

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 2nd Annual Report of the Company together with the Audited Statements of Accounts and Auditors' Report for the year ended 31st March, 2014 (from 1st April, 2013 to 31st March, 2014).

President of India (Ministry of Railways) issued directions to Rail Vikas Nigam Ltd. (RVNL) for incorporating an SPV for development of High Speed Rail Corridors in the country. Subsequently, RVNL incorporated High Speed Rail Corporation of India Limited (HSRC) on 25th July 2012 as its Wholly owned Subsidiary and the Certificate of Commencement of Business was received on 18th August, 2012. The Company was formally launched by the then Hon'ble Minister of Railways, Sh. Malikarjun Kharge in a function held at Vigyan Bhawan on 29th October 2013. The Company has its registered office in New Delhi.

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

BUSINESS PERFORMANCE

After launching HSRC in October 2013, a pre-feasibility study for a dedicated High Speed Rail Corridor between Delhi-Chandigarh-Amritsar has been assigned to HSRC by Ministry of Railways. HSRC has also been entrusted by

Ministry of Railways with the task to increase the maximum permissible speed on Indian Railways to 160 Km/h on three sections of IR i.e. Delhi-Agra, Delhi-Chandigarh and Delhi-Kanpur. Knowledge based support for the work of speed raising on existing tracks upgrading of infrastructure is in progress with HSRC as the project integrator. However, as these are at a planning stage the Company has not recorded any operating turnover during the year, and the Company is yet to commence its operational activities.

FINANCIAL PERFORMANCE

The significant indicators of financial performance of the Company for the financial year from 01.04.2013 to 31.3.2014 are mentioned below:

S.No	Particulars	Amount (in ₹)
1	Authorized Share Capital	5,00,00,000/-
2.	Paid-up share Capital	5,00,000/-
3.	Capital work in progress	1,83,447/-
4.	Total Income	8,877/-
5.	Operating Income	Nil
6.	Profit before Tax	(28,50,029/-)
7.	Net Worth	(30,95,247/-)
8.	Earnings Per Share	(57.00)

The expenditure incurred by the Company is on items related to preliminary expenses for setting up the Company and conducting of study.

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 not declared any dividend for the year 2013-14

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.

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 Director nominated by the Holding Company, Rail Vikas Nigam Limited. The Board met four (4) 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:-

- In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed and that there are no material departure from the same.
- 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.
- 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.
- 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 2013-14. 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, 2014 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, 2014 shall also form part of this report.

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

For and on behalf of Board of Directors

Sd/-
Mukul Jain
Director

Sd/-
Ashok K. Ganju
Director

Place : New Delhi
Dated : 15.07.2014

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 ₹8,877/-.

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 and developing innovative financial models for project financing. RVNL also has a vast experience of the contracting process and have introduced many new concepts such as multi-packaging etc.

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. Innovative source of funding will have to be rapped for High Speed projects including bilateral and multilateral funding, Foreign Direct Investment, Public Private Partnership, etc.

INTERNAL CONTROL SYSTEMS

The internal control systems 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.

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 Rs.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:

S. No.	Name and Designation	Category of Directors Whole Time / Part Time	No. of other Directorship* (including HSRCIL)	No. of Committee Membership**	
				As Chairman	As Member
1.	S. C. Agnihotri	Part Time Chairman	2	-	-
2.	Mukul Jain	Part Time Director	2	-	1
3.	Ashok K. Ganju	Part Time Director	2	-	-
4.	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 Committees.

3.1 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 & 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, 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 carrier, spanning over 29 years, he worked on important projects including construction of new Railway lines from Ernakulam - Allepey, Karur - Dindigal, Rohtak - Jakhhal 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 ROB's & RUB's 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.

3.2 Number of Board Meetings with date and attendance at the Board meetings and Annual General Meeting

The Board of Directors met 4 times during the year to discuss the operational activities of the Company.

S. No.	Name and Designation	Board Meetings During the Year		Attendance at AGM Held on 19 th August 2013 at 15:00 hrs
		Held During tenure	Attended	
		4th Board meeting- 14.06.2013		
		5th Board Meeting- 20.09.2013		
		6th Board Meeting –12.12.2013		
		7th Board Meeting –10.03.2014		
1.	Sh. S. C .Agnihotri	4	4	Yes
2.	Sh. Mukul Jain	4	4	Yes
3.	Sh. Ashok K. Ganju	4	4	Yes
4.	Sh. Vijay Anand	4	4	Yes

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 of Current Year

The Annual General meeting of the Company was held on Friday, 05th September 2014 at 11:00 hrs at its registered office of the company, 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 At 31.03.2014

Particular	Note	Rupees(₹)	
		Figures as at 31.03.2014	31.03.2013
I. EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share capital	3	5,00,000	5,00,000
(b) Reserves and surplus	4	(35,95,247)	(7,45,218)
2. Non Current Liabilities			
(a) Other Long Term liabilities	5	5,74,110	5,74,110
3. Current liabilities			
(a) Other current liabilities	6	3,62,96,835	8,53,403
Total		3,37,75,698	11,82,295
II. ASSETS			
1. Non Current Assets			
(a) Fixed assets	7		
(i) Intangible assets		12,22,985	
(ii) Capital work in Progress		1,83,447	
(b) Long Term Loans and advances	8		6,74,160
		14,06,432	6,74,160
2. Current assets			
(a) Cash and cash equivalents	9	3,23,69,266	5,08,135
Total		3,37,75,698	11,82,295

III. Notes Forming Part of Financial Statements 1 to 15
This is the Balance Sheet referred to in our report of even date.

For ASAP & Associates
Chartered Accountants
FRN: 005713N

For and on behalf of Board of Directors

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

Sd/-
Ashok K Ganju
Director

Sd/-
Mukul Jain
Director

Place: New Delhi
Date: 15.07.2014

High Speed Rail Corporation of India Limited
Statement Of Profit & Loss For The Year Ended 31.03.2014

Particulars	Note	Rupees (₹)	
		Figures as at For the year Ended March 2014	For the Period 25.07.2012 to 31.03.2013
1. Other income	10	8,877	8,135
Total Revenue		8,877	8,135
II. Expenses:			
(a) Depreciation and amortization	7	2,32,077	
(b) Other Expenses	11	26,26,829	7,53,353
Total expenses		28,58,906	7,53,353
III. Profit before exceptional and extraordinary items and tax (II-III)		(28,50,029)	(7,45,218)
IV. Exceptional items			
V. Profit before extraordinary items and tax (III-IV)		(28,50,029)	(7,45,218)
VI. Extraordinary Items			
VII. Profit before tax (V-VI)		(28,50,029)	(7,45,218)
VIII. Tax expenses:			
(1) Current tax			
(2) Deferred tax			
IX. Profit (Loss) for the period from continuing operations (VII-VIII)		(28,50,029)	(7,45,218)
X. Profit/(loss) from discontinuing operations			
XI. Tax expense of discontinuing operations			
XII. Profit/(loss) from Discontinuing operations (after tax) (X-XI)		(28,50,029)	(7,45,218)
XIII. Profit (Loss) for the period (XI+XIV)		(28,50,029)	(7,45,218)
XIV. Earnings per equity share:			
(1) Basic		(57.00)	(21.76)
(2) Diluted		(57.00)	(21.76)

XV. Notes Forming Part of Financial Statements 1 to 15
This is the Statement of Profit & Loss referred to in our report of even date.

For ASAP & Associates
Chartered Accountants
FRN: 005713N

For and on behalf of Board of Directors

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

Sd/-
Ashok K Ganju
Director

Sd/-
Mukul Jain
Director

Place: New Delhi
Date: 15.07.2014

High Speed Rail Corporation of India Limited Cash Flow Statement For The Year Ending March 31, 2014

Particular	Note	Rupees(₹)	
		31.03.2014	31.03.2013
A Cash Flow From Operating Activities			
Net profit/(Loss) before Tax & Extra ordinary items		(28,50,029)	(7,45,218)
Adjustments for:			
Add: Depreciation		2,32,077	
Add: Increase in Non Current Liabilities			5,74,110
Add: Increase in Current Liabilities		3,54,43,432	8,53,403
Less: Increase in Non Current Assets		6,74,160	(6,74,160)
Increase in Other Current Assets			
NET CASH FLOW FROM OPERATING ACTIVITIES		3,34,99,640	8,135
B Cash Flow From Investing Activities			
Purchase of Fixed Assets/Investments		(16,38,509)	
Sale of Investments			
Sale of Fixed Assets			
NET CASH FLOW FROM INVESTING ACTIVITIES		(16,38,509)	
C Cash Flow From Financing Activities			
Proceeds from issue of Equity Share Capital			5,00,000
Interest paid			
Dividend paid			
NET CASH FLOW FROM FINANCING ACTIVITIES			5,00,000
Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)		3,18,61,131	5,08,135
Cash & Cash Equivalents at the beginning of the year		5,08,135	
Cash and Cash Equivalents at the end of the Period	9	3,23,69,266	5,08,135
Cash and Cash Equivalents comprises			
Cheques in Hand		3,00,00,000	
Current Accounts		2,19,266	
Flexi Deposits		21,50,000	
		3,23,69,266	5,08,135

- 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: 15.07.2014

For and on behalf of Board of Directors

Sd/-
Ashok K Ganju
Director

Sd/-
Mukul Jain
Director

High Speed Rail Corporation of India Limited

Notes to the financial statements

1. General information

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

2 Summary of significant accounting policies

2.1 Basis of preparation

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

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 period 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.

2.8 Intangible assets are recognized as per the criteria specified in Accounting Standard (AS) 26 "Intangible assets" issued by the Institute of Chartered Accountant of India and are amortised as follow.

- Company Logo : over a period of Five Years
- Website Cost : over a period of Five Years

3. Share Capital

Particulars	Note	Figures as at	
		31.03.2014	31.03.2013
Rupees(₹)			
Authorised			
50,00,000 Equity Shares of ₹10 each	5,00,00,000	5,00,00,000	
Issued			
50,000 Equity Shares of ₹10 each	5,00,000	5,00,000	
Subscribed & Paid up			
Equity Shares fully paid 50,000 at ₹10 per Equity Share	5,00,000	5,00,000	
Total		5,00,000	5,00,000

3.1 Reconciliation of number of Shares

Particulars	Equity (Number)	Shares (Amount in ₹)
Shares outstanding at the beginning of the year	50,000	5,00,000
Shares issued during the year	-	-
Share bought back during the year	-	-
Shares outstanding at the end of the year	50,000	5,00,000

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.

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 holder of equity shares shall be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts.

3.4 Details of Shares held by shareholders holding more than 5% of the aggregate shares in the company

Particulars	As at 31 March 2014	
	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)	₹50,000	100%
Total	₹50,000	100%

4. Reserves & Surplus

Particulars	As at 31 March 2014 (Amount in ₹)	As at 31 March 2013 (Amount in ₹)
Profit & Loss		
Opening balance	-7,45,218	-
Add: Loss for the period	-28,50,029	-7,45,218
Closing Balance	-35,95,247	-7,45,218

5. Other Long Term Liabilities

Particulars	As at 31 March 2014 (Amount in ₹)	As at 31 March 2013 (Amount in ₹)
Other	5,74,110	5,74,110
Total	5,74,110	5,74,110

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.

6. Other Current Liabilities

Particulars	As at 31 March 2014 (Amount in ₹)	As at 31 March 2013 (Amount in ₹)
Statutory Liabilities	12,000	23,587
Advance from Ministry of Railways for Project Feasibility study	3,00,00,000	-
Other Payables	42,84,835	8,29,816
Earnest Money Deposit	20,00,000	-
Total	3,62,96,835	8,53,403

High Speed Rail Corporation of India Limited

7 Fixed Assets

Particulars	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	As at 1 st April 2013 Rupees(₹)	Additions Rupees(₹)	Disposals Rupees(₹)	As at 31 March 2014 Rupees(₹)	As at 1 st April 2013 Rupees(₹)	Depreciation during charge the year Rupees(₹)	On disposals Rupees(₹)	As at 31 st March 2014 Rupees(₹)	As at March 31, 2014 Rupees(₹)	As at March 31, 2013 Rupees(₹)
Intangible Assets										
Logo	-	13,48,320	-	13,48,320	-	2,26,813	-	2,26,813	11,21,507	-
Website	-	1,06,742	-	1,06,742	-	5,264	-	5,264	1,01,478	-
Total(A)		14,55,062		14,55,062		2,32,077		2,32,077	12,22,985	
Capital work in progress										
PPE (Incidental Expenses)		3,03,447		3,03,447		-			3,03,447	
Less: Sale of Tender		(1,20,000)		(1,20,000)		-			(1,20,000)	
Total (B)		1,83,447		1,83,447		2,32,077		2,32,077	1,83,447	
Grand Total (A+B)		16,38,509		16,38,509		2,32,077		2,32,077	14,06,432	

8. Long Term Loans And Advances

Particulars	As at 31 March 2014 (Amount in ₹)	As at 31 March 2013 (Amount in ₹)
Capital Advances		
Unsecured, Considered Good		
Advance given for Logo of HSRC	-	6,74,160
Total	-	6,74,160

9. Cash and Cash Equivalent

Particulars	As at 31 March 2014 (Amount in ₹)	As at 31 March 2013 (Amount in ₹)
Bank Balance		
Current Account	2,19,266	2,08,135
Flexi Deposits	21,50,000	3,00,000
Cheques in Hands	3,00,00,000	-
Total	3,23,69,266	5,08,135

10. Other Income

Particulars	For the year Ended March 2014 (Amount in ₹)	For the period 25.07.2012 to 31.03.2013 (Amount in ₹)
Interest on Flexi Account	8,877	8,135
Total	8,877	8,135

11. Other Expenses

Particulars	For the year Ended March 2014 (Amount in ₹)	For the period 25.07.2012 to 31.03.2013 (Amount in ₹)
Legal & Professional Fees	1,09,016	1,16,771
Business Promotion	2,56,703	-
Honorarium	42,833	-
Sponsorship Fees	21,34,840	-
Payment to Auditors:		
As Auditors- Statutory Audit	67,416	56,180
Repair & Maintenance Expenses	14,960	-
Miscellaneous Expenses	1,061	-
Preliminary Expenses		5,80,402
Total	26,26,829	7,53,353

12. 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.
13. **Other Disclosures**
Expenditure in Foreign Currency- Nil
14. **Related Party Disclosures**
- 14.1 **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

14.2 **Disclosure of transaction with related parties**

Particulars	For the year Ended March 2014 (Amount in ₹)	For the period 25.07.2012 to 31.03.2013 (Amount in ₹)
Rail Vikas Nigam Limited (RVNL)		
Amount received towards Subscription of Equity Shares	-	5,00,000
Preliminary Expenses incurred by RVNL on behalf of HSRCL	-	5,17,480
Logo of HSRCL Paid by RVNL	6,06,744	6,74,160
Legal & Professional Exp. Paid by RVNL	1,34,995	44,419
Payment made towards Capital work in progress	2,97,378	
Payment Towards Website development	96,068	
Business Promotion expenses paid on behalf of	23,48,734	
HSRC		
Total	34,83,919	17,36,059

15. Previous year's figures have been regrouped and rearranged, wherever necessary to make comparable with those of the current year.
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 K. Jain
(Partner)
Membership No. 084559

Place : New Delhi
Date : 15.07.2014

For the behalf of Board of Directors

Sd/-
Ashok K. Ganju
Director

Sd/-
Mukul Jain
Director



ASAP & ASSOCIATES
Chartered Accountants

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

OFFICE PHONE: 011-2337 1637, 2337 1937
Email : info@asap.net.in
Website : www.asap.net.in

INDEPENDENT AUDITOR'S REPORT

To,

The Members of
HIGH SPEED RAIL CORPORATION OF INDIA LIMITED

Report on the Financial Statement

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 31st, 2014 and the Statement of Profit and Loss and Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance 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.

Auditor's Responsibility

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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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.

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 31st, 2014;
- b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date.
- c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirement

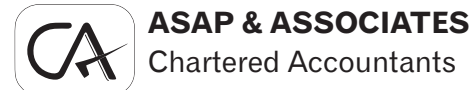
1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) 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 the examination of those books;
 - c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement 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 Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) in terms of Department of Company Affairs GSR 829 (E) dated 21st October 2003, Government Companies are exempt from applicability of provisions of section 274 (1)(g) 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.

Place : New Delhi
Date : 15.07.2014

For ASAP & Associates
Chartered Accountants
FRN:005713N

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



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

OFFICE PHONE: 011-2337 1637, 2337 1937
Email : info@asap.net.in
Website : www.asap.net.in

High Speed Rail Corporation Of India Limited

The Annexure referred to in paragraph 1 of the Our Report of even date to the members of HIGH SPEED RAIL CORPORATION OF INDIA LIMITED on the accounts of the company for the year ended 31st March, 2014.

S. No.	Clause of CARO	Particulars
1.	(i)	a. Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets. b. These fixed assets have been physically verified by the management at the reasonable intervals; any material discrepancies were not found. c. Substantial part of fixed assets was not disposed off during the year.
2.	(iii)	The Company has not granted any loans; secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the companies Act, 1956 accordingly sub clauses (b), (c) and (d) of paragraph 4 (iii) are not applicable. The Company has not taken unsecured loans from Directors covered in the register maintained under Section 301 of the Companies Act, 1956 accordingly sub clauses (e), (f) and (g) of paragraphs 4 (iii) are not applicable.
2.	(iv)	In our opinion and according to the information and explanation given to us, there are adequate internal control system commensurate with the size of the Company and the nature of business with regard to purchase of fixed assets and sale of goods, further on the basis of our examination of books and records of the company, and according to the information and explanation given to us, we have neither come across nor informed of any continuing failure to correct major weakness in the aforesaid internal control system.

S. No.	Clause of CARO	Particulars
3.	(v)	(a) In our opinion and according to the information and explanations given to us, there are no contracts or arrangements referred to section 301 of the Act, the particulars of which would have been entered in the register required to be maintained under that section. (b) In our opinion and according to the information and explanations given to us, the clause which require the transactions made in pursuance of such contracts or arrangements and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time is not applicable as there is no contracts or arrangements referred to section 301 of the Act entered by the company.
4.	(ix)	(a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the company is regular in depositing the undisputed statutory dues including income tax and other material statutory dues as applicable with the appropriate authorities. (b) According to the information, and explanations given to us and the records of the Company examined by us, there are no dues of income tax and cess which have not been deposited on account of any dispute.
5.	(xiv)	In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
6.	(xv)	The Company has not granted loan and advances on the basis of security by way of pledge of shares, debentures and other securities paragraph 4(xii) of the order is not applicable.
7.	(xvii)	On the basis of overall examination of the Balance Sheet of the Company in our opinion and according to the information and explanation given to us, there are no funds raised on a short-term basis which have been used for long-term investments.
8.	(xxi)	During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the

S. No.	Clause of CARO	Particulars
		information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have been informed of such case by the management.
9.	(ii),(vi),(vii), (viii),(x),(xi), (xii),(xiii),(xvi), (xviii),(xix),(xx)	Matters specified in clause (ii), (vi),(vii), (viii), (x), (xi), (xii), (xiii), (xvi), (xviii), (xix), (xx) of paragraph 4 of CARO 2003 do not apply to company.

For ASAP & Associates
Chartered Accountants
FRN:005713N

Sd/-
Anil K. Jain
(Partner)
Membership No. 84559

Place : New Delhi
Date : 15.07.2014



भारत सरकार

Confidential

भारतीय लेखा परीक्षा एवं लेखा विभाग
प्रधान निदेशक लेखा परीक्षक, रेलवे- वाणिज्यक का कार्यालय काफमो, भारतीय रेल,
तिलक ब्रिज, नई दिल्ली-110002

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/32-51/HSRC/A/cs/13-14/523

Dated: 03.09.2014

To

The Director,
High Speed Rail Corporation of India Limited,
Room No. 260, 1st Floor, August Kranti Bhavan
Bhikaji Cama Place, R.K. Puram New Delhi-110066

Sub: Comments of the Comptroller & Auditor General of India under Section 619 (4) of the Companies Act. 1956 on the accounts of HSRC of India Limited, for the year ended 31st March 2014.

Sir,

I am to enclose herewith the comments of the Comptroller and Auditor General of India under Section 619 (4) of the Companies Act. 1956 on the accounts of HSRC of India Limited for the year ended 31st March 2014.

The receipt of the letter may kindly be acknowledged.

Yours faithfully,

Encl: As above.

Sd/-
(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 2014.

The preparation of financial statements of High Speed Rail Corporation of India Limited for the year ended 31st March 2014 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 is responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on 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 dated 15.07.2014.

I, on the behalf of the Comptroller and Auditor General of India have conducted a supplementary audit under Section 619(3)(b) of the Companies Act, 1956 on the financial statements of High Speed Rail Corporation of India Limited for the year ended 31st March 2014. 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

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

Place: New Delhi
Date: 03.09.2014.