

## 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 1<sup>st</sup> Annual Report of the Company together with the Audited Statements of Accounts and Auditors' Report for the year ended 31st March, 2013 (from 25<sup>th</sup> July, 2012 to 31<sup>st</sup> March, 2013).

President of India (Ministry of Railways) issued directions to Rail Vikas Nigam Limited (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 25<sup>th</sup> July 2012 as its Wholly owned Subsidiary and the Certificate of Commencement of Business was received on 18<sup>th</sup> 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.

However, specific instructions from Ministry of Railways for implementation of High Speed Rail Projects in the country are yet to be communicated. As such, the operational activities of the Company are yet to commence.

#### Business Performance

The Company has not recorded operating turnover during the year, as Company is yet to commence its operational activities.

#### Financial Performance

The significant indicators of financial performance of the Company for its first financial year {from 25.07.2012 (date of Incorporation) to 31.3.2013} are mentioned below:

Particulars	Asat March 31, 2013 (Amount in ₹)
Authorized Share Capital	5,00,00,000
Paid-up share Capital	5,00,000
Capital work in progress	Nil
Total Income	8,135
Operating Income	Nil
Profit before Tax	(7,45,218)
Net Worth	(2,45,218)
Earnings per share	(21.76)

The expenditure incurred by the Company is on items related to incorporation of the Company including legal and professional fees, Auditor's fees etc. As mentioned above, the operational activities of the Company are yet to commence.



### **Capital Structure**

The paid-up share capital of the Company is ₹ 5 lakh, against the Authorized Share Capital of ₹ 5 crore.

### **Dividend**

Since the company has not yet started its commercial activities, the Company has declared no dividend for the year 2012-13 (from 25.07.2012 to 31.3.2013).

### **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 and has not earned any income or profit, 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 or outgo.

### **Particulars of Employees under Section 217 (2A)**

The Company has not employed any person whose particulars are required to be submitted in the report pursuant to provisions of Section 217(2A) of the Companies Act, 1956 and rules framed there under.

### **Buy-Back of Shares under Section 217 (2B)**

The Holding Company holds all the shares in the Company and the Company has not resorted to any buy-back of its shares during the year under review. As such, there is no item to report under Section 217 (2B) of the Companies Act, 1956.

### **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 Directors nominated by the Holding Company, Rail Vikas Nigam Limited. The Board met three (3) times during the year for transacting business.

The following Directors held office during the year:

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

### **Directors' Responsibility Statement**

As required under Section 217 (2AA) of the Companies Act, 1956, Directors of the Company confirm that:-

- (i) in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed and that there are no material departure from the same.

- (ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the Profit or Loss of the Company for that period.
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- (iv) the Directors have prepared the annual accounts on a going concern basis.

#### **Auditors**

The Comptroller & Auditor General of India appointed M/s ASAP & Associates, Chartered Accountants as Company's Statutory Auditors for the year 2012-13. The Board would like to place on record their sincere thanks for the valuable services rendered by Statutory Auditors.

#### **Comments -- 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, 2013 under section 619 of the Companies Act, 1956. The comments of the C & AG on the Annual Accounts of the Company for the year ended 31st March, 2013 shall also form part of this report.

#### **Acknowledgements**

We record our appreciation and thanks to Holding company, RVNL and Ministry of Railways for their 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 THE BOARD OF DIRECTORS

Mukul Jain  
Director

Ashok K. Ganju  
Director

Place : New Delhi  
Date : 14.06.2013



## 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.

### **Objectives**

The main objects of the Company are to enter into and carry on all business related to 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.

### **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 ₹ 8,135/-.

### **Operational Performance**

The Company has not yet started its commercial activities.

### **Strengths**

The Company has been established as a wholly owned subsidiary of RVNL which has a large pool of technical manpower with a diversity of skills and vast experience of execution of rail related infrastructure projects in the country. RVNL also has specialized experience of developing innovative financial models for execution of projects.

### **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.

**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 25<sup>th</sup> July, 2012 as a Wholly owned Subsidiary of RVNL with an Authorized Share Capital of ₹ 5 crore and paid up share capital of ₹ 5 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, CMD, 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:

Name	Category of Directors Whole Time/ Part Time	No. of other Directorship* (including HSRC)	No. of Committee Membership**	
			As Chairman	As Member
Mr. S.C. Agnihotri	Part Time Chairman	2	-	-
Mr. Mukul Jain	Part Time Director	2	-	1 (upto 20.09.2012)
Mr. Ashok K. Ganju	Part Time Director	2	-	-
Mr. Vijay Anand	Part Time Director	2	-	-

\* Does not include Directorship in Private Companies, Section 25 Companies and Foreign Companies.

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

**3.2 Brief Resume of Directors****a. Mr. S. C Agnihotri, Part-time Chairman (since incorporation i.e. 25.07.2012)**

Mr. Satish Agnihotri has assumed the charge of Chairman and Managing Director of Rail Vikas Nigam Limited (RVNL) on 05.03.2013. Prior to this, he was appointed as Managing Director, RVNL. Mr. Satish Agnihotri, M.E. (Structures) and B.E. (Civil) from IIT, Roorkee, joined the Indian Railway Service of Engineers in 1984. Before joining as Managing Director of RVNL on 27.01.2010 he was working as Director (Projects) of the company w.e.f 4th July 2007. Before 4th July 2007, he headed the Metro Project Directorate of Ministry of Railways dealing with upcoming metro lines in metropolitan cities. While working as OSD to Member Engineering, he was involved in laying down the policies, standards, planning, implementation and monitoring of infrastructure projects all over Indian Railways. As Executive Director (Corporate Coordination) & OSD / Chairman Railway Board, he was engaged in substantive decision making in the Ministry of Railways. In his career, spanning over 24 years, with



Ministry of Railways, he worked on important projects including construction of a double line bridge over river Ganga, doubling of tracks, major yard remodelings, etc. He worked on the Rajdhani Route of Allahabad Division, the most prestigious track on Indian Railways, as Maintenance Engineer progressively as Assistant Engineer, Divisional & Senior Divisional Engineer. He was largely responsible for raising the speed potential of Rajdhani route from 130 to 160/180 KMPH by upgrading the track geometry and strengthening of track. He was also deputed to Japan for undergoing training in Tunnel and Tunneling organized by Japan International Corporation Agency (JICA). Through UNDP, he was deputed to Germany, France and Austria for extensive training on maintenance of high speed track and upkeep of track machines. While working as Executive Director/Track Machine, he visited Germany, France, Italy and Russia as the team leader for development of high output track machines. Along with Chairman, Railway Board, he attended the Conference of Chief Executives of world railways in Japan, organized by UIC.

Mr. Agnihotri has also keen interest in sports and was adjudged as best in sport and studies amongst all branches of Engineering at IIT, Roorkee and was awarded Sarojini Naidu Cup for Work and Play.

**b. Mr. Mukul Jain, Part-time Director (since incorporation i.e. 25.07.2012)**

Mr. Mukul Jain has taken over as Director (Operations) of Rail Vikas Nigam Limited on 16th June, 2010. He is a B.Tech in Mechanical Engineering from I.I.T. Delhi, and a Master of Engineering in Logistics & Supply Chain Management from Massachusetts Institute of Technology, Boston and Zaragoza Logistics Center, Spain.

Mr. Jain was the Executive Director in Container Corporation of India Ltd. (CONCOR), a PSU of Government of India prior to joining RVNL. He had joined Indian Railway Traffic Service (IRTS) in 1981. After working in various capacities in operating, commercial and general administration in SE Railway and Western Railway, he joined as Head of CONCOR's Western Region in 1995. He then headed North Western Region of CONCOR from 2003 to 2006. He has worked as Head of Planning & Development, Air Cargo and Shipping in its Corporate Office, New Delhi. He specializes in transport strategy, design of Intermodal Terminals and hinterland port connectivity.

He has been credited with the establishment of highly successful Container Freight Stations in Mulund (Mumbai), Dronagiri Node (JNPT), Vadodara and at several other locations in Western India. He regularly delivers lectures on railways, containerization, logistics, SCM and other management subjects.

**c. Mr. Vijay Anand, Part-time Director (since incorporation i.e. 25.07.2012)**

Mr. Vijay Anand an officer of 1981 batch of Indian Railway Service of Engineers, has taken over as Director (Projects) of Rail Vikas Nigam Limited on 9th April, 2011. He is a graduate in Civil Engineering from Punjab Engineering College, Punjab University, Chandigarh. He has held various responsible positions in Indian Railways and Delhi Metro Rail Corporation in maintenance and construction of Railway and Metro assets. In his career, spanning over 29 years, he worked on important projects including construction of new Railway lines from Ernakulam - Allepey, Karur - Dindigal, Rohtak - Jakhla doubling. He while working as Chief Engineer, Northern Railway, Kashmeri gate, was associated in various Common Wealth Game works related with Railways for construction of ROBs & RUBs in Delhi area, which includes Barapulaha Nalaha and Salimgarh Fort Underpass.

He while working as Chief Project Manager in Delhi Metro Rail Corporation and subsequently as Director (Projects) in Delhi Metro Rail Corporation, has planned, designed, constructed and commissioned various Corridors of Delhi Metro Projects on Phase-I and Phase-II including Connaught Place - Dwarka, Shadhara - Dilshad Garden, Delhi University - Jahangirpuri, Inderlok - Mundka, Inderprastha - Noida, Yamuna Bank - Anand Vihar and Central Secretariat - Badarpur.

**d. Mr. Ashok K. Ganju, Part-time Director (since incorporation i.e. 25.07.2012)**

Mr. Ashok K Ganju, has taken over as Director (Finance) of Rail Vikas Nigam Limited on 12th September,

2011. After completing B.A. (Hons.) History, M.A. Sociology from Delhi University, he joined the Indian Railways Accounts Service (1981 Exam). He has worked in various capacities in the Railways in the Division, Workshop, Production Unit, EDP Centre, Traffic Accounts and Construction Offices etc. Prior to joining as Director (Finance), he worked as ED/Finance in RVNL from 31st August, 2007. He has also been on deputation with Centre for Railway Information Systems (CRIS) and on Central Deputation to the Ministry of Social Justice and Empowerment, Ministry of Consumer Affairs and Food & Public Distribution. He attended the 30th APPPA Course at the IIPA where he was awarded an M.Phil in Public Administration.

### 3.3 Number of Board Meetings with date and attendance at the Board meetings and last Annual General Meeting

The Board of Directors met 3 times during the year to discuss the operational activities of the Company.

Name	Board Meetings During the year		Attendance at last AGM
	1st Board Meeting 30.07.2012 2nd Board Meeting 29.11.2012 3rd Board Meeting 22-03-2013		
	Held During their Tenure	Attended	
Mr. Sh. S. C. Agnihotri	3	3	NA
Mr. Sh. Mukul Jain	3	3	NA
Mr. Sh. Ashok K. Ganju	3	3	NA
Mr. Vijay Anand	3	3	NA

### 4. Remuneration of Directors

Part time Directors, nominated on the Board by the holding company, do not draw any remuneration from the Company.

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 first Annual General meeting in accordance with the provisions of section 166 of the Companies Act .

### 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 Accounts, Financial Statements, Directors' Report, Report on Corporate Governance which is being circulated to the members and others entitled thereto.



**High Speed Rail Corporation of India Limited**  
**Balance Sheet as on 31st March, 2013**

Particulars	Note No.	As at March 31, 2013	
		Amount (₹)	Amount (₹)
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' Funds</b>			
(a) Share Capital	3	500,000	
(b) Reserves and Surplus	4	(7,45,218)	(2,45,218)
<b>2. Non-current Liabilities</b>			
(a) Other Long term liabilities	5	5,74,110	5,74,110
<b>3. Current Liabilities</b>			
(a) Other current liabilities	6	8,53,403	8,53,403
<b>TOTAL</b>			<b>11,82,295</b>
<b>II. ASSETS</b>			
<b>1. Non-current assets</b>			
(a) Long-term loans and advances	7	6,74,160	6,74,160
<b>2. Current assets</b>			
(a) Cash and cash equivalents	8	5,08,135	5,08,135
<b>TOTAL</b>			<b>11,82,295</b>
<b>III. NOTES FORMING PART OF FINANCIAL STATEMENTS</b>	1 to 14		

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

For ASAP & Associates  
Chartered Accountants  
FRN. :005713N

Sd/-  
Anil Kumar Jain  
Partner  
M.No. 084559  
Place : New Delhi  
Date : 14.06.2013

FOR AND ON BEHALF OF THE BOARD

Ashok K. Ganju  
Director

Mukul Jain  
Director



## High Speed Rail Corporation of India Limited

## Statement of Profit and Loss for the Period Commencing July 25, 2012 and ending March 31, 2013

Particulars	Note No.	As at March 31, 2013 Rupees (₹)
I. Other Income	9	8,135
<b>Total Revenue</b>		<b>8,135</b>
<b>II. Expenses:</b>		
(a) Other Expenses	10	7,53,353
<b>Total expenses</b>		<b>7,53,353</b>
III. Profit before Exceptional and Extraordinary Items and Tax(II-III)		(7,45,218)
IV. Exceptional Items		-
V. Profit before Extraordinary Items and Tax (III-IV)		(7,45,218)
VI Extraordinary Items		-
<b>VII Profit before tax (V-VI)</b>		<b>(7,45,218)</b>
VIII Tax Expense:		
(1) Current Tax		-
(2) Deferred Tax		-
<b>IX Profit (Loss) for the Period from continuing Operations (VII - VIII)</b>		<b>(7,45,218)</b>
X Profit/(Loss) from Discontinuing Operations		-
XI Tax expense of Discontinuing Operations		-
XII Profit/(Loss) from Discontinuing Operations (After Tax) (X-XI)		-
<b>XIII Profit/(Loss) for the Period (IX + XII)</b>		<b>(7,45,218)</b>
XIV Earnings Per Equity Share :		
(1) Basic		(21.76)
(2) Diluted		(21.76)
XV Notes Forming Part of Financial Statements	1 to 14	

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

**For ASAP & Associates**  
Chartered Accountants  
FRN.:005713N

**Sd/-**  
**Anil Kumar Jain**  
Partner  
M.No. 084559

**Place : New Delhi**  
**Date : 14.06.2013**

**FOR AND BEHALF BOARD OF DIRECTORS**

**Ashok K. Ganju**  
Director

**Mukul Jain**  
Director



**High Speed Rail Corporation of India Limited**

**Cash Flow Statement for the Period commencing July 25, 2012 and ending, March 31, 2013**

Particulars	As at 31st March 2013	
	Amount (₹)	Amount (₹)
<b>A. Cash Flow from Operating Activities</b>		
Net profit/(Loss) before tax and extraordinary items	(7,45,218)	
Adjustment for :		
Add: Increase in Non Current Liabilities	5,74,110	
Add: Increase in Current Liabilities	8,53,403	
Less: Increase in Non Current Assents	(6,74,160)	
Increase in Other Current Assents	-	
Direct Taxes paid	-	
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>		<u>8,135</u>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets/Investments	-	
Sale of Investments	-	
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>		<u>-</u>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from Issue of Equity Share Capital	5,00,000	
Interest paid	-	
Dividend paid	-	
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>		<u>5,00,000</u>
Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)		5,08,135
Cash & Cash Equivalents at the beginning of the year		-
Cash and Cash Equivalents at the end of the year		<u><u>5,08,135</u></u>

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

This is the Cash flow statement referred to in our report of even date

For ASAP & Associates  
Chartered Accountants  
FRN. :005713N

Sd/-  
Anil Kumar Jain  
Partner  
M.No. 084559

Place : New Delhi  
Date : 14.06.2013

For and on Behalf of the Board

Ashok K. Ganju  
Director

Mukul Jain  
Director

**High Speed Rail Corporation of India Limited**  
**Notes to the financial statements for the Period commencing July 25,2012**  
**and ending March 31, 2013**

**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**

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 1956. 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 VI to the Companies Act, 1956. 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 12 months for the purpose of current – non-current classification of assets and liabilities.

**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 Revenue Recognition**

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.

**2.4 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.

**2.5 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.



## 2.6 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 year adjusted for all potential equity shares.

## 2.7 Preliminary/ Share issue expenses

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

### Note 3. Share Capital

Particulars	As at March 31, 2013 (Amount in ₹)
<b>Authorized</b>	
50,00,000 Equity Share of ₹ 10 each	5,00,00,000
<b>Issued</b>	
50,000 Equity Shares of ₹ 10 each	5,00,000
<b>Subscribed &amp; Paid up</b>	
Equity Shares fully paid 50,000 at ₹ 10 per equity share	5,00,000
<b>Total</b>	<b>5,00,000</b>

### Note 3.1 Reconciliation of number of shares

Particulars	Equity Shares	
	Number	(Amount in ₹)
<b>Shares outstanding at the beginning of the year</b>	-	-
Shares Issued during the year	50,000	5,00,000
Shares bought back during the year	-	-
<b>Shares outstanding at the end of the year</b>	<b>50,000</b>	<b>5,00,000</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 49994 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 share holders more than 5% of the aggregate shares in the Company

Particulars	As at 31st March 2013	
	No. of Shares held	% of Holding
Rail Vikas Nigam Limited (along with 6 Nominees) - Holding Company (50,000 shares fully paid up @ ₹ 10/- per share)	50000	100%
<b>Total</b>	<b>50000</b>	<b>100%</b>

**Note 4. Reserves & Surplus**

Particulars	As at 31 March 2013 (Amount ₹)
<b>Profit &amp; Loss</b>	
Opening balance	-
Add : Loss for the Period from July 25, 2012 to 31/03/2013	-7,45,218
<b>Closing Balance</b>	<b>-7,45,218</b>

**Note 5. Other Long Term Liabilities**

Particulars	As at 31 March 2013 (Amount ₹)
Other	5,74,110
<b>Total</b>	<b>5,74,110</b>

5.1 Above Liabilities represent Preliminary Expenses incurred by Rail Vikas Nigam Limited (Holding Company). The same will form part of share capital instrument to be made by Rail Vikas Nigam Limited in High Speed Rail Projects after due following process.

**Note 6 Other Current Liabilities**

Particulars	As at 31 March 2013 (Amount ₹)
Statutory Liabilities	23,587
Other Payables	8,29,816
<b>Total</b>	<b>8,53,403</b>

**Note 7. Long Term loans and advances**

Particulars	As at 31 March 2013 (Amount ₹)
Capital Advances	
Unsecured, Considered Good - Advance given for Logo of HSRC	6,74,160
<b>Total</b>	<b>6,74,160</b>

**Note 8. Cash and Cash equivalents**

Particulars	As at 31 March 2013 (Amount ₹)
<b>Bank Balance</b>	
Current Account	2,08,135
Flexi Deposits	3,00,000
<b>Total</b>	<b>5,08,135</b>

**Note 9. Other Income**

Particulars	As at 31 March 2013
	(Amount ₹)
Interest on flexi Account	8,135
<b>Total</b>	<b>8,135</b>

**Note 10. Other expenses**

Particulars	As at 31 March 2013
	(Amount ₹)
Legal & Professional Fees	1,16,771
Payment to Auditors :	
As Auditors - Statutory Audit	56,180
Preliminary Expenses	5,80,402
<b>Total</b>	<b>7,53,353</b>

**Note 11.** 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 12. Other Disclosures**

Expenditure in Foreign Currency - Nil

**Note 13 Related Party Disclosures****Note 13.1 Related Parties & Nature of Relationship**

S.No.	Name of Related Party	Nature of Relationship
1.	Rail Vikas Nigam Limited (RVNL)	Holding Company
2.	Satish Chandra Agnihotri	Director
3.	Vijay Anand	Director
4.	Ashok Krishna Ganju	Director
5.	Mukul Jain	Director

**Note 13.2 Disclosure of transaction with related parties**

Name of the related Party	Total Value of the Transaction during the period
	(Amount ₹)
<b>Rail Vikas Nigam Limited (RVNL)</b>	
Amount received towards Subscription of Equity Shares	5,00,000
Preliminary Expenses incurred by RVNL on behalf of HSRCL	5,17,480
Advance for Logo of HSRCL Paid by RVNL	6,74,160
Legal & Professional Exp. Paid by RVNL	44,419
<b>Total</b>	<b>1,736,059</b>

**Note 14** This being the first year, since incorporation, the question of reflecting figures pertaining to Previous year does not arise

These are the notes referred to in Balance Sheet, Statement of Profit & Loss and our report of even date.

**For ASAP & Associates**  
Chartered Accountants  
FRN. :005713N

Sd/-  
**Anil Kumar Jain**  
Partner  
M.No. 084559

Place : New Delhi  
Date : 14.06.2013

**For and on Behalf of the Board**

**Ashok K. Ganju**  
Director

**Mukul Jain**  
Director

REVIEW



**ASAP & ASSOCIATES**

CHARTERED ACCOUNTANTS

1, Temple Complex, Shiv Mandir,  
Tilak Bridge, New Delhi-110001

OFFICE PHONE : 011-2337 1637, 2337 1937

E-mail : [info@asap.net.in](mailto:info@asap.net.in)

Website: [www.asap.net.in](http://www.asap.net.in)

**AUDITORS REPORT (Revised)**

To

The Members of

High Speed Rail Corporation of India Limited

We have audited the accompanying financial statements of HIGH SPEED RAIL CORPORATION OF INDIA LIMITED, ("the Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss for the year then ended and the Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and the Cash Flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 control relevant to the Company's preparation and fair presentation of the financial statements 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 management, 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.

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Statement Profit and Loss, of the loss for the year ended on that date.
- c) in the case of the Cash Flow Statement, of the cash flows of the company for the year ended on that date.



1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. Books of Accounts are prepared on Going Concern basis, Management is planning, to arrange additional funds for repayment of its liabilities. Therefore Going concern assumption seems to be unaffected.
3. As required by section 227(3) of the Act, we report that:
  - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
  - c) the Balance Sheet, Statement of Profit and Loss and cash flow statements dealt with by this Report are in agreement with the books of account.
  - d) in our opinion, the Balance Sheet, Statement of Profit and Loss and the Cash Flow Statements comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
  - e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

**For ASAP & Associates  
Chartered Accountants  
FRN: 005713N**

**Sd/-  
(CA. Anil K. Jain)  
Partner  
Membership No. 084559**

**Place: New Delhi**

**Date: 07.08.2013**

Note :

This Audit Report is re-issued on 7th August, 2013 in the new Audit Report Format on the basis of the observations made in the supplementary audit conducted by C&AG and this supersedes earlier reports.



**Referred to in Point No 1 of our report of even date,**

1. The company does not own any fixed assets as on date and therefore, we have no comments to offer.
2. No comments, as the inventory is NIL.
3. The company has not taken/granted any loans to companies, firms and other parties covered in the register maintained under section 301 of the companies Act 1956, except the initial expenditure paid by holding company.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of company and the nature of its business with regards to its operations. There is no major weakness noticed in the internal controls.
5. No comments in view of the point 3 above.
6. The company has not accepted any deposit from public so the provision contained under Section 58 A and 58 AA of the companies Act 1956 are not applicable to the company.
7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business and the same is being done in-house.
8. the requirement of maintaining cost records under Section 209(1) (d) are not applicable to the company.
9. (a) According to the records of the company, the company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, Investor Education & Protection fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Custom duty, Excise-duty/cess and other statutory dues applicable to it. However, all the dues have been deposited fully during the year itself.  
(b) According to the records of the company, there are no dues of Sales tax, Income-tax, Customs tax/Wealth-tax, Excise duty/cess which have not been deposited on account of any dispute.
10. The company has no accumulated losses, as it is the first year of incorporation. The current year losses are on account of preliminary expenses, accounting charges, legal & professional and audit fee.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
12. Based on our examination of documents and records, we are of the opinion that the company has not granted any loan on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit are not applicable to the company.
14. The company is not dealing in shares, Securities, debenture and other investments.
15. The company has not given any guarantee for loans taken by others from bank or financial institutions.
16. No term loans were raised during the year.
17. No short term funds have been raised during the year except some amount spend by holding company to meet initial expenses of the company.
18. The company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
19. During the period the company has not issued any debentures.
20. No money has been raised by public issues by the company.
21. Based upon audit procedure performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the year.



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/PSU/32-31/HSRCIL/2012-13/406

Dated: 13.08.2013

To

The Director,  
High Speed Rail Corporation of India Limited,  
August Kranti Bhawan, Bikaji Cama Place,  
New Delhi

Sub: Comments of the Comptroller & Auditor General of India under Section 619 (4) of the Companies Act, 1956 on the accounts of High Speed Rail Corporation of India Limited, New Delhi for the year ended 31st March 2013.

Sir,

The Nil Comment Certificate of the Comptroller and Auditor General of India under Section 619 (4) of the Companies Act, 1956 on the accounts of High Speed Rail Corporation of India Limited, New Delhi for the year ended 31st March 2013 is enclosed. This may be placed before the Annual General Meeting along with accounts of the Company in compliance with the provisions of Section 619 (5) of the companies Act, 1956. Six copies of the printed Annual Report and Accounts of the company may please be sent to this office at the earliest.

Receipt of the letter may please be acknowledged.

Yours faithfully,

Encl: As above

(Dinesh Bhargav)  
Principal Director of Audit  
Railway - Commercial



**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF HIGH SPEED RAIL CORPORATION OF INDIA LIMITED FOR THE YEAR ENDED 31ST MARCH 2013**

The preparation of financial statements of **High Speed Rail Corporation of India Limited, New Delhi** for the year ended 31st March 2013 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under section 619(2) of the Companies Act 1956, are responsible for expressing opinion on these financial statements under section 227 of the Companies Act, 1956 based on the independent audit in accordance with the Auditing and Assurance Standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report (Revised) dated 07 August, 2013.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 619(3) (b) of the Companies Act, 1956 of the financial statements of High Speed Rail Corporation of India Limited, New Delhi for the year ended 31 March 2013. 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 under section 619(4) of the Companies Act, 1956.

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

(Dinesh Bhargav)  
Principal Director of Audit  
Railway - Commercial

Place: New Delhi  
Date: 13.08.2013