

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 6th Annual Report of the Company together with the Audited Statements of Accounts and Auditors' Report for the year ended 31st March, 2018.

The Company is a wholly-owned Subsidiary of Rail Vikas Nigam Limited a Schedule-A Mini Ratna- I CPSE under the Ministry of Railways. Your Company is currently engaged in conducting of pre-feasibility studies of dedicated High Speed Corridors for Diamond Quadrilateral. The business and financial performance of the Company during the year 2017-18 was as under: -

Business Performance

1. 1.Signing of Collaboration Agreement between HSRC and Administratdor DE Infraestructuras Ferroviarias (ADIF):

Based on MOU signed between Indian Railways of the Republic of India and two Spanish Public Corporate Companies ADIF and RENFE- OPERADORA for the cooperation in Railway related technology developments, a Collaboration Agreement was signed on 15.09.2016 between High Speed Rail Corporation of India Ltd. (HSRC) and Administratdor DE Infraestructuras Ferroviarias (ADIF) on conducting Feasibility Study of Mumbai-Kolkata High Speed Rail Corridor taking into account the experience acquired by M/s ADIF. The Consultant submitted the Stage-I report of the Feasibility study in December 2016 with recommendation to take up the detailed study of most preferred route passing through Mumbai-Thane-Nasik-Aurangabad-Akola-Amravati-Nagpur for developing in next stage. This report was accepted by HSRC/RVNL in

consultation with Ministry of Railways on 31.1.2017. The consultant has submitted the DFR of stage-II on 5.2.2018 and given presentation on DFR on 22.02.2018 at Railway Board. The observation/remark on DFR has been sent to the consultant for incorporation in DFR on 26.3.18. Consultant will submit the Final Report duly incorporating the observations of HSRC after approval of their concerned Ministry in Spain.

2. 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 M/s CREEC (China Railway Eryuan Engineering Group Company Limited) under Government to Government co-operation. The Consultant has submitted the Interim Final Report (IFR) on 07.11.2016. The detailed observation on this IFR has been submitted by HSRC to M/s CREEC (Consultant) on 26.12.2016. M/s CREEC has given their reply on the observations and requested a meeting. A face to face meeting was held at Railway Board on 20.03.2018 with the officials of M/s ERYUAN which was attended by Chinese side and Mobility Directorate of Railway Board and HSRC/RVNL from Indian side. A detailed discussion was held on the feasibility report and Chinese side has mentioned that the revised report as per the discussions will be submitted resubmitted by 15.04.18.

3. 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 involve considerable cost and time.

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 May 2015, in which some of the works related to Feasibility study has been agreed to be done by Indian side i.e. HSRC. It has been made clear by Ministry of Railways and HSRC to Chinese side that the study has to be done out of Chinese funding. Subsequently it was decided by Ministry of Railways that the HSRC will only provide limited data in form of Geological Maps and Topo sheets. The Terms of Reference was planned to be signed between CRSSDG and HSRC in July 2017. Final agreement (Terms of Reference) has been signed and Data as requested by Chinese side was handed over to them by HSRC on 11.07.2017. A letter from Chairman, HSRC to Chairman, Railway Board (Ministry of Railways) has been written on 13.11.2017 to look into possibility of transfer the work to some other agency as this feasibility study is not progressing well.

4. 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 (1) M/s TSDI-LAHMEYER (China) for New Delhi-Mumbai Corridor (ii) M/s SYSTRA-RITES-EY (France) for Mumbai-Chennai and (iii) M/s INECO-TYPSA-ICT for Delhi-Kolkata. All the Feasibility studies are progressing well.

Delhi-Mumbai HSR Corridor: The Consultant has submitted Draft Final Report on 23.10.2017, which is under consideration with High Speed Rail Corporation and Railway Board.

Mumbai-Chennai HSR Corridor: The detailed remarks on ITR-II have been sent to the Consultant on 16.03.2017, who are preparing the Draft Final report.

Delhi-Kolkata HSR Corridor: The Consultant submitted DFR on 22.05.2017. Comments of Railway Board after a presentation on DFR were forwarded to the Consultant for the vide this office letter dated 27.09.2017. The final report has been submitted by the Consultant on 22.11.2017 which was submitted to Railway Board on 22.11.2017 itself. This is under consideration with Railway Board for final approval.

All the studies are programmed to be completed in FY 2018-19.

Financial Performance

During the year, Paid-up Share Capital of the

Company was ₹10.74 Lakhs. The Current Liabilities for the F.Y. 2017-18 were ₹199.4Lakhs which shows a decrease of ₹2868.13 Lakhs over the previous year. The current assets for the F.Y. 2017-18 were ₹203.44 Lakhs which shows a decrease of ₹2862.71 Lakhs over the previous year. The decrease in current Assets and current liabilities has been on account of completion of Projects in progress and transfer to RVNL.

Now, the current liabilities mainly consist of ₹194.84 Lakhs received from Rail Vikas Nigam Limited towards project execution and the current assets mainly consist of cash balance of ₹203.44 Lakhs.

During the year, revenue from operations was ₹4079.84 Lakhs showing an increase of ₹4079.84 Lakhs due to transfer of feasibility studies works (including opening amount laying in PWIP) to RVNL, the other income has decreased to ₹12.92 Lakhs from ₹21.35 Lakhs the previous year on account of interest income. After offsetting an expenditure of ₹4089.87 Lakhs and meeting tax liabilities of ₹2.51Lakhs the Profit after tax(PAT)is ₹5.38 Lakhs.

The significant indicators of financial performance of the Company for the financial year 2017-18 are mentioned below:

Amount (in ₹)

S. No.	Particulars	FY 2017-18	FY 2016-17
1	Authorized Share Capital	5,00,00,000	5,00,00,000
2.	Paid-up share Capital	10,74,110	10,74,110
3.	Total Income	40,92,75,718	21,34,644
4.	Operating Income	40,79,84,000 (Approx)	Nil
5.	Profit before Tax	7,89,000	17,55,000
6.	Net Worth	4,49,000 (Approx)	(87,551)
7.	Earnings Per Share	5.01	12.13

Capital Structure

The Paid-up Share Capital of the Company is ₹10.74 lakhs 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 Financial year 2017-18.

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 and outgo.

Presidential Directive

No Presidential Directive was received during the year.

Integral Reports

“Management Discussion and Analysis Report” and “Corporate Governance Report” forms 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 namely Mr. S. C. Agnihotri, Chairman, Mr. Arun Kumar, Director, Mr. Vijay Anand, Director and Mr. A. K. Choudhary, Director nominated by the Holding Company, Rail Vikas Nigam Limited.

Mr. A. K. Choudhary was appointed as Director vice Mr. Ashok K. Ganju, Director and Mr. Arun Kumar, was appointed as Director vice Mrs. Gita Mishra, Director in November 2017.

Number of Board Meetings

The Board met five (5) times on 26th April, 2017, 1st August, 2017, 16th November, 2017, 13th December 2017 and 23rd March, 2018 during the year for transacting business.

Directors' Responsibility Statement

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

- a) 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 Company is annexed herewith as **Annexure III** to this report.

Auditors

The Comptroller & Auditor General of India appointed M/s B.K Gupta & Associates, Chartered Accountants as Company's Statutory Auditors for the Year 2017-18. 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, 2018 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, 2018 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.

Sd/-
A.K. Choudhary
Director
(DIN 05166458)

For and on behalf of Board of Directors

Sd/-
Arun Kumar
Director
(DIN 02486535)

Place: New Delhi
Dated: July 18, 2018

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, Mini Ratna-I & 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.

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 studies for corridors of Diamond Quadrilateral and Delhi-Chandigarh-Amritsar have been taken up, the feasibility study of Delhi-Chandigarh-Amritsar has been completed and balance corridors are expected to be completed by March 2019. These projects can be taken up for execution at short notice.
- HSRC has been working as Project Integrator for up-gradation of identified existing rail

sections to 160 kmph, and has successfully completed one such upgradation in Delhi-Agra section.

- 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.

Financial Performance

The company has recorded operating turnover of ₹ 4079.83 lakhs during the year, and Company, earned an interest on deposits amounting to ₹ 12,91,935.

RVNL

Annexure – II

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 ` 10.74 lakhs. 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, Shri Vijay Anand, Director, Shri Arun Kumar, Director, and Shri A.K. Choudhary, Director.

Mr. A. K. Choudhary was appointed as Director vice Mr. Ashok K. Ganju, Director and Mr. Arun Kumar, was appointed as Director vice Mrs. Gita Mishra, Director in November 2017.

The names and categories of Directors on the Board as on the date of report, 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.	Vijay Anand	Part Time Director	1	-	-
3.	Arun Kumar	Part Time Director	1	-	-
4.	A.K Choudhary	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

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2018

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014

I REGISTRATION & OTHER DETAILS:

i	CIN	U45204DL2012GOI239289
ii	Registration Date	25.07.2012
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	---	100%

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

SI 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)

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	
A. Promoters									
(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	0
d) Bank/Fl									
e) Any other									
SUB TOTAL:(A) (1)									
(2) Foreign									
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/Fl		0	0	0	0	0	0	0	
e) Any other...		0	0	0	0	0	0	0	
SUB TOTAL (A) (2)		0	0	0	0	0	0	0	
Total Shareholding of Promoter (A) = (A)(1) + (A)(2)		107411	-	100.00	-	107,411	-	100.00	
B. PUBLIC SHAREHOLDING									
(1) Institutions		0	0	0	0	0	0	0	
a) Mutual Funds		0	0	0	0	0	0	0	
b) Banks/Fl		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) FII/S		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	
SUB TOTAL (B)(1):		0	0	0	0	0	0	0	
(2) Non Institutions									
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							
SUB TOTAL (B)(2):		0	0	0	0	0	0	0	
Total Public Shareholding (B) = (B)(1) + (B)(2)		0	0	0	0	0	0	0	
C. Shares held by Custodian for GDRs & ADRs		0	0	0	0	0	0	0	
Grand Total (A+B+C)		107411	-	100.00	-	107,411.00	-	100.00	0

(ii) SHARE HOLDING OF PROMOTERS

Sl. No.	Shareholders Name	Shareholding at the beginning of the year (As on 01.04.2017)			Shareholding at the end of the year (As on 31.03.2018)			% 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	0
	Total	107411	100	0	107411	100	0	0

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

Sl. No.		Share holding at the beginning of the Year (As on 01.04.2017)		Cumulative Share holding during the year (2017-18)	
		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 01.04.2017)	107411	100	107411	100
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase due to allotment.	0	100	0	0
	At the end of the year (As on 31.03.2018)	107411	0	107411	100

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the end of the year (as on 31.03.2018)		Cumulative Shareholding during the year (2017-18)	
		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 01.04.2017)	0	0	0	0
	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
	At the end of the year (As on 31.03.2018)	0	0	0	0

V INDEBTEDNESS

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

	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year (As on 01.04.2017)			
i) Principal Amount	-	-	-
ii) Interest due but not paid		-	
iii) Interest accrued but not due	-	-	-
Total (i+ii+iii)	-	-	-
Change in Indebtedness during the financial year			
Additions	-	-	-
Reduction	-	-	-
Net Change		-	-
Indebtedness at the end of the financial year (As on 31.03.2018)			
i) Principal Amount	-	-	-
ii) Interest due but not paid	-	-	-
iii) Interest accrued but not due	-	-	-
Total (i+ii+iii)	-	-	-

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of the MD/WTD/Manager
1	Gross salary	
	(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	-
	Total (A)	-

B. Remuneration to other directors:

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

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

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

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/NCLT/ Court)	Appeal made if any (give details)
A. COMPANY					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
	NIL	NIL	NIL	NIL	NIL
B. DIRECTORS					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C. OTHER OFFICERS IN DEFAULT					
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 31st March 2018

(INR in Lakhs)

PARTICULARS	Note No.	As at 31st March 2018	As at 31st March 2017
I. ASSETS			
1 Non-current assets			
(a) Property, Plant and equipment	3	0.10	0.14
		0.10	0.14
2 Current assets			
(a) Financial Assets			
(i) Cash and cash equivalents	4	201.82	516.29
(b) Other current assets	5	0.43	0.31
(c) Project work in Progress	6	-	2,549.15
(d) Current Tax Asset (Net)	11	1.19	0.40
		203.44	3,066.15
Total Assets		203.54	3,066.29
II. EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share Capital	7	10.74	10.74
(b) Other Equity	8	(6.25)	(11.62)
		4.49	(0.88)
Liabilities			
2 Non-current liabilities			
3 Current liabilities			
(a) Financial Liabilities			
(i) Other financial liabilities	9	197.56	208.23
(b) Other current liabilities	10	1.49	2,858.94
		199.05	3,067.17
TOTAL Equity and Liabilities		203.54	3,066.29
III. See accompanying notes to the financial statements			

As per our Report of even date attached

For and on behalf of Board of Directors

For B.K. Gupta & Associates

Chartered Accountants

FRN : 002128N

Sd/-

B.K. Gupta

Partner

M. No. 080753

Place : New Delhi

Date : 18/07/2018

Sd/-

A. K. Choudhary

Director

DIN:05166458

Sd/-

Arun Kumar

Director

DIN:02486535

HIGH SPEED RAIL CORPORATION OF INDIA LIMITED
Statement of Profit and Loss for the Period ended 31st March 2018

(INR in Lakhs)

PARTICULARS	Note No.	For the year ended 31st March 2018	For the year ended 31st March 2017
I. Revenue from operation	12	4,079.84	-
Other income	13	12.92	21.35
Total Income		4,092.76	21.35
II. Expenses:			
Expenses on operation	14	4,079.84	-
Finance Cost	15	0.06	-
Depreciation, amortization and impairment	16	0.04	0.04
Other Expenses	17	4.94	3.76
Total Expenses		4,084.88	3.80
III Profit/loss Before exceptional items and Tax (I-II)		7.88	17.55
IV Exceptional items		-	-
V Profit/(Loss) before tax (III-IV)		7.88	17.55
VI Tax expense:			
(1) Current tax			
- For the year	18	2.05	4.44
- For earlier years (net)	18	0.46	-
(2) Deferred tax (net)		-	-
Total Tax Expense (VI)		2.51	4.44
VII Profit/(loss) for the period from continuing operation (V-VI)		5.37	13.11
VIII Profit/(loss) from discontinued operations		-	-
IX Tax Expense of discontinued operations		-	-
X Profit/(loss) from discontinued operations (after tax) (VIII-IX)		-	-
XI Profit/(loss) for the period (VII+X)		5.37	13.11
XII Other Comprehensive Income			
A. (i) Items that will not be reclassified to profit and loss		-	-
(ii) Income Tax relating to Items that will not be reclassified to profit and loss		-	-
B. (i) Items that will be reclassified to profit and loss		-	-
(ii) Income Tax relating to Items that will be reclassified to profit and loss		-	-
XIII Total Comprehensive Income for the period (XI +XII) (Comprehensive profit and other comprehensive income for the period)		5.37	13.11
XIV Earnings Per Equity Share: (For Continuing Operation)			
(1) Basic	19	5.00	12.21
(2) Diluted	19	5.00	12.21
XV Earnings Per Equity Share: (For discontinuing Operation)			
(1) Basic		-	-
(2) Diluted		-	-
XIV Earnings Per Equity Share: (For discontinued and continuing Operation)			
(1) Basic	19	5.00	12.21
(2) Diluted	19	5.00	12.21

As per our Report of even date attached

For and on behalf of Board of Directors

For B.K. Gupta & Associates
Chartered Accountants
FRN : 002128N

Sd/-
B.K. Gupta
Partner
M. No. 080753

Sd/-
A. K. Choudhary
Director
DIN:05166458

Sd/-
Arun Kumar
Director
DIN:02486535

Place : New Delhi
Date : 18/07/2018

HIGH SPEED RAIL CORPORATION OF INDIA LIMITED
Statement of Cash Flow for the period ended on 31st March 2018

(INR in Lakhs)

PARTICULARS	Note No.	For the year ended 31st March 2018	For the year ended 31st March 2017
CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before taxation		7.88	17.55
Adjustment for :			
Depreciation, amortization and impairment		0.04	0.04
Amortisation of premium on investment		-	-
Loss / (Profit) on sale of assets(net)		-	-
Interest Income		(12.92)	(21.35)
Provisions - (Additions - Write back) (Net)		-	-
Effect of Exchange differences on translation of Foreign Currency Cash & Cash Equivalents		-	-
Operating Profit before working capital changes	(1)	(5.00)	(3.76)
Adjustment for :			
Decrease / (Increase) in Trade Receivables/ Loans & Advances		-	-
Decrease / (Increase) in Inventories		-	-
Decrease / (Increase) in Other Financial current Assets		2,549.15	(888.35)
Decrease / (Increase) in Project Work in progress		(0.12)	(0.08)
(Decrease) / Increase in Other Financial Liabilities		(10.67)	(7.52)
(Decrease) / Increase in Other Liabilities & Provisions		(2,857.45)	1,232.05
Cash generated from operation	(2)	(319.09)	336.10
Income Tax Paid (Net of refunds)	(1+2)	(324.09)	332.34
		(3.30)	(5.59)
NET CASH FROM OPERATING ACTIVITIES	(A)	(327.39)	326.75
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets including Capital WIP		-	-
Interest Received		12.92	21.35
NET CASH FROM INVESTING ACTIVITIES	(B)	12.92	21.35
CASH FLOW FROM FINANCING ACTIVITIES			
Dividend (including Dividend Distribution Tax) paid		-	-
NET CASH FROM FINANCING ACTIVITIES	(C)	-	-
Effect of Exchange differences on translation of Foreign Currency Cash & Cash Equivalents	(D)		
NET DECREASE IN CASH & CASH EQUIVALENT	(A+B+C+D)	(314.47)	348.12
CASH AND CASH EQUIVALENT (OPENING)	(E)	516.29	168.07
Cash Balances		-	-
Balance with Banks		516.29	168.07
Imprest Account		0.10	0.10
Short term investments		-	-
CASH AND CASH EQUIVALENT (CLOSING)	(F)	201.82	516.29
Cash Balances		-	-
Balance with Banks		201.72	516.19
Short term investments		0.10	0.10
NET DECREASE IN CASH & CASH EQUIVALENT	(F - E)	(314.47)	348.12

Cash Flow Statement has been prepared under indirect method as set out in IND AS-7 (Cash Flow Statements)

As per our Report of even date attached

For and on behalf of Board of Directors

For B.K. Gupta & Associates
Chartered Accountants
FRN : 002128N

Sd/-
B.K. Gupta
Partner
M. No. 080753

Sd/-
A. K. Choudhary
Director
DIN:05166458

Sd/-
Arun Kumar
Director
DIN:02486535

Place : New Delhi
Date : 18/07/2018

STATEMENT OF CHANGES IN EQUITY
HIGH SPEED RAIL CORPORATION OF INDIA LIMITED
Statement of changes in equity for the period ended 31st March 2018

A. Equity share capital

(INR in Lakhs)

Particulars	Number of Share in Lakhs	Amount
Balance at April 1, 2016	1.07	10.74
Changes in equity share capital during the year		
Issue of equity shares capital during the year	-	-
Balance at March 31, 2017	1.07	10.74
Changes in equity share capital during the year		
Issue of equity shares capital during the year	-	-
Balance at March 31, 2018	1.07	10.74

B. Other Equity

(INR in Lakhs)

Particulars	Reserve & Surplus	Total
	Retained Earnings	
Balance at April 1, 2016	(24.64)	(24.64)
Changes in accounting policy or prior period errors	-	-
Restated Balance at April 1, 2016	(24.64)	(24.64)
Profit for the year	13.11	13.11
Other Comprehensive Income for the year (net of income tax)	-	-
Total Comprehensive Income for the year	13.11	13.11
Dividends paid	-	-
Balance at March 31, 2017	(11.53)	(11.53)
Changes in accounting policy or prior period errors	-	-
Restated Balance as at March 31, 2017	(11.53)	(11.53)
Profit for the year	5.37	5.37
Other Comprehensive Income for the year (net of income tax)	-	-
Total Comprehensive Income for the year	5.37	5.37
Dividends paid	-	-
Balance at March 31, 2018	(6.16)	(6.16)

The accompanying notes are integral part of financial statements.

As per our Report of even date attached

For and on behalf of Board of Directors

For B.K. Gupta & Associates

Chartered Accountants
FRN : 002128N

Sd/-

B.K. Gupta
Partner

M. No. 080753

Place : New Delhi

Date : 18/07/2018

Sd/-

A. K. Choudhary
Director

DIN:05166458

Sd/-

Arun Kumar
Director

DIN:02486535

Notes- 1 & 2

1. General Information

High Speed Rail Corporation of India Limited is public limited company domiciled and was incorporated in India 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. The registered office of the company is located at 1st Floor August Kranti Bhawan, Bhikaji Cama Place, New Delhi- 110066, India.

2.1 Basis of Preparation

a) Statement of Compliance

The financial statements as at and for the period ended March 31, 2018 have been prepared in accordance with Indian Accounting Standards (Ind-AS) notified under section 133 of the Companies Act, 2013 as companies (Indian Accounting Standards) Rules, 2015, Companies (Indian accounting standards) Amendment Rules 2016 and Companies (Indian accounting standards) Amendment Rules 2017

b) Basis of Measurement

The financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following items that have been measured at fair value as required by relevant Ind AS: i. Certain financial assets and liabilities measured at fair value.

c) Use of estimates and judgement

Primary Estimates

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, disclosure of contingent assets and liabilities at the date of financial statements and the reported amount of income and expenses. Examples of such estimates includes estimates of provision for doubtful debts, future obligations under employee retirement benefit plans and estimated useful life of property, plant and equipment. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Future results could differ due to changes in these estimates and difference between the actual result and the estimates are recognised in the period in which the results are known/ materialize. All financial information presented in Indian rupees and all values are rounded to the nearest lakhs except where otherwise stated.

d) Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

For the purposes of the cash flow statement, cash and cash equivalents include cash in hand, cash at banks and demand deposits

with banks, net of outstanding bank overdrafts that are repayable on demand are considered part of the Company's cash management system.

Amendment to Ind-AS 7:

Effective April 1, 2017, the company adopted the amendment to Ind-AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of amendment did not have any material effect on the financial statements.

e) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates (Functional Currency). The financial statements are presented in Indian rupees, which is presentation currency of company.

f) Property, plant and equipment

1. Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any

Cost of asset includes the following

- i. Cost directly attributable to the acquisition of the assets
- ii. Present value of the estimated costs of dismantling & removing the items & restoring the site on which it is located if recognition criteria are met.

2. Cost of replacement, major inspection,

repair of significant parts are capitalized if the recognition criteria are met.

3- An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from continued use of assets. Any gain or loss arising on disposal or retirement of an item of property, plant an equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in statement of profit or loss.

g) Intangible Assets Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at historical cost less accumulated amortization and impairment loss, if any. Intangible assets comprise of license fees, other implementation costs for system software and other application software acquired for in-house use. The costs are capitalized in the year in which the relevant software is implemented for use. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes, and any directly attributable expenditure on making the asset ready for its intended use."

h) Depreciation

(a) Depreciation on Property, plant and Equipment is provided on Straight Line basis (SLM) over the useful life of the assets as specified in Schedule II of the Companies Act, 2013.

(b) Each part of an item of Property, Plant and Equipment is depreciated separately if the cost of part is significant in relation to the total cost of the item and useful life of that

part is different from the useful life of remaining asset.

The estimated useful life of assets for current and comparative period of significant items of property plant and equipment are as follows:

Particulars Useful Life (years)

Office Equipments 5

(c) Depreciation methods, useful lives and residual values are reviewed at each reporting date, with the effect of change in estimate accounted for on a prospective basis.

i) Provisions

Provision is recognised when:

- i) The Company has a present obligation as a result of a past event,
- ii) A probable outflow of resources is expected to settle the obligation and
- iii) A reliable estimate of the amount of the obligation can be made. Reimbursement of the expenditure required to settle a provision is recognised as per contract provisions or when it is virtually certain that reimbursement will be received. Provisions are reviewed at each Balance Sheet date.

Provision which expected to be settled beyond 12 months are measured at the present value by using pre-tax discount rate that reflects the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expenses.

j) Revenue Recognition

(a) Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

(b) Other items of Income are accounted for as and when right to receive is established.

k) Impairment of non-financial assets

In accordance with Indian Accounting Standard-36 Impairment of Assets, 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 or 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 lower than expected and therefore there is no impairment of any assets as on the Balance Sheet date.

l) Taxes

a) Current income tax

- i. Taxes including current income-tax are computed using the applicable tax rates and tax laws.
- ii. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the company operates and generates taxable income.
- iii. Current income tax assets and liabilities for current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, liability for additional taxes if any, is provided / paid as and when assessments are completed.

- iv. Current tax related to OCI Item are recognized in Other Comprehensive Income (OCI).

b) Deferred tax

- i. Deferred income tax is recognized using balance sheet approach.
- ii. Deferred income tax assets and liabilities are recognized for temporary differences which is computed using the tax rates and tax laws that have been enacted or substantively enacted at the reporting date.
- iii. Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.
- iv. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.
- v. Deferred tax related to OCI Item are recognized in Other Comprehensive Income (OCI).

m) Earnings Per Share.

In determining basic earnings per share, the company considers the net profit attributable to equity shareholders. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. In determining diluted earnings per share, the net profit attributable to equity shareholders and weighted average number of shares

outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

n) Contingent Liabilities and contingent Assets

- (a) Contingent Liabilities are disclosed in either of the following case
- i) A present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation; or
 - ii) A reliable estimate of the present obligation cannot be made; or
 - iii) A possible obligation, unless the probability of outflow of resource is remote.
- (b) Contingent assets is disclosed where an inflow of economic benefits is probable.
- (c) Contingent Liability and Provisions needed against Contingent Liability and Contingent Assets are reviewed at each Reporting date.
- (d) Contingent Liability is net of estimated provisions considering possible outflow on settlement.

o) Fair Value Measurement

Company measures financial instruments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- In the absence of a principal market, in the

most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs."

p) Financial instruments

Initial recognition and measurement Financial Instruments recognized at its fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial instruments.

a. Subsequent measurement

Financial Assets financial assets are classified in following categories:

- a) At Amortised Cost
- b) Fair value through Other Comprehensive Income.
- c) Fair value through Profit and loss account.

b. Debt instrument at Amortised Cost

A financial asset shall be measured at amortised cost if both of the following conditions are met:

- (a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- (b) The contractual terms of the financial asset give rise on specified dates to cash flows

that are solely payments of principal and interest on the principal amount outstanding. Financial assets measured at amortised cost using effective interest rate method less impairment if any. The EIR amortisation is included in finance income in the statement of profit and loss.

c. Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI. Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned is recognised using the EIR method.

d. Debt instrument at FVTPL

FVTPL is a residual category for financial Assets. Any financial assets, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the company may elect to designate financial asset, which otherwise meets amortized cost or FVTOCI

criteria, as at FVTPL. If doing so reduces or eliminates a measurement or recognition inconsistency. The company has not designated any financial asset as at FVTPL. Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Financial liabilities

a) Financial liabilities at Amortised Cost

Financial liabilities at amortised cost represented by trade and other payables, security deposits and retention money are initially recognized at fair value and subsequently carried at amortized cost using the effective interest rate method.

b) Financial liabilities at FVTPL

The company has not designated any financial liabilities at FVTPL.

e. Derecognition

Financial Asset

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized only when the contractual rights to the cash flows from the asset expires or it transfers the financial assets and substantially all risks and rewards of the ownership of the asset. Financial Liability A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the

recognition of a new liability and the difference in the respective carrying amounts is recognised in the income statement.

f. Impairment of financial assets

Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applies on whether there has been significant increase in credit risk.

g) Project Transfer

MoR Funded Projects through RVNL: PWIP of MoR funded projects are adjusted against fund received from MoR through RVNL. The amount of expenditure incurred on projects recognised during the period including opening balance of PWIP for MoR funded projects are being adjusted as at 30.06.2017 from the fund received from MoR through RVNL and from subsequent year adjustment will be carried out on annually basis.

h) Standard issued but not yet effective for the Financial Year 2017-18

a) IND AS 115 Revenue from Contracts with Customers

MCA had notified IND AS 115 on Revenue from Contracts with Customers on dated March 28, 2018. The standard establishes a new five step model that will apply to revenue arising from Contracts with customers. Under IND AS 115, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IND AS 115 provide a more structured approach to measuring and recognizing revenue. The new revenue standard is applicable to all entities and will

supersede all current revenue recognition requirements under IND AS. The effective date of IND AS 115 is annual periods beginning on or after 1st April 2018. The Company is required to adopt the standard by the Financial Year commencing 1st April 2018. The Company is currently evaluating the requirements of IND AS 115 and has not yet determined the impact on the financial statements.

- i) The Accounting policies that are currently not relevant to the company have not been disclosed. When such accounting policies become relevant, the same shall be disclosed.

Note: - 3

Property, Plant and equipment

(INR in Lakhs)

	Office Equipments	Total
Cost or valuation		
At 1 April 2017	0.22	0.22
Additions	-	-
Disposals/Adjustments	-	-
At 31 March 2018	0.22	0.22
Depreciation and impairment		
At 1 April 2017	0.08	0.08
Depreciation charge for the year	0.04	0.04
Depreciation on Camera	-	-
Disposals/Adjustments	-	-
At 31 March 2018	0.12	0.12
Net book value		
At 31 March 2018	0.10	0.10
At 31 March 2017	0.14	0.14

Note: - 4

Financial Assets

Cash and Cash equivalent

(INR in Lakhs)

Particulars	31 March 2018	31 March 2017
<i>Balances with banks:</i>		
– On Current accounts	10.98	13.70
– Flexi Accounts	190.74	502.49
Imprest Account	0.10	0.10
	201.82	516.29

Note:- 5

Other current assets

(INR in Lakhs)

Particulars	31 March 2018	31 March 2017
i) Accrued Interest		
Accrued Interest on Flexi deposits	0.43	0.31
	0.43	0.31

Note:- 6

Project Work in Progress

(INR in Lakhs)

Particulars	31 March 2018	31 March 2017
PPE (Incidental Expenses)	8.87	8.87
Preliminary Project Expenditure	4,111.12	2,580.43
Less:		
Sale of Tender	(2.80)	(2.80)
Liquidated Damages	(37.35)	(37.35)
	4,079.84	2,549.15
Less: Project Transferred to RVNL [refer note. 12 (1) (a)]	4,079.84	-
	-	2,549.15

Note:- 7

Equity Share capital

(INR in Lakhs)

Particulars	31 March 2018	31 March 2017
Authorised share capital		
March 31, 2018: 50,00,000 Equity share of ₹ 10 each	500.00	500.00
(March 31, 2017: 50,00,000 Equity share of ₹ 10 each)	500.00	500.00
Issued/Subscribed and Paid up Capital		
March 31, 2018: 1,07,411 Equity share of ₹ 10 each	10.74	10.74
(March 31, 2017: 1,07,411 Equity share of ₹ 10 each)	10.74	10.74

Note 7.1

Reconciliation of the number of equity shares and share capital

(INR in Lakhs)

Particulars	As at 31 March 2018		As at 31 March 2017	
	No of shares	(Amount ₹)	No of shares	(Amount ₹)
Issued/Subscribed and Paid up equity Capital outstanding at the beginning of the year	1.07	10.74	1.07	10.74
Add: Shares Issued during the year	-	-	-	-
Issued/Subscribed and Paid up equity Capital outstanding at the end of the year	1.07	10.74	1.07	10.74

Terms/Rights attached to Equity Shares

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.

Shares held by Holding Company

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 1,07,405 shares & its Nominee holds 6 shares, Face value of share is ₹ 10 each.

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

(INR in Lakhs)

Particulars	As at 31 March 2018		As at 31 March 2017	
	No of shares	% holding in the class	No of shares	% holding in the class
Rail Vikas Nigam Limited (along with 6 Nominees) -Holding Company (1,07,411 shares fully paid up @₹10/- per share)	1.07	100.00%	1.07	100.00%
Total	1.07	100.00%	1.07	100.00%

Aggregate no. of equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceeding the reporting date

(INR in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
	Number	Number	Number	Number	Number
Equity shares allotted other than cash	-	-	0.57	-	-
Equity shares issue as bonus	-	-	-	-	-
Total	-	-	0.57	-	-

Note: - 8

Other Equity

(INR in Lakhs)

Particulars	31 March 2018	31 March 2017
(a) Retained Earnings		
Opening Balance	(11.62)	(24.64)
Add: Profit/(Loss) for the period	5.37	13.02
Closing Balance	(6.25)	(11.62)

Note: - 9

Financial Liability

(INR in Lakhs)

Particulars	31 March 2018	31 March 2017
(i) Other Financial Liability		
Other Payables	197.56	208.23
Total	197.56	208.23

Note: - 10

Other current Liability

(INR in Lakhs)

Particulars	31 March 2018	31 March 2017
i) Other Advances		
Advance from Ministry of Railways for Project feasibility study	2,858.70	2,858.70
Less:		
Advance transferred to RVNL	2,858.70	-
	-	2,858.70
ii) Others		
Statutory Liabilities	-	-
TDS	0.29	0.24
GST	1.20	
Total	1.49	2,858.94

Note: - 11

Current Tax

(INR in Lakhs)

Particulars	31 March 2018	31 March 2017
Current Tax Assets		
Prepaid taxes	3.24	4.84
Total	3.24	4.84
Current Tax Liability		
Provision for current Tax	2.05	4.44
	1.19	0.40

Note: - 12

Revenue from Operation

(INR in Lakhs)

Particulars	For the period ended 31st March 2018	For the period ended 31st March 2017
Revenue from transfer Projects to RVNL.	4,079.84	-
	4,079.84	-

Note (1) : Operating Income:

(a). Project expenditure amounting ₹ 4079.84 lakhs incurred on MoR funded projects through RVNL are transferred to RVNL and recognised as revenue.

(b). High Speed Rail Corporation of India Limited (HSRCL) is anticipating earnings on account of D & G charges from MoR through RVNL on transfer of Projects. Amount of D&G charges is yet to be approved by Railways Board (MoR). Hence, the revenue on account of D&G charges has not been recognised.

Note: - 13

Other Income

(INR in Lakhs)

Particulars	For the period ended 31st March 2018	For the period ended 31st March 2017
Interest on Flexi Account	12.92	21.35
	12.92	21.35

Note: - 14

Expenses on Operation

(INR in Lakhs)

Particulars	For the period ended 31st March 2018	For the period ended 31st March 2017
Expense on transfer of Projects	4,079.84	-
Total	-	-

Note:- Project expenditure amounting ₹ 4079.84 lakhs incurred on MoR funded projects through RVNL and recognised as expenditure.

Note: - 15
Finance Cost

(INR in Lakhs)

Particulars	For the period ended 31st March 2018	For the period ended 31st March 2017
Interest Expenses on Income tax	0.06	-
Total	0.06	-

Note: - 16
Depreciation, amortization and impairment

(INR in Lakhs)

Particulars	For the period ended 31st March 2018	For the period ended 31st March 2017
Property Plant and equipment	0.04	0.04
Total	0.04	0.04

Note: - 17
Other Expenses

(INR in Lakhs)

Particulars	For the period ended 31st March 2018	For the period ended 31st March 2017
Legal & Professional Fees	1.68	2.25
Office Expenses	1.45	-
Payment to Auditors:		
As Auditors - Statutory Audit	1.30	0.92
Out of pocket Expenses	0.08	-
Bank charges	0.01	0.01
Website Maintenance charges	0.41	0.53
ROC Fee Expenses	0.01	0.05
Total	4.94	3.76

Note: - 18

Tax Expense

(INR in Lakhs)

Particulars	31 March 2018	31 March 2017
Current income tax:		
Current income tax charge	2.05	4.44
Adjustments in respect of current income tax of previous year	0.46	-
Deferred tax:		
Relating to origination and reversal of temporary differences	-	-
Income tax expense reported in the statement of profit or loss	2.51	4.44

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for period ended 31st March 2018

(INR in Lakhs)

Particulars	31 March 2018	31 March 2017
Accounting profit before tax from continuing operations	7.88	17.55
Profit/(loss) before tax from a discontinued operation	-	-
Accounting profit before income tax	7.88	17.55
At India's statutory income tax rate of 25.75% (31 March 2017: 29.87%)	2.02	5.24
Adjustments in respect of current income tax of previous years	0.46	0.09
Expenses deductible for Income Tax Purpose	0.01	(0.81)
Non-deductible expenses for tax purposes:		
Other non-deductible expenses	0.02	
At the effective income tax rate of 33.64% (31 March 2017:- 25.79%)	2.51	4.53
Income tax expense reported in the statement of profit and loss	2.51	4.53
Income tax attributable to a discontinued operation	-	-
	2.51	4.53

Note: - 19

Earnings per share (EPS)

(INR in Lakhs)

Particulars	Year ended	Year ended
	31st March 2018	31st March 2017
	(₹ per share)	
Basic EPS		
From continuing operation	5.00	12.21
From discontinuing operation	-	-
Diluted EPS		
From continuing operation	5.00	12.21
From discontinuing operation	-	-

19.1 Basic Earning per Share

Basic EPS amounts are calculated by dividing the profit for the period attributable to equity holders of the company by weighted average number of equity shares outstanding during the period

The earnings and weighted average number of equity shares used in calculation of basic earning per share:-

(INR in Lakhs)

Particulars	Year ended	Year ended
	31st March 2018	31st March 2017
Profit attributable to equity holders of the company:		
Continuing operations	5.37	13.11
Discontinuing operations	-	-
Earnings used in calculation of Basic Earning Per Share	5.37	13.11
Weighted average number of shares for the purpose of basic earnings per share	1.07	1.07

19.2 Diluted Earning per Share

The earnings and weighted average number of equity shares used in calculation of diluted earning per share:-

(INR in Lakhs)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Profit attributable to equity holders of the company:		
Continuing operations	5.37	13.11
Discontinuing operations		-
Earnings used in calculation of diluted Earning Per Share from continuing operations	5.37	13.11

The weighted number of equity shares for the purpose of diluted earning per share reconciles to the weighted average number of equity shares used in calculation of basic earning per share as follows:

(INR in Lakhs)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Weighted average number of Equity shares used in calculation of basic earnings per share	1.07	1.07
Effect of dilution:		
Share Options	-	-
Weighted average number of Equity shares used in calculation of diluted earnings per share	1.07	1.07

Note-20

Related Party Disclosures:

a) Parent Company

- (i) Rail Vikas Nigam Limited

b) Key Managerial personnel of the entity

- (i) Satish Chandra Agnihotri: Director
- (ii) Vijay Anand : Director
- (iii) Ashok Krishna Ganju : Director, upto 16th Nov'2017
- (iv) Gita Mishra: Director, upto 16th Nov'2017
- (v) Arun Kumar: Director
- (v) Ashok Kumar Choudhary: Director
- (vi) M.P.Singh: CEO & CTO (Coordination)

c) Disclosure of transactions with related parties:

(INR in Lakhs)

Particulars	Transactions during the year 2017-18	Transactions during the year 2016-17	Particulars of contracts/ Arrangements
			Nature of Transaction
Transactions with Rail Vikas Nigam Limited	-	-481.71	Expenditure Incurred by RVNL on behalf of HSRC (Net)
	-	0.24	Expenditure Incurred by HSRCL on behalf of RVNL
	1356.83	397.76	Advance received from RVNL (Net)
		397.76	Advance for Project work received
	2,858.70	-	Advance received from MoR are transferred to RVNL.
	4,079.84	-	Project expenditure incurred upto 31st March 2018 are transferred to RVNL.

d) Amount of outstanding balance

(INR in Lakhs)

Particulars	Amount outstanding as on 31-03-18	Amount outstanding as on 31-03-17
Rail Vikas Nigam Limited	194.84	204.61

The amount outstanding are unsecured and will be settled in cash. There have been no guarantees provided or received for any related party receivable or payable.

Sub-contract work have been received from Ministry of railways which has been made at the price prevailing in market.

Note:- 21

Fair Value measurements

(i) Financial Instruments by Category

(INR in Lakhs)

Particulars	31 March 2018			31 March 2017		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Cash and Cash Equivalents			201.82			516.29
Total Financial Assets			201.82	-	-	516.29

Particulars	31 March 2018			31 March 2017		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Other Payables			197.56			208.23
Total Financial Liabilities	-	-	197.56	-	-	208.23

Financial risk management

The Company's principal financial liabilities comprise other payables. The main purpose of these financial liabilities is to finance the company's operations. The Company's principal financial assets include cash. The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. Company has not hedged its Financial risks. All risks are Uncovered risk.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises from cash held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

The Company take care for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed in accordance with the companies policy. Investment of surplus are made only with approved with counterparty on the basis of the financial quotes received from the counterparty.

d) Liquidity risk

Ultimate responsibility for liquidity risk management rest with the board of directors the company manages maintaining adequate banking facilities and reserves borrowing facilities by continuously monitoring forecast and actual cash flows and by matching the maturities of financial liabilities

Note 22: Approval of Financial Statements

The financial statements were approved for issue by the Board of Directors on 18.07.2018



INDEPENDENT AUDITORS' REPORT

To The Members Of
High Speed Rail Corporation of India Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of High Speed Rail Corporation of India Limited ("the Company"), which comprises the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statements").

Management's Responsibility for the Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued there under.

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 Ind AS 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 Ind AS financial statements based on our audit.

In conducting 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 issued under section 143(11) of the Act.

We conducted our audit of the Ind AS financial statements 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of 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 Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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, 2018, and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on 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 Section 143(3) of the Act, based on our audit 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 including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules 2015 as amended.



- (e) 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 B'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- (f) With respect to the other matters to be included in Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, as amended, 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.
3. 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 the compliance report in 'Annexure C'

For B.K. Gupta & Associates
Chartered Accountants
FRN: 002128N

Sd/-
CA B.K. Gupta
Partner
M. No. : 080753
Place: Delhi
Date : 18.07.2018



‘ANNEXURE A’ 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)

Report on Companies (Auditor’s Report) Order, 2016 (‘the Order’) issued by the Central Government in terms of Section 143(11) of the Companies Act, 2013 (‘the Act’) of High Speed Rail Corporation of India Limited (‘the Company’)

- (i) In respect of the Company’s property, plant and equipment:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
 - (b) The property, plant and equipment were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for the physical verification of all the fixed assets at reasonable intervals. According to the information and explanations 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) According to the information and explanations given to us, 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 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 deposits during the year and does not have any unclaimed deposits as at March 31, 2018 and therefore, the provisions of the clause 3(v) of the Order is not applicable to the Company.
- (vi) Reporting under clause 3(vi) of the Order is not applicable as the Company’s business activities are not covered by the Companies (Cost Records and Audit) Rules, 2014.
- (vii) According to information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees’ State Insurance, Income Tax, Sales Tax, Goods & Service Tax, Service Tax, Value Added Tax, duty of Customs, duty of Excise, Cess and other material statutory dues applicable to it with the appropriate authorities.

- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Value Added Tax, Goods & Service Tax, duty of Customs, duty of Excise, Cess and other material statutory dues in arrears as at March 31, 2018 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 has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term Loans and hence reporting under clause 3(ix) of the Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion Section 197 of the Companies Act 2013, is not applicable to the government companies. Hence paragraph 3(xi) of the Order is not applicable.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with sections 177 and 188 of the Act, where applicable, for all transactions with related parties and details of related party transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3(xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its Directors or persons connected to its Directors and hence provisions of section 192 of the Act are not applicable.
- (xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

For B.K. Gupta & Associates

Chartered Accountants

FRN: 002128N

Sd/-

CA B.K. Gupta

Partner

M. No. : 080753

Place: Delhi

Date : 18.07.2018



‘ANNEXURE B’ TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 (e) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”) of High Speed Rail Corporation of India Limited

We have audited the internal financial controls over financial reporting of **HIGH SPEED RAIL CORPORATION OF INDIA LIMITED** (“the Company”), as of March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended as at 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 (‘Guidance Note’). 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 Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the Ind AS 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, to the best of our information and according to the explanations given to us, 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 March 31, 2018, 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 Control over financial reporting issued by the ICAI.

For B.K. Gupta & Associates

Chartered Accountants

FRN: 002128N

Sd/-

CA B.K. Gupta

Partner

M. No. : 080753

Place: Delhi

Date : 18.07.2018



B. K. GUPTA & ASSOCIATES
 CHARTERED ACCOUNTANTS

‘ANNEXURE C’ TO THE INDEPENDENT AUDITOR'S REPORT

Annexure to the Independent Auditor’s Report referred in paragraph 3 of our report of even date relating to the directions issued by Comptroller and Auditor General of India, in terms of sub-section (5) of section 143 of the Act on the financial statements of High Speed Rail Corporation Limited (HRCL) for the year ended 31st March 2018

S.NO.	CAG’s Directions	Our Report	Action taken thereon	Impact on Accounts and Financial Accounts 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 therefore and the amount involved.	No, There is no such case in the financial year 2017-2018.	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 B.K. Gupta & Associates
Chartered Accountants
 FRN: 002128N

Sd/-
CA B.K. Gupta
 Partner
 M. No. : 080753
 Place: Delhi
 Date : 18.07.2018

CONFIDENTIAL/गोपनीय



सत्यमेव जयते

भारतीय लेखा एवम् लेखा परीक्षा विभाग
प्रधान निदेशक लेखा परीक्षक, रेलवे-वाणिज्यिक का कार्यालय
तिलक ब्रिज (काफमो परिसर), नई दिल्ली-110002
INDIAN AUDIT AND ACCOUNTS DEPARTMENT
OFFICE OF THE PRINCIPAL DIRECTOR OF AUDIT
RLY-COMMERCIAL,
TILAK BRIDGE (COFOW PREMISES), NEW DELHI-110002

No. PDA RC/RPSU/13-23/HSRCL/2018-19/81

Dated: 31.08.2018

सेवा में

प्रबंध निदेशक,
हाई स्पीड रेल कार्पोरेशन ऑफ इंडिया लिमिटेड,
नई दिल्ली

विषय:

31 मार्च 2018 को समाप्त वर्ष के लिए हाई स्पीड रेल कार्पोरेशन ऑफ इंडिया लिमिटेड के वित्तीय विवरणों पर कंपनी अधिनियम 2013 की धारा 143(6)(b) के अन्तर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियां।

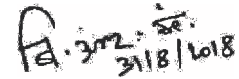
महोदय,

में, हाई स्पीड रेल कार्पोरेशन ऑफ इंडिया लिमिटेड के 31 मार्च 2018 को समाप्त वर्ष के वित्तीय विवरणों पर कंपनी अधिनियम 2013 की धारा 143(6) (b) के अंतर्गत भारत के नियंत्रक-महालेखापरीक्षक की टिप्पणियां अग्रेषित कर रहा हूं।

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

संलग्न: यथोपरि।

भवदीय,



(बी आर मंडल)
प्रधाननिदेशक/आर.सी.

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 2018.

The preparation of financial statements of **HIGH SPEED RAIL CORPORATION OF INDIA LIMITED** for the period ended 31 March 2018 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 18.07.2018.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of **HIGH SPEED RAIL CORPORATION OF INDIA LIMITED** for the period ended 31 March 2018 under section 143(6)(a) of the Act. 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 supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

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



(B.R. Mondal)
Principal Director of Audit
Railway Commercial, New Delhi

Place: New Delhi
Dated: 31st August, 2018