



## HIGH SPEED RAIL CORPORATION OF INDIA LIMITED

(A Wholly owned Subsidiary of Rail Vikas Nigam Limited)

### DIRECTORS' REPORT

#### Distinguished Shareholders,

The Directors of your Company are privileged in presenting the 4<sup>th</sup> Annual Report of the Company together with the Audited Statements of Accounts and Auditors' Report for the year ended 31st March, 2016.

President of India (Ministry of Railways) issued directions to Rail Vikas Nigam Ltd. (RVNL) for incorporating an SPV for development of High Speed Rail Corridors in the country. Subsequently, RVNL incorporated High Speed Rail Corporation of India Limited (HSRC) on 25th July 2012 as its Wholly owned Subsidiary and the Certificate of Commencement of Business was received on 18th August, 2012. The Company has its registered office in New Delhi.

The main objects of the Company are to enter into and carry on all business related to planning, designing, development, construction, manufacturing, assembling, fabricating, processing, installing, maintenance, operation and financing of Railway infrastructure and related logistic support systems, including rolling stock, of all types in India and abroad of High Speed Rail Projects and any other Rail-based traffic, as may be approved by the Government of India or Rail Vikas Nigam Limited (RVNL) or any other Authority specifically created for this purpose from time to time, and to undertake any or all activities connected thereto, on PPP, EPC or any other scheme or model basis.

#### Business Performance

##### 1. Pre-feasibility study of dedicated High Speed corridor of Delhi-Chandigarh-Amritsar.

Ministry of Railways had assigned the work of conducting the pre-feasibility study for Delhi-Chandigarh-Amritsar dedicated High Speed corridor

with a speed potential of 350 kmph.

M/s SYSTRA S.A in a consortium with M/s RITES has been engaged by HSRC/RVNL for pre-feasibility study for High Speed Rail Corridor between Delhi-Chandigarh-Amritsar. Consultant has submitted the Final Report of Prefeasibility study in May 2016.

##### 2. Signing of MoU between MoR and Administrator of National Railway Administration & Vice-Minister of Transport of China:

A Memorandum of Understanding (MoU) between the Government of the Republic of India and the Government of the People's Republic of China on enhancing technical cooperation in railway sector, was signed on 18th September, 2014 with Chairman, Railway Board, Ministry of Railways of India and Mr. LU Dongfu, Administrator of National Railway Administration & Vice-Minister of Transport of China as signatories. Under this MoU, an Action Plan for enhancing cooperation was signed on 18th September, 2014, within which the following two projects have been taken up in railways. A subsequent Action Plan was also agreed to between NRA, China and MoR on 15.05.2015 which refers to progress made since the signing of first Action Plan in September, 2014.

##### A. Upgrading of Chennai-Bangalore-Mysore section

The work of feasibility study on upgrading of Chennai-Bangalore-Mysore section for Speed Raising up to 160 kmph was given to CREEC (China Railway Eryuan Engineering Group Company



Limited) under Government to Government co-operation. The Consultant has submitted the Draft Final Report on 27.06.2016.

**B. Delhi-Chennai High Speed Corridor Feasibility Study Report (Detailed Project Report)**

China Railway Siyuan Survey and Design Group (CRSSDG) & HSRC signed TERMS OF AGREEMENT AND WORK PLAN at SIYUAN Headquarter, Wuhan, China on 28.11.2014 for preparation of a Project Feasibility Study Report (Detailed Project Report) for a High Speed Rail Corridor between Delhi and Chennai. It has been agreed that the Project Feasibility Study Report will be taken up with financing by the Chinese side. Ministry of Railways has approved on 31.03.2015 that the Study will be done for only Delhi-Nagpur section instead of the complete Delhi-Chennai section, as it is a very long corridor and not only will the construction cost of the project be high but the Feasibility Study will be at a considerable cost and time as well.

CRSSDG carried out an on-the-spot survey in India in March 2015 and visited Agra, Bhopal, Nagpur, Hyderabad, Vijayawada and Chennai, and has submitted the Planning Report on 17.07.2015 and the Inception report during March 2016. Subsequently, one more Action Plan was signed between Government of India and Government of China, in which some of the works related to Feasibility study has been agreed to that it will be done by Indian side. After the funding is committed by NRA to Siyuan, CRSSDG & the activities to be done by Indian side are listed by Chinese side, HSRC will finalize modalities in consultation with Ministry of Railways.

**3. Feasibility Study for Diamond Quadrilateral Network of High Speed Rail Corridors connecting four major metros i.e. New Delhi-Mumbai-Chennai-Kolkata-New Delhi:**

Ministry of Railways (MoR) has entrusted RVNL/HSRC the work of carrying out the Feasibility Study for Diamond Quadrilateral Network of High Speed Rail Corridors connecting four major metros i.e. New Delhi-Mumbai-Chennai-Kolkata-New Delhi through an open global tender. Work has been awarded to (i) M/s TSDI-LAHMEYER (China) for New Delhi-Mumbai Corridor (ii) M/s SYSTRA-RITES-EY (France) for Mumbai-Chennai and M/s INECO-TYPSA-ICT for Delhi-Kolkata. All the Feasibility studies are progressing well. Interim Report-1 has been submitted by Consultant for Delhi-Mumbai and Mumbai-Chennai and Interim Report-2 has been submitted by Consultant for Delhi-Kolkata. All the studies are programmed to be completed in FY 2015-16.

**Financial Performance**

During the year the Paid-up Share Capital of HSRC is ₹10,74,110/-. There is an increase in the current liabilities of the Company to ₹18,42,63,151/- as at 31.03.2016. The expenditure incurred by RVNL on behalf of HSRC. The total expenditure incurred on the project upto 31.03.2016 is ₹2.15 crore which has been incurred mainly on salary, travel, etc.

There is an increase in other income to ₹20,81,110/- during 2015-16 on account of interest income. After offsetting an expenditure of ₹5,03,815/- and meeting tax liability of ₹4,86,041/- there is a surplus of ₹10,91,254/-.

The significant indicators of financial performance of the Company for the financial year 2015-16 are mentioned below:



(Amount in ₹)

S.No	Particulars	FY 2015-16	FY 2014-15
1	Authorized Share Capital	5,00,00,000	5,00,00,000
2.	Paid-up share Capital	10,74,110	10,74,110
3.	Capital work in progress	1,66,080,319	2,62,40,048
4.	Total Income	20,81,110	13,33,004
5.	Operating Income	Nil	Nil
6.	Profit before Tax	15,77,295	7,79,197
7.	Net Worth	(7,54,940)	(18,46,195)
8.	Earnings Per Share	10.16	9

### Capital Structure

The Paid-up Share Capital of the Company is ₹10,74,110/- against the Authorized Share Capital of ₹5 crore.

### Dividend

Since the company has not yet started its commercial activities, and the limited financial transaction, the Company has not declared any dividend for the year 2015-16.

### Fixed Deposits

The Company has not accepted any fixed deposits from public during the year under review.

### Reserves

As the Company is yet to commence its operational activities the Company has not transferred any amount to General Reserves.

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

The provisions of conservation of energy, technology absorption are not applicable to the Company. During the year under review, there is no foreign exchange earnings there is an outgo of ₹3,06,988/- (approx) on account of travel.

### Presidential Directive

No Presidential Directive was received during the year.

### Integral Reports

“Management Discussion and Analysis Report” and “Corporate Governance Report” form an integral part of this Director’s Report, which are placed at **Annexure-I & II**.

### Board of Directors

The Board of Directors consists of four (4) part- time Director nominated by the Holding Company, Rail Vikas Nigam Limited.

The following Directors held office during the year:

Mr. S. C .Agnihotri	Chairman
Mr. Mukul Jain	Director
Mr. Ashok K. Ganju	Director
Mr. Vijay Anand	Director

### Number of Board Meetings

The Board met five (5) times on 10th April, 2015, 22nd July, 2015, 10th August, 2015, 9th November, 2015 and 3rd February, 2016 during the year for transacting business

### Directors’ Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013, Directors confirm that -

- In the preparation of annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;



- b) The directors had selected such accounting policies and applied them consistently and made judgements 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 financial year and of the profit of the company of that year;
- c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities;
- d) The directors had prepared the annual accounts on a going concern basis; and
- e) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **Extract of Annual return**

Extract of Annual Return of the Company is annexed herewith as **Annexure III** to this report.

#### **Auditors**

The Comptroller & Auditor General of India appointed M/s ASAP & Associates, Chartered Accountants as Company's Statutory Auditors for the Year 2015-16. The Board would like to place on record their sincere thanks for the valuable services rendered by Statutory Auditors.

#### **Comments of Comptroller & Auditor General of India**

The Comptroller & Auditor General of India has undertaken supplementary audit on the accounts of the Company for the year ended 31st March, 2016 under Section 139 (5) of the Companies Act, 2013. The comments of the C& AG on the Annual Accounts of the Company for the year ended 31st March, 2016 shall also form part of this report.

#### **Acknowledgements**

We record our appreciation and thanks to the Ministry of Railways and Holding Company, RVNL for their continued support to the Company, and also the employees of the Holding Company for their efforts to take the company forward.

**For and on behalf of Board of Directors**

**Place: New Delhi**

**Dated: 05.08.2016**

**Mukul Jain**

**Director**

**[DIN 03121180]**

**Ashok K. Ganju**

**Director**

**[DIN 01970462]**



## MANAGEMENT DISCUSSION AND ANALYSIS

### An Overview

The company was incorporated on 25th July, 2012 as a Wholly owned Subsidiary (WoS) of Rail Vikas Nigam Limited, a schedule 'A' CPSE under Ministry of Railways.

### Mission

Creation and operation of state-of-the-art High Speed Rail Systems in India and Abroad.

### Vision

To emerge as project developer for implementation of high speed rail projects with a sound financial base and to build a pool of expertise in global construction, maintenance and operational practices.

### Objectives

- To develop human resources for project implementation by skill development training and developing expertise for specific areas of rail infrastructure in general and high speed rail in particular.
- To develop and improve existing knowledge base in-house to provide consulting services.
- To develop expertise and a knowledge base for optimum utilization of existing assets and up-grading them for higher speed potential.
- To maintain a cost effective organizational set up.
- To undertake the project development and implementation of identified High Speed projects.
- To be a rail infrastructure Project Management Company committed to sustainable development and environment friendly construction of high speed rail related projects in the country and abroad.
- To ensure efficient and timely execution of projects as per International norms.

- To mobilize financial resources for project implementation.
- To encourage public private participation in rail related projects.
- Financial Performance
- The company has not recorded any operating turnover during the year, as the Company is yet to start its commercial activities. The Company, however, earned an interest on deposits amounting to ₹20,81,110/-

### Strengths

- The organization is developing expertise in undertaking all stages of project development - from concept to commissioning – including feasibility/bankability studies, DPR (detailed project report), financing/structuring of project specific SPVs, tendering for EPC contractors, project supervision, commissioning etc.
- HSRC is working with multiple study teams consisting of international experts involved in conducting Feasibility studies of various High Speed Rail corridors of Diamond Quadrilateral.
- HSRC can develop Private Public Partnership (PPP) models for implementation and financing of High Speed Rail infrastructure projects
- HSRC is working and learning with international teams having the requisite skills and experience to implement projects following ADB procedures and ensuring Resettlement and Rehabilitation of Project Affected Persons displaced by land acquisition and implementing socio-economic safeguards.
- It has a sound and robust financial management system, which allows for effective monitoring and control of expenditure.



### Weaknesses

- HSRC has a very small team and has to depend on the parent organization for manpower.
- HSR is a new subject for officers and staff of even Indian Railways. Trained People are not available in the market. Officers/staff deployed need to be trained on the job which is a time consuming process.
- HSRC has not been empowered to take decisions on all issues relevant to implementation of the High Speed rail projects.
- HSR projects are highly capital intensive and have long gestation period and are not favoured by private equity. Thus, such projects will be few in number and predominantly funded by public money.

### Opportunities

- High speed rail project is a niche area and position of HSRC is unique.
- HSR projects are priority projects for the Government of India.
- Feasibility study of Mumbai-Ahmedabad corridor is nearing completion and project can be taken up for execution at a short notice.
- Feasibility studies for six more corridors of Diamond Quadrilateral have been taken up and expected to be completed by December 2016.
- HSRC has recently been entrusted with the work of conducting feasibility studies for six corridors of Diamond Quadrilateral of High Speed Rail network.
- HSRC has been working as Project Integrator for up-gradation of identified existing rail sections to 160 kmph.
- Implementation of projects for Kolkata Metro. This will give HSRC an opportunity to develop expertise for implementation of metro projects in new cities across the country.

### Threats

- Projects are yet to be sanctioned by the Ministry of Railways.
- The shortage of technical manpower with required experience will be a major constraint in the delivery of projects.
- Availability of funds is a critical requirement for implementation of projects.
- This over-dependence for sourcing of funds for implementation of projects may create a financial crisis at any time which may prove detrimental in the long term for the company.
- Land acquisition issues require to be resolved expeditiously so that the progress of projects is not hampered.
- Delays in clearances for project execution, such as forest clearance, tree cutting permission, approvals of various departments for diversion of utilities etc.
- Delays in project delivery may have an adverse impact on the image of HSRC.
- The Government has established a new company, viz National High Speed Rail Corporation which may impede HSRC in fulfilling its objectives.

### Risks and Concerns

High Speed Rail projects are highly capital intensive. The implementation of these projects will depend on specific policy directives of the Government of India.

#### Internal Control Systems

The internal control system of the Company will be established with the taking up of operational activities.

#### Human Resources

The Company has no personnel on its rolls. At present, all activities of the Company are being managed by personnel of RVNL as additional responsibilities/duties and based on utilization their part salary is paid by the Company.



## REPORT ON CORPORATE GOVERNANCE

### 1. Company's Philosophy on Corporate Governance

Initiatives are being taken to implement Corporate Governance principles and measures as contained in the Guidelines on Corporate Governance for Central Public Sector Enterprises May 2010 issued by the Department of Public Enterprises.

### 2. Incorporation

The Company was incorporated on 25th July, 2012 as a Wholly owned Subsidiary of RVNL Ltd. with an Authorized Share Capital of ₹5 crore and paid up share capital of ₹1074110. The Holding Company, RVNL, holds the entire paid-up share capital of the Company.

### 3. Board of Directors

The Board of the Company comprises of four directors namely Shri S. C. Agnihotri, Chairman and Managing Director, RVNL, Shri Mukul Jain, Director (Operations), RVNL, Shri Ashok K. Ganju, Director (Finance), RVNL and Shri Vijay Anand, Director (Projects), RVNL.

The names and categories of Directors on the Board, number of Directorships and Committee Chairmanship/ Membership held by them in other companies are as under:

S. No.	Name and Designation	Category of Directors Whole Time / Part Time	No. of Directorships/ Chairmanships held in public limited companies excluding HSRC*	No. of Committee Membership**	
				As Chairman	As Member
1.	S. C .Agnihotri	Part Time Chairman	1	-	-
2.	Mukul Jain	Part Time Director	1	-	1
3.	Ashok K. Ganju	Part Time Director	1	-	-
4.	Vijay Anand	Part Time Director	1	-	-

\* Does not include Directorship in Private Companies, Section 8 Companies and Foreign Companies.

\*\* Does not include Chairmanship / Membership in the Board of Committees other than the Audit Committee and Shareholders'/Grievance Committees.



### 3.1 Board Meetings with date and attendance at the Board meetings and Annual General Meeting.

The Board of Directors met 5 times during the year to discuss the operational activities of the Company.

S. No.	Name and Designation	Board Meetings During the Year		Attendance at AGM
		Held During tenure	Attended	
		13th Board meeting – 10.04.2015		
		14th Board Meeting – 22.07.2015		
		15th Board Meeting - 10.08.2015		
		16th Board Meeting - 09.11.2015		
		17th Board Meeting - 03.02.2016		
1.	Mr. S. C .Agnihotri	5	5	Yes
2.	Mr. Mukul Jain	5	5	Yes
3.	Mr. Ashok K. Ganju	5	5	Yes
4.	Mr. Vijay Anand	5	5	Yes

#### 4. Remuneration of Directors

No sitting fee is paid to the part – time Directors.

#### 5. Code of Conduct

All Directors of the company are whole-time Directors of the holding company, RVNL. They have been following the Code of Conduct laid down by RVNL.

#### 6. Committees of the Board of Directors

Audit committee, Remuneration committee etc will be constituted as and when the need arises.

#### 7. Annual General Meeting

The Company will hold its fourth Annual General meeting in accordance with the provisions of section 96 of the Companies Act, 2013.

#### 8. Means of Communication

All important information pertaining to the Company has been mentioned in the Annual Report of the Company containing inter-alia Audited Financial Statement, Directors' Report, Report on Corporate Governance which is being circulated to the members and others entitled thereto.



ANNEXURE - III

<b>FORM NO. MGT 9</b>
<b>EXTRACT OF ANNUAL RETURN</b>
<b>as on financial year ended on 31.03.2016</b>
<b>Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management &amp; Administration ) Rules, 2014.</b>

**I REGISTRATION & OTHER DETAILS:**

i	CIN	U45204DL2012GOI239289
ii	Registration Date	24.01.2003
iii	Name of the Company	HIGH SPEED RAIL CORPORATION OF INDIA LIMITED
iv	Category/Sub-category of the Company	GOVERNMENT COMPANY
v	Address of the Registered office & contact details	Room No.260,1st Floor, August Kranti Bhawan, Bhikaji Cama Place, R.K. Puram, New Delhi-110066.
vi	Whether listed company	Unlisted
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	N.A.

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

SL No.	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	To enter into & carry on all Business related to High speed Rail systems & other rail based traffic as approved by Government of India	501	100%

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

S. No.	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	RAIL VIKAS NIGAM LIMITED	U74999DL2003GOI118633	HOLDING COMPANY	100%	2(46)



**IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)**

**(i) Category-wise shareholding**

Category of Shareholders	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		
<b>A. Promoters</b>										
(1) Indian		0	0	0	0	0	0	0		
a) Individual/HUF										
b) Central Govt. or State Govt.										
c) Bodies Corporates		107,411		100		107,411		100		
d) Bank/FI										
e) Any other										
<b>SUB TOTAL: (A) (1)</b>										
<b>(2) Foreign</b>										
a) NRI- Individuals		0	0	0	0	0	0	0		
b) Other Individuals		0	0	0	0	0	0	0		
c) Bodies Corp.		0	0	0	0	0	0	0		
d) Banks/FI		0	0	0	0	0	0	0		
e) Any other...		0	0	0	0	0	0	0		
<b>SUB TOTAL (A) (2)</b>		0	0	0	0	0	0	0		
Total Shareholding of Promoter (A) = (A)(1) + (A)(2)		107,411.00		100.00		107,411.00		100.00		
<b>B. Public Shareholding</b>										
<b>(1) Institutions</b>		0	0	0	0	0	0	0		
a) Mutual Funds		0	0	0	0	0	0	0		
b) Banks/FI		0	0	0	0	0	0	0		
c) Central govt		0	0	0	0	0	0	0		
d) State Govt.		0	0	0	0	0	0	0		
e) Venture Capital Fund		0	0	0	0	0	0	0		
f) Insurance Companies		0	0	0	0	0	0	0		
g) FIIS		0	0	0	0	0	0	0		
h) Foreign Venture Capital Funds		0	0	0	0	0	0	0		
i) Others (specify)		0	0	0	0	0	0	0		
<b>SUB TOTAL (B)(1):</b>		0	0	0	0	0	0	0		
<b>(2) Non Institutions</b>										
a) Bodies corporates		0	0	0	0	0	0	0		
i) Indian		0								
ii) Overseas		0								
b) Individuals		0								
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs		0								
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs		0								
c) Others (specify)		0								
<b>SUB TOTAL (B)(2):</b>		0	0	0	0	0	0	0		
Total Public Shareholding (B) = (B)(1) + (B)(2)		0	0	0	0	0	0	0		
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>		0	0	0	0	0	0	0		
<b>Grand Total (A + B + C)</b>		107,411.00	-	100.00	-	107,411.00	-	100.00		



(ii) SHARE HOLDING OF PROMOTERS

S. No.	Shareholders Name	Shareholding at the beginning of the year (As on 01.04.2015)			Shareholding at the end of the year (As on 31.03.2016)			% 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	RAIL VIKAS NIGAM LIMITED	107411	100	0	107411	100	0	
	<b>Total</b>	<b>107411</b>	<b>100</b>	<b>0</b>	<b>107411</b>	<b>100</b>	<b>0</b>	

(iii) CHANGE IN PROMOTERS' SHAREHOLDING ( SPECIFY IF THERE IS NO CHANGE)

S. No.		Share holding at the beginning of the Year (As on 01.04.2015)		Cumulative Share holding during the year (2015-16)	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year (As on 01.04.2015)	107411	100	107411	100
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase due to allotment				
	At the end of the year (As on 31.03.2016)	107411	0	107411	100

(IV) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECORS, PROMOTERS & HOLDERS OF GDRS & ADRS)

S. No.	For Each of the Top 10 Shareholders	Shareholding at the end of the year (As on 01.04.2015)		Cumulative Share holding during the year (2015-16)	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
1	At the beginning of the year (As on 01.04.2015)	0	0	0	0
2	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)	0	0	0	0
3	At the end of the year (As on 31.03.2016)	0	0	0	0



(V) SHAREHOLDING OF DIRECTORS & KMP

S. No.	For Each of the Directors & KMP	Shareholding at the end 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
1	At the beginning of the year (As on 01.04.2015)	0	0	0	0
2	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)	0	0	0	0
3	At the end of the year (As on 31.03.2016)	0	0	0	0

V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtness at the beginning of the financial year (As on 01.04.2015)</b>				
i) Principal Amount	0	-	-	-
ii) Interest due but not paid	0	-	-	-
iii) Interest accrued but not due	0	-	-	-
	0			
<b>Total (i + ii + iii)</b>	0	-	-	-
	0			
<b>Change in Indebtedness during the financial year</b>				
Additions	0	-	-	-
Reduction	0	-	-	-
<b>Net Change</b>	0	-	-	-
<b>Indebtedness at the end of the financial year (As on 31.03.2016)</b>				
i) Principal Amount	0	-	-	-
ii) Interest due but not paid	0	-	-	-
iii) Interest accrued but not due	0	-	-	-
<b>Total (i + ii + iii)</b>	0	-	-	-



## VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole time director and/or Manager:

S. No	Particulars of Remuneration	Name of the MD/WTD/Manager
1	<b>Gross salary</b>	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	-
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-
2	Stock option	-
3	Sweat Equity	-
4	Commission as % of profit others (specify)	-
5	Others, please specify	-
	<b>Total (A)</b>	-

### B. Remuneration to other directors:

S.No	Particulars of Remuneration	Name of the Directors	
1	<b>Independent Directors</b>		
	(a) Fee for attending board committee meetings	0	0
	(b) Commission	0	0
	(c) Others, please specify	0	0
	<b>Total (1)</b>	0	0
2	<b>Other Non Executive Directors</b>		
	(a) Fee for attending board committee meetings	0	0
	(b) Commission	0	0
	(c) Others, please specify.	0	0
	<b>Total (2)</b>	0	0
	<b>Total (B)=(1+2)</b>	0	0
	<b>Total Managerial Remuneration</b>	0	0



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

S. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	<b>Gross Salary</b>				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	0	0	0	0
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission	0	0	0	0
	as % of profit	0	0	0	0
	others, specify	0	0	0	0
5	Others, please specify	0	0	0	0
	<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**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	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
	NIL	NIL	NIL	NIL	NIL
<b>B. DIRECTORS</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
	NIL	NIL	NIL	NIL	NIL
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL



## HIGH SPEED RAIL CORPORATION OF INDIA LIMITED

BALANCE SHEET AS AT 31.03.2016

Amount in ₹

<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	3	1,074,110	1,074,110
(b) Reserves and surplus	4	(1,829,050)	(2,920,305)
<b>2 Non Current liabilities</b>			
(a) Other Long Term liabilities	5	5,854	-
<b>3 Current liabilities</b>			
(a) Other current liabilities	6	184,263,151	61,870,778
(b) Short Term Provisions	7	64,920	-
<b>Total</b>		<b>183,578,986</b>	<b>60,024,583</b>
<b>II. ASSETS</b>			
<b>1 Non Current Assets</b>			
(a) Fixed assets	8		
(i) Intangible assets		17,833	-
(ii) Intangible assets		640,960	931,972
<b>2 Current assets</b>			
(a) Cash and Bank Balances	9	16,806,409	32,813,516
(b) Short-Term Loans and Advances	10	33,465	39,047
(c) Project work in Progress	11	166,080,319	26,240,048
<b>Total</b>		<b>183,578,986</b>	<b>60,024,583</b>

III. Notes Forming Part of Financial Statements  
"As per our report of the even date attached"

1 to 17

For ASAP & Associates  
Chartered Accountants  
FRN: 005713N

Anil Kumar Jain  
Partner  
M.No. 084559

FOR AND ON BEHALF OF THE BOARD OF DIRECTOR

Mukul Jain  
Director  
DIN:03121180

Ashok K Ganju  
Director  
DIN:01970462

Place: New Delhi  
Date: 05.08.2016



## HIGH SPEED RAIL CORPORATION OF INDIA LIMITED

Statement of Profit & Loss for the year ended March 31st March 2016

Amount in ₹

Particulars	Note	Amount in ₹	
		For The year Ended 31 March 2015	For The year Ended 31 March 2014
I. Other income	12	2,081,110	1,333,004
<b>Total Revenue</b>		<b>2,081,110</b>	<b>1,333,004</b>
<b>II Expenses:</b>			
(a) Depreciation and amortization	8	294,930	291,012
(b) Other Expenses	13	208,886	262,795
<b>Total expenses</b>		<b>503,815</b>	<b>553,807</b>
III. Profit before exceptional and extraordinary items and tax (I-II)		1,577,295	779,197
IV. Exceptional items		-	-
V Profit before extraordinary items and tax (III - IV)		1,577,295	779,197
VI Extraordinary Items		-	-
<b>VII. Profit before tax (V- VI)</b>		<b>1,577,295</b>	<b>779,197</b>
VIII Tax expense:			
(1) Current tax		476,468	104,254
(2) Deferred tax		5,854	-
(3) Previous Year Tax		3,718	-
IX Profit (Loss) for the period from continuing operations (VII-VIII)		1,091,254	674,943
X Profit/(loss) from discontinuing operations		-	-
XI Tax expense of discontinuing operations		-	-
<b>XII Profit/(loss) from Discontinuing operations (after tax) (X-XI)</b>		<b>-</b>	<b>-</b>
<b>XIII Profit (Loss) for the period (XI + XIV)</b>		<b>1,091,254</b>	<b>674,943</b>
<b>XIV Earnings per equity share:</b>			
(1) Basic		10.16	8.94
(2) Diluted		10.16	6.28
<b>XV. Notes Forming Part of Financial Statements</b>	<b>1 to 17</b>		
<b>"As per our report of the even date attached"</b>			

For ASAP & Associates  
Chartered Accountants  
FRN: 005713N

Anil Kumar Jain  
Partner  
M.No. 084559

FOR AND ON BEHALF OF THE BOARD OF DIRECTOR

Mukul Jain  
Director  
DIN:03121180

Ashok K Ganju  
Director  
DIN:01970462

Place: New Delhi  
Date: 05.08.2016



## HIGH SPEED RAIL CORPORATION OF INDIA LIMITED

Cash Flow Statement for the year ending March 31st ,2016

Amount in ₹

<b>A Cash Flow From Operating Activities</b>		
Net profit/(Loss) before Tax &	1,577,295	779,197
Interest Income	(2,081,110)	(1,333,004)
Add: Depreciation	294,930	291,012
Operating Profit before Working	<u>(208,886)</u>	<u>(262,795)</u>
Capital Changes		
<b>Adjustments for :</b>		
Add: Increase(Decrease) in Current Liabilities	122,392,373	25,585,943
Less: Decrease in Non Current Liabilities		(574,110)
Less: Increase in Project Work in Progress	(139,840,271)	(26,056,601)
Less: Increase in Other Current Assets	(23,465)	(10,000)
Less: Income Tax Paid (Net of Refunds)	(386,218)	(133,301)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<u>(18,066,467)</u>	<u>(1,450,864)</u>
<b>B Cash Flow From Investing Activities</b>		
Purchase of Fixed Assets/Investments	(21,750)	-
Interest Received	2,081,110	1,333,004
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<u>2,059,360</u>	<u>1,333,004</u>
<b>C Cash Flow From Financing Activities</b>		
Proceeds from Issue of Equity Share Capital		574,110
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<u>-</u>	<u>574,110</u>
<b>Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(16,007,107)</b>	<b>444,250</b>
<b>Cash &amp; Cash Equivalents at the beginning of the year</b>	<b>8 32,813,516</b>	<b>32,369,266</b>
<b>Cash and Cash Equivalents at the end of the Period</b>	<b><u>16,806,409</u></b>	<b><u>32,813,516</u></b>
Cash and Cash Equivalents comprises		
Cheques in Hand		
Current Accounts	9,125,615	
Flexi Deposits	7,680,794	
	<u>16,806,409</u>	<u>32,813,516</u>

The above Cash flow statement has been prepared under the indirect method set out in AS-3 issued by The Institute of Chartered Accountants of India.

"As per our report of the even date attached"

For ASAP & Associates  
Chartered Accountants  
FRN: 005713N

Anil Kumar Jain  
Partner  
M.No. 084559

FOR AND ON BEHALF OF THE BOARD OF DIRECTOR

Mukul Jain  
Director  
DIN:03121180

Ashok K Ganju  
Director  
DIN:01970462

Place: New Delhi  
Date: 05.08.2016



## HIGH SPEED RAIL CORPORATION OF INDIA LIMITED

### Notes to the financial statements

#### 1 General Information

High Speed Rail Corporation of India Limited is a 100% Wholly Owned Subsidiary of Rail Vikas Nigam Limited. The Company was incorporated under the Provisions of the Company Act, 1956 on July 25, 2012 with the Object of carrying out Business related to Planning, designing, development, construction, manufacturing, assembling, fabricating, processing, installing, maintenance, operation, and financing of Railway Infrastructure and related logistic support systems, including rolling stock, of all types in India and abroad of High Speed Rail Projects and other rail based traffic, as may be approved by Government of India or Rail Vikas Nigam limited or any other such Competent Authority.

#### 2 Summary of significant accounting policies

##### 2.1 Basis of preparation

The financial statements of the company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its

operating cycle as 5 years for purpose of current – non-current classification of assets and liabilities related to project work. Company has selected cycle of 12 months for classification of other items.

##### 2.2 Use of Estimate

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

##### 2.3 Fixed Assets & Depreciation

###### A) Tangible Fixed assets

Tangible Fixed Assets are stated at acquisition cost, inclusive of inward freight, duties, taxes and incidental expenses related to acquisition. Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value or net realizable value and are shown separately in the financial statements. Any expected loss is recognized immediately in the Statement of Profit and Loss. Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognized in the Statement of Profit and Loss.

###### B) Intangible Assets

Intangible assets are recognized as per the criteria specified in Accounting Standard (AS) 26 "Intangible



assets" issued by the Institute of Chartered Accountant of India

**C) Depreciation**

Depreciation is provided on prorata basis on the SLM method over the estimated useful lives of the assets at the rates prescribed under Schedule II of the Companies Act, 2013"

**D) Amortization of intangible Assets.**

Intangible Assets are amortised as follow:

- (a) Company Logo : Over a period of Five Years on prorata basis
- (b) Website Cost : Over a period of Five Years on prorata basis

**2.4 Impairment**

In accordance with Accounting Standard-28 Impairment of Assets (AS-28), the carrying amounts of Company's assets are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated as the higher of the net selling price and the value in use. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. On the basis of review, the management is of the opinion that the economic performance of Fixed Assets of the Company is not worse than expected and therefore there is no impairment of any assets as on the Balance Sheet date.

**2.5 Revenue Recognition**

- i. Interest: Interest income on Fixed Deposits with bank's is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

- ii. Other items of income are accounted for as and when the right to receive is established.

**2.6 Provisions and contingencies**

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure of a contingent liability is made where there is a possible obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation can not be made.

**2.7 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.

**2.8 Earning Per Share**

Basic earning per share is computed by dividing the profit/loss after tax by the number of weighted average shares outstanding during the year. Diluted earning per share is calculated by dividing the net profit for the year attributable to equity shareholder by the weighted average number of equity shares outstanding during the period adjusted for all potential equity shares.

**2.9 Preliminary / Share issue expenses**

Preliminary expenses and Share issue Expenses are fully written off in the year in which they are incurred.

**2.10 Project Work in Progress**

Expenditure which can be directly identified with the Project undertaken by the company is debited to "Project Work in Progress" Under Note 10 'Incidental expenditure'. Receipt from sale of tender is credited to cost of projects.



**NOTE 3 Share Capital**

Particulars	As at 31 March 2016 (Amount in ₹)	As at 31 March 2015 (Amount in ₹)
<b>Authorized</b>		
50,00,000 Equity Shares of ₹10 each	50,000,000	50,000,000
<b>Issued</b>		
107411 Equity Shares of ₹10 each (Previous Year 107411 Equity Shares of ₹10 each)	1,074,110	1074110
<b>Subscribed &amp; Paid up</b>		
Equity Shares fully paid 107411 at ₹10 per equity share (Previous Year 107411 Equity Shares of ₹10 each)	1,074,110	1074110
<b>Total</b>	<b>1,074,110</b>	<b>1074110</b>

**NOTE 3.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

Particulars	Equity Shares	
	Number	(Amount in ₹)
<b>Shares outstanding at the beginning of the year</b>	107,411	107,4110
Shares Issued during the year	-	-
Shares bought back during the year	-	-
<b>Shares outstanding at the end of the year</b>	<b>107,411</b>	<b>1,074,110</b>

**NOTE 3.2**

The Company is a 100% Wholly Owned Subsidiary of Rail Vikas Nigam Limited (along with 6 Nominees of Holding Company). Rail Vikas Nigam Limited holds 107405 shares & its Nominee holds 6 shares, Face value of share is ₹10 each.

**NOTE 3.3**

The Company has only one class of equity shares referred to as equity shares having at par value of ₹10/-. Each holder of one equity share is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares shall be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts.

**NOTE 3.4 Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company**

Particulars	As at 31 March 2016	
	No. of Shares held	% of Holding
Rail Vikas Nigam Limited (along with 6 Nominees) -Holding Company (107411 shares fully paid up @ ₹10/- per share)	107,411	100%
<b>Total</b>	<b>107,411</b>	<b>100%</b>

**NOTE 3.5 Aggregate number of shares issued for consideration other than cash**

Particulars	As at 31 March 2016	As at 31 March 2015
	Numbers	Numbers
Equity shares allotted as fully paid-up for consideration other than cash		57,411
<b>Total</b>	<b>-</b>	<b>57,411</b>



**NOTE 4 Reserves & Surplus**

Particulars	As at 31 March 2016	As at 31 March 2015
	(Amount in ₹)	(Amount in ₹)
<b>Profit &amp; Loss</b>		
Opening balance	-2,920,305	-3,595,247
Add : Profit/ (Loss) For the Period	1,091,254	674,943
<b>Closing Balance</b>	<b>-1,829,050.37</b>	<b>-2,920,305</b>

**NOTE 5 Deferred Tax Liability**

Particulars	As at 31 March 2016	As at 31 March 2015
	(Amount in ₹)	(Amount in ₹)
Deferred Tax Liability	5,854	0
<b>Total</b>	<b>5,854</b>	<b>-</b>

**Calculation of Deferred Tax**

<b>Liability on Account of Depreciation</b>	
WDV of Fixed Assets as per Books of Account	658,793
WDV of Fixed Assets as per IT Act	639,847
<b>Timing Difference</b>	<b>18,946</b>
<b>Tax Rate</b>	<b>30.90%</b>
<b>Deferred Tax Liability</b>	<b>5,854</b>

**NOTE 6 Other Current Liabilities**

Particulars	As at 31 March 2016	As at 31 March 2015
	(Amount in ₹)	(Amount in ₹)
Statutory Liabilities	8,063,213	48,073
Advance from Ministry of Railways for Project feasibility study	154,624,954	30,000,000
Other Payables	21,574,984	28,306,536
Earnest Money Deposit & Security Deposits	-	3,516,169
<b>Total</b>	<b>184,263,151</b>	<b>61,870,778</b>

**NOTE 7 Short Term Provision**

Particulars	As at 31 March 2016	As at 31 March 2015
	(Amount in ₹)	(Amount in ₹)
Provision for Income Tax (Net of Advance Tax & TDS)	64,920	-
<b>Total</b>	<b>64,920</b>	<b>-</b>

## HIGH SPEED RAIL CORPORATION OF INDIA LIMITED

### NOTE 8 Fixed Assets

Particulars	GROSS BLOCK			Accumulated Depreciation			NET BLOCK		
	As at 1st April 2015 Rupees (₹)	Additions Rupees (₹)	(Disposals) Rupees (₹)	As at 31st March 2016 Rupees (₹)	As at 1st April 2015 Rupees (₹)	Depreciation charge during the Year Rupees (₹)	On Disposals Rupees (₹)	As at 31st March 2016 Rupees (₹)	As at 31st March 2015 Rupees (₹)
<b>Intangible Assets</b>									
Digital Camera	-	21,750	-	21,750	-	3,917	-	17,833	-
<b>Total (A)</b>	-	<b>21,750</b>	-	<b>21,750</b>	-	<b>3,917</b>	-	<b>17,833</b>	-
<b>Intangible Assets</b>									
Logo	1,348,320	-	-	1,348,320	496,477	269,664	-	582,179	851,843
Website	106,742	-	-	106,742	26,612	21,348	-	58,781	80,130
<b>Total (B)</b>	<b>1,455,062</b>	-	-	<b>1,455,062</b>	<b>523,090</b>	<b>291,012</b>	-	<b>640,960</b>	<b>931,972</b>
<b>Grand Total</b>	<b>1,455,062</b>	<b>21,750</b>	-	<b>1,476,812</b>	<b>523,090</b>	<b>294,930</b>	-	<b>658,793</b>	<b>931,972</b>
<b>Previous Year</b>	<b>1,455,062</b>	-	-	<b>1,455,062</b>	-	<b>291,012</b>	-	<b>931,972</b>	-



**NOTE 9 Cash and Bank Balances**

Particulars	As at 31 March 2016	As at 31 March 2015
	(Amount in ₹)	(Amount in ₹)
<b>Cash and cash equivalents</b>		
<b>Balances with banks:</b>		
Current Account	9,125,615	213,516
Flexi Deposits	7,680,794	32,600,000
<b>Total</b>	<b>16,806,409</b>	<b>32,813,516</b>

**Note 10 : Short-term loans and advances**

Particulars	As at 31 March 2016	As at 31 March 2015
	(Amount in ₹)	(Amount in ₹)
<b>Other loans and advances Unsecured, considered good</b>		
Advance Tax & TDS (Net of Provision for Tax)	-	29,047
Other Advances	33,465	10,000
<b>Total</b>	<b>33,465</b>	<b>39,047</b>

**NOTE 11**

Particulars	As at 1st April 2016	Additions	As at 1st April 2015
	(Amount in ₹)	(Amount in ₹)	(Amount in ₹)
<b>Project work In progress</b>			
PPE (Incidental Expenses)	886,875		886,875
Preliminary Project Expenditure	813,183	124,088,776	124,901,959
Incidental Expenditure	24,819,990	15,751,495	40,571,485
Less: Sale of Tender	-280,000		-280,000
<b>Total</b>	<b>26,240,048</b>	<b>139,840,271</b>	<b>166,080,319</b>

**NOTE 12 Other Income**

Particulars	For The year Ended March 2016	For The year Ended March 2015
	(Amount in ₹)	(Amount in ₹)
Interest on Flexi Account	2,081,110	1,333,004
<b>Total</b>	<b>2,081,110</b>	<b>1,333,004</b>

**NOTE 13 Other expenses**

Particulars	For The year Ended March 2016	For The year Ended March 2015
	(Amount in ₹)	(Amount in ₹)
Legal & Professional Fees	104,321	90,188
Office Expenses	3,709	93,871
Payment to Auditors:		-
As Auditors - Statutory Audit	89,698	78,652
Out Of pocket Expenses	10,000	-
Bank charges	1,034	84
Other Expenses	124	
<b>Total</b>	<b>208,886</b>	<b>262,795</b>



**NOTE 13.1:** As on balance sheet date High Speed Rail Corporation of India Limited does not have any staff, premises or other administrative resources for day to day operations of company. All day to day operations of company are being carried by RVNL accordingly RVNL has charged proportionate cost towards administrative expenses to HSRC

**NOTE 14:** There are no reported Micro, Small and Medium enterprises as defined in the "The Micro, Small & Medium Enterprises Development Act 2006" to whom the company owes dues.

**NOTE 15: Other Disclosures**

Particulars	For the Year Ended March-2016	For the Year Ended March-2015
Expenditure in Foreign Currency	3,06,988	78,78,548
	<b>3,06,988</b>	<b>78,78,548</b>

**NOTE 16 Related Party Disclosures**

**16.1 Related Parties & Nature of Relationship**

Name of Related Party	Nature of Relationship
Rail Vikas Nigam Limited (RVNL)	Holding Company
Satish Chandra Agnihotri	Director
Vijay Anand	Director
Ashok Krishna Ganju	Director
Mukul Jain	Director

**16.2 Disclosure of transaction with related parties**

Name of the related Party	As at 31 March 2016	As at 31 March 2015
	(Amount in ₹)	(Amount in ₹)
<b>Rail Vikas Nigam Limited (RVNL)</b>		
Conversion of outstanding liabilities into share capital	-	574,110
Expenditure Incurred by RVNL on behalf of HSRC	15,659,523	28,091,772
Advance for Project work received	92,000,000	-

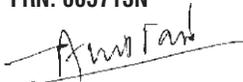
**16.3 Outstanding balances of related parties**

Name of the related Party	As at 31 March 2016	As at 31 March 2015
	(Amount in ₹)	(Amount in ₹)
Rail Vikas Nigam Limited (RVNL)	21,375,241	28,034,512

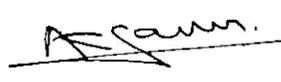
17. Previous year's figures have been regrouped and rearranged, wherever necessary to make comparable with those of the current year.

"As per our report fo even date attached"

For ASAP & Associates  
Chartered Accountants  
FRN: 005713N

  
Anil Kumar Jain  
Partner  
M.No. 084559  
Place: New Delhi  
Date: 05.08.2016

FOR AND ON BEHALF OF THE BOARD

  
Ashok K Ganju  
Director  
DIN:01970462

  
Mukul Jain  
Director  
DIN : 03121180



## **INDEPENDENT AUDITORS' REPORT (Revised)**

To  
The Members of  
High Speed Rail Corporation of India Limited

### **Report on the Financial Statements**

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

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors are 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.

### **Auditors' 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 and the Order under Section 143 (11) of the Act.

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 misstatement.

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 controls 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.

### **Opinion**

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

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by the directions issued by the Comptroller and Auditor-General of India, in terms of sub section (5) of section 143 of the Act, we give in the compliance in the "Annexure B".
3. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2016 and taken on record by the Board of Directors, non of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
  - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure C"; and
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **ASAP & Associates**  
Chartered Accountants  
(Firm's Registration No. 005713N)

**Anil Jain**  
Partner  
(M No.84559 )

**Place:- New Delhi,**  
**Date:- 30.08.2016**



## ANNEXURE - A TO THE AUDITORS' REPORT

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31st March, 2016, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets
- (b) The Company has an efficient program of verification of fixed assets to cover all the items which in our opinion, is reasonable having regard to the size of the company and the nature of fixed assets. Pursuant to the program certain fixed assets were physically verified by the management during the year. According to the information and explanation given to us no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company doesn't own any immovable property.
- (ii) The Company doesn't have any inventory. Thus; paragraph (ii) of the Order is not applicable to the Company.
- (iii) The Company has not granted any loans, secured or unsecured to Companies, firms, Limited liability partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
- (iv) The Company has not granted any loans, made investments or provide guarantees under section 185 and 186 of the Companies Act 2013, and hence reporting under this clause of the CARO is not applicable.
- (v) The Company has not accepted any deposits from the public during FY 2015-16.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by 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 account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable.
- (viii) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during FY 2015-16.
- (xi) In our opinion Section 197 of the companies Act 2013, is not applicable to the government companies. Hence paragraph (xi) of the Order is not applicable.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph (xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where



applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, provisions of section 192 of the companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **ASAP & Associates**  
Chartered Accountants  
(Firm's Registration No. 005713N)

**Anil Jain**

Partner

(M No.84559 )

**Place:- New Delhi,**

**Date:- 30.08.2016**



## Annexure - B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of **High Speed Rail Corporation of India Limited ("the Company")**, as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

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

#### Auditors' Responsibility

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

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

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

#### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that



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

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

#### **Opinion**

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

**Place:- New Delhi,**  
**Date:- 30.08.2016**

**For ASAP & Associates**  
Chartered Accountants  
(Firm's Registration No. 005713N)

**Anil K. Jain**  
Partner  
(M No.84559)



## ANNEXURE C TO THE INDEPENDENT AUDITORS REPORT

Annexure to the Independent Auditor's Report referred to in paragraph 5(2) of our report of even date on the standalone financial statements of **High Speed Rail Corporation Limited (HSRCL)** for the Year ended 31st March, 2016.

S. No.	CAG's Directions	Our Report	Action Taken thereon	Impact on accounts and financial statements of the company
1.	Whether the company has clear title/lease deeds for freehold and leasehold land respectively? If not please state the area of freehold and leasehold land for which title/lease deeds are not available.	NA	No Action required	NIL
2.	Whether there are any cases of waiver/ write off of debts/loans/interest etc., if yes, the reasons there for and the amount involved.	NA	No Action required	NIL
3.	Whether proper records are maintained for inventories lying with third parties & assets received as gift/grant(s) from Government or other authorities.	NA	No action required.	NIL

**For ASAP & Associates**  
Chartered Accountants  
(Firm's Registration No. 005713N)

**Anil K. Jain**  
Partner  
(M No.84559)

Place:- New Delhi,  
Date:- 30.08.2016



Confidential



भारतीय लेखा परीक्षा एवम् लेखा विभाग  
प्रधान निदेशक लेखा परीक्षक, रेलवे-वाणिज्यिक का कार्यालय  
काफमो, भारतीय रेल, तिलक ब्रिज, नई दिल्ली-110 002

INDIAN AUDIT AND ACCOUNTS DEPARTMENT  
OFFICE OF THE PRINCIPAL DIRECTOR OF AUDIT,  
RLY-COMMERCIAL, COFMOW, INDIAN RAILWAYS,  
TILAK BRIDGE, NEW DELHI- 110002

No. PDA/RC/RPSU/32-53/High Speed/2016-17/1276

Dated: 28.09.2016

To

The Managing Director  
High Speed Rail Corporation of India Limited,  
Room No. 260, 1st Floor, August Kranti Bhavan,  
Bhikaji Cama Place, R.K.Puram, New Delhi — 110 066

**Subject: Comments of the Comptroller & Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 on the Financial Statements of HIGH SPEED RAIL CORPORATION OF INDIA LIMITED for the year ended 31st March 2016.**

Sir,

I am enclosing the Comments of the Comptroller and Auditor General of India u/s 143(6)(b) of the Companies Act, 2013 on the Financial Statements of HIGH SPEED RAIL CORPORATION OF INDIA LIMITED for the year ended 31 March 2016.

The receipt of the letter may kindly be acknowledged.

Encl: As above

Yours faithfully,

(Meenakshi Mishra)  
Director General of Audit  
(Railway Commercial)



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

The preparation of financial statements of **HIGH SPEED RAIL CORPORATION OF INDIA LIMITED** for the year ended 31 March 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Revised Audit Report dated 30 August 2016.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) of the Act of the financial statements of HIGH SPEED RAIL CORPORATION OF INDIA LIMITED for the year ended 31 March 2016. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the Statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditor's report.

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

(Meenakshi Mishra)  
Director General of Audit  
(Railway Commercial)

Place: New Delhi  
Date: 28.09.2016