,611.34	2,263.96
Others	8,256.08	258.30

**32. The Board of Directors approved a sum of ₹ 58.00 Lakh to be incurred for Corporate Social Responsibility (CSR) during the year 2014-15. During the year, company has incurred ₹ 32.27 Lakh on CSR activities.**

(₹ in Lakh)

Particulars	In Cash	Yet to be Paid in Cash	Total
Construction/Acquisition of any asset	5.12	13.50	18.62
On purpose other than above	9.94	3.71	13.65
<b>Total</b>	<b>15.06</b>	<b>17.21</b>	<b>32.27</b>

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, 2015	Year ended March 31, 2014
(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 date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as deductible expenditure.	NIL	NIL

34. 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 M/s Baweja & Kaul  
Chartered Accountants  
Firm Registration No: 005834N

Sd/-  
CA Dalip K Kaul  
Partner  
M.No. 083066  
Place: New Delhi  
Date: 30-06-2015

For and on Behalf of the board of Directors

Sd/-  
(Adesh Sharma)  
Managing Director  
DIN-7022393

Sd/-  
(Meenu Kapoor)  
Company Secretary  
ACS - 18954

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



Dedicated Freight Corridor  
Corporation of India Limited

# 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 31<sup>st</sup> March, 2015, 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, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. 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.



## Basis for Qualified Opinion

1. *Bankers have deducted Tax at Source (TDS) or Interest received on Land Bank Accounts (SLAO) These accounts do not pertain to the company, however the company has wrongly recognized the TDS on these accounts as its current asset and correspondingly shown as payable to Ministry of Railways. Accordingly the current assets and current liabilities are overstated by Rs. 10018560/-.*

## Qualified Opinion

*In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the 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, 2015 and its Profit and its Cash flows for the year ended on that date.*

## Emphasis of Matter

We draw attention to the following:

1. Note No. 22 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.
2. The company receives composite fund for issue of Equity and towards EAP from the Ministry of Railways. The company has not bifurcated the funds into Equity component and EAP component on the date of receipt and has not transferred the funds received for Equity component to Share Application Money Pending Allotment on the date of receipt. The EAP component is converted into loan component whenever payment is made to Controller of Aid, Accounts and Audit (CAAA) for onward payments to contractors. The company transfers the residual balance lying at the year end in Funds Received towards Equity and EAP from Ministry of Railway Account to Share Application Money pending allotment.
3. Note no. 11(6) The Company has changed its Accounting Policy in respect of depreciation on fixed assets. The Company was charging depreciation on written down value method as laid down in schedule XIV of the companies Act, 1956 till March 31, 2014 and has shifted to Straight Line method as laid down in Schedule II to the Companies Act, 2013 with effect from April 1, 2014. The change in Accounting Policy with respect to Method of charging depreciation has resulted in reversal of depreciation due to change in method from WDV to SLM Rs. 255.05 Lakh and charge for assets having Nil life as on 01.04.2014 Rs. 214.31 Lakhs.

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

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("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 statement on the matters specified in the paragraph 3 and 4 of the said order, to the extent applicable.
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 2.

3. The Company has not complied with the provisions of the Companies Act 2013 with respect to appointment of Independent directors & Women director as per section 149 of the Act. Due to non-compliance, the composition of Audit Committee of the Board, composition of Corporate Social Responsibility of the Board and Nomination and Remuneration Committee is not in accordance with the provisions of the Companies Act 2013 read with rules framed thereunder, from time to time.
4. 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) Rule, 2014, *Except for the effect of matters described in the Basis for Qualified Opinion paragraph, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards Specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;*
  - (e) On the basis of the written representations received from the directors as on 31.03.2015 taken on record by the Board of Directors, none of the Directors is disqualified as on 31.03.2015 from being appointed as a director in terms of Section 164(2) of the Companies Act, 2013; and
  - (f) 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 explanation 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 has made provision, as required under the applicable law or accounting standards, for material foreseeable losses on long-term contracts including derivative contracts.
    - 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

Sd/-

CA Dalip K. Kaul  
Partner  
M.No. 083066

Place : New Delhi  
Date : 30.06.2015

## **Annexure 1 to the Independent Auditor's Report referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date**

- 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 by which fixed assets are verified in phased manner over a period of three years. In accordance with this programme certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets.
- 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. Thus, paragraph 3(ii) of the Order is not applicable.
- iii. The Company has not granted any loans, secured or unsecured to the companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. In view of this, sub clauses (a) and (b) of clause (iii) of the Order are not applicable.
- iv. In our opinion and according to the information and explanations given to us, the internal control system is generally adequate and commensurate with the size of the company and the nature of its business for the purchase of fixed assets. The activities of the company do not involve purchase of inventory and the sale of goods. We have not come across any continuing failure to correct major weaknesses in internal control system.
- v. The Company has not accepted any deposit from public within the meaning of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder.
- vi. As per information and explanations given to us, the provisions of Section 148(1) of the Companies Act, 2013 read with Companies (Cost Records & Audit) Rules, 2014 requiring maintenance of Cost Records is not applicable to the Company.
- vii. (a) According to the information and explanations given to us 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, wealth 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.

According to the information and explanation given to us, no undisputed amounts payable in respect of provident fund, employee's state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, Value added tax, cess and any other material statutory dues were in arrear as on 31<sup>st</sup> March 2015 for a period of more than six months from the date they became payable except amount of Rs. 22012/- in respect of Provident Fund which was paid on 20.05.2015.

(b) According to the information and explanations given to us, following amounts payable in respect of income tax, as at 31<sup>st</sup> March, 2015 have not been deposited on account of dispute:

Name of the Statute	Nature of Dues	Amount in Rs. (Figures are in Crores)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	0.14	2011-12	Income-tax Appellate Tribunal

- (c) According to the information and explanations given to us, no amount is required to be transferred to the Investor Education and Protection Fund (IEPF) in accordance with the relevant provisions of section 205C of the Companies Act, 1956 (1 of 1956) and Rules made there under read with the IEPF (Awareness and protection of investors), Rules, 2001.
- viii. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year covered by our audit and in the immediately preceding financial year.
- ix. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions.
- x. In our opinion and according to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.
- xi. According to the information and explanation given to us and on the overall examination of the Balance Sheet of the Company, we report that the term loans have been applied for the purpose for which they were obtained.
- xii. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, we have not come across any instance of fraud on or by the Company, and according to information and explanation given to us, no fraud was noticed or reported during the year under audit by the management.

**For BAWEJA & KAUL**  
Chartered Accountants  
FRN : 005834N

Sd/-  
CA Dalip K. Kaul  
Partner  
M. No. 083066

Place : New Delhi  
Date : 30.06.2015

**Annexure 2 to the Independent Auditor's Report referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the member of Dedicated Freight Corridor Corporation of India Limited for the financial year ended on 31<sup>st</sup> March 2015.**

S.No.	Directions	Our Report	Action Taken Thereon	Impact on Accounts and financial statements of the Company
1.	If the Company has been selected for disinvestment, a complete status report in terms of valuation of Assets (including intangible assets and land) and Liabilities (including Committed and General Reserves) may be examined including the mode and present stage of disinvestment process.	The Company was not selected for disinvestment during the financial year 2014-15	No action required	Not applicable
2.	Please report whether there are any cases of waiver/ write off of debts/ loans/ interest etc., if yes, the reasons therefor 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.	No action required	Nil
3.	Whether proper records are maintained for inventories lying with third parties & assets received as gift from Govt. or other authorities?	The Company does not maintain any inventory, the directions in this regard is not applicable.	No action required	Nil

S.No.	Directions	Our Report	Action Taken Thereon	Impact on Accounts and financial statements of the Company										
4.	A report on age-wise analysis of pending legal/arbitration cases including the reasons of pendency and existence/ effectiveness of a monitoring mechanism for expenditure on all legal cases (foreign and local) may be given.	<p>The age-wise analysis of pending legal / arbitration cases classification obtained from the management is as under:</p> <table><tr><td>More than 3 years</td><td>: 2</td></tr><tr><td>Two to three years</td><td>: 1</td></tr><tr><td>One to two years</td><td>: 0</td></tr><tr><td>Less than one year</td><td>: 3</td></tr><tr><td><b>Total</b></td><td><b>: 6</b></td></tr></table> <p>These cases are pending for hearing / disposal at the respective forums.</p> <p>As per Management expenditure on legal cases is incurred only after approval of the Competent Authority. The Company has a system for monitoring expenditure on legal cases (foreign and local) which in our view is effective.</p>	More than 3 years	: 2	Two to three years	: 1	One to two years	: 0	Less than one year	: 3	<b>Total</b>	<b>: 6</b>	Company is of the opinion that there would be no probable outflow of resources to settle these claims, as such the amount involved has been shown under contingent liability in Note No. 20, para (a) to financial statements.	Nil
More than 3 years	: 2													
Two to three years	: 1													
One to two years	: 0													
Less than one year	: 3													
<b>Total</b>	<b>: 6</b>													

**For BAWEJA & KAUL**  
Chartered Accountants  
FRN : 005834N

Sd/-  
CA Dalip K. Kaul  
Partner  
M. No. 083066

Place : New Delhi  
Date : 30.06.2015