

NATIONAL HIGH SPEED RAIL CORPORATION LIMITED



Proposed HSR Terminal at Sabarmati

2nd ANNUAL REPORT 2017-18



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2017-18

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**BOARD
OF
DIRECTORS**

BOARD OF DIRECTORS

(As on 28.08.2018)

Mr. Ashwani Lohani

Part-time Chairman

Mr. Achal Khare

Managing Director

Mr. S.K. Mishra

Part-time Director

Ms. Namita Mehrotra

Part-time Director

Mr. P.R. Patelia

Part-time Director

Mr. Rajendra Prasad

Director Projects

Mr. Arun Bijalwan

Director Finance

Mr. Vijay Kumar

Director Rolling Stock

COMPANY SECRETARY

Ms. Sumita Sharma

REGISTERED OFFICE

2nd Floor, Asia Bhawan, Road No. 205,

Sector – 9, Dwarka, New Delhi – 110077

Tel.: 91-11-2807000/ 01; Fax: 91-11-28070150

Website: www.nhsrcl.in

CIN : U60200DL2016GOI291002

STATUTORY AUDITORS

M/s. Sehgal Mehta & Co.

Chartered Accountants

SECRETARIAL AUDITORS

M/s. Jatin Gupta & Associates

Company Secretaries

CHAIRMAN'S ADDRESS

CHAIRMAN'S ADDRESS

Dear Shareholder,

I extend a warm and hearty welcome to all of you at this 2nd Annual General Meeting of National High Speed Rail Corporation Limited for the financial year 2017-18.

This has been the second year of working for the Company after incorporation. During the year under review, your Company has earnestly started the work of implementation of Mumbai-Ahmedabad High Speed Rail (MAHSR) project on all the fronts i.e. technical, environmental, land acquisition, and societal.

The Company has appointed the requisite consultants. Final Location Survey and Geotechnical Investigation have been taken up. Technical standards have been finalized. Planning and designing for HSR training institute has been done.

On the land acquisition front, the Company has adopted a two-pronged approach i.e. in addition to compensation for land, it has prepared rehabilitation plan for the project affected persons (PAP). This would cover not only land owners but also tenants, squatters, etc., whose livelihood is primarily dependent on the land proposed to be acquired. Your Company would offer an entitlement card to each PAP wherein all the items against which such PAP is going to get compensation will be listed. The process of compensation is also planned to be closely monitored.

On the environmental side, your Company is adopting the international technique of transplantation of trees instead of axing them down. The technique involves digging into the ground around the tree and uprooting the tree which is then transported and replanted at another suitable location. The technique uses machine called "tree spade" having hydraulic lifters and excavators. In the first phase of relocation of trees, 2500 trees would be transplanted. Use of such a technique helps in having minimal negative impact on the environment.

On the social side, your Company has taken note of various demands raised by local populace like education, potable drinking water, healthcare, sanitation, etc. Your Company is committed to take up measures for upliftment of the living conditions of locals around the project areas by taking up these much demanded socially relevant projects.

Financials

Your Company is a Special Purpose Vehicle in the joint sector with equity participation by Government of India (GoI), Government of Gujarat (GoG), and Government of Maharashtra (GoM).

As on 31st March 2018, the paid-up share capital (contributed by GoI and GoG) stood at Rs. 655 crore. After the close of the year, GoI and GoG has further contributed an amount of Rs. 650 crore and Rs. 100 crore respectively towards the paid-up share capital of the Company.

During the year under review, no operating income accrued to your Company as there are no commercial operations as yet.

Human Resource

Your Company places emphatic focus on the training needs of its employees. Your Company intends to recruit and train, in Japan, initially about 56 bullet train drivers and 50 stations masters along with other categories of employees like track maintainers, signal maintainers, etc.

Later, the proposed Training Institute at Vadodara would become the training centre for future HSR training needs.

Your Company has also started providing basic training in Japanese language to its employees to enable them to have preliminary interactions with delegates from Japan / delegation of Japanese technocrats and HSR experts.

Acknowledgments

A journey of thousand miles begin with the first step. Your Company has embarked on its journey and the pioneering steps are being taken. I wish the Company and all the employees a fulfilling and promising journey to achieve the organizational goal of the Company.

I, on behalf of the Board of Directors and the Company, also extend heartfelt thanks to all those associated with the Company - Ministry of Railways, State Governments of Maharashtra and Gujarat, Government of Japan, JICA, JETRO, JR East, DIPP, Niti Aayog, and all the shareholders for valuable support and co-operation extended by them. We look forward to their continued support.

Sd/-

(Ashwani Lohani)

Chairman

Date : 24th September 2018

Place : New Delhi

REPORTS

DIRECTORS' REPORT

DISTINGUISHED SHAREHOLDERS

The Directors of your Company have immense pleasure in presenting their 2nd Report on the affairs of the Company for the financial year 2017-18.

National High Speed Rail Corporation Limited (NHSRCL) is a government company in terms of the provisions of section 2(45) of the Companies Act, 2013, and a joint venture between Government of India, Government of Gujarat, and Government of Maharashtra with equity participation in the ratio of 50:25:25 respectively.

NHSRCL is implementing first High Speed Rail project of India i.e Mumbai-Ahmedabad High Speed Rail Project (MAHSR Project) based on Japan's Shinkansen Technology for which a Memorandum of Cooperation was signed between India and Japan on 12th December 2015. The MAHSR project will be state of the art technology in passenger transport which would not only create employment opportunities but also boost economic growth of the Country.

STATUS OF THE PROJECT

A. Overview

The MAHSR project starts from Bandra Kurla Complex in Mumbai and ends near Sabarmati Railway Station in Ahmedabad. The alignment (508.09 Km) traverses through Gujarat (349.03 Km in 8 districts), Dadra & Nagar Haveli (4.30 Km) and Maharashtra (154.76 Km in 3 districts). The said high speed rail corridor would have 12 stations i.e. Mumbai, Thane, Virar, Boisar, Vapi, Bilimora, Surat, Bharuch, Vadodara, Anand, Ahmedabad, and Sabarmati. In addition, three depots are proposed i.e. one depot at Thane, second depot and workshop at Sabarmati, and third temporary depot at Surat. The estimated completion cost of the project is Rs. 1,08,000 crore (approx.).

Ground breaking ceremony of the project was done by Hon'ble Prime Ministers of India and Japan on 14th September 2017 at Sabarmati, Gujarat.



Proposed HSR Station at Vapi

B. Appointment of Consultants

During the year, your Company has appointed consultants for:

- i) Social Impact Assessment and Land Acquisition (in June 2017).
- ii) Supervision Consultants for Training Institute (in September 2017).
- iii) Power Sourcing Arrangement Studies (in August 2017)

C. Final Location Survey & Geotechnical Investigation

Final Location Survey (FLS) has been completed for entire alignment. Geotechnical Investigations (GI) have been completed for most of the alignment.

Highlights of major survey works completed during the year are:

- i) Light Detection and Ranging (LiDAR) Survey, which is important for alignment design -- completed and data given to the General Consultants i.e. Japan International Consultants Consortium (JICC) in April 2017.
- ii) Differential Global Positioning System (DGPS) Survey -- completed and data given to JICC in April 2017.
- iii) Geotechnical Investigation -- completed and data given to JICC in February 2018.
- iv) Hydrological survey of major bridges -- completed and data given to JICC in December 2017.
- v) On Ground and underground utility mapping -- completed and data given to JICC in January 2018.
- vi) Static Refraction Test of undersea Tunnel (at Thane creek) -- completed (in December 2017) and draft report given to General Consultants (in February 2018).
- viii) License for radio frequency for safe operation of MAHSR project has been obtained.

D. Finalisation of Technical Standards

Manual for Specifications and Standards (MSS) comprising chapters like Track, Station, Earth Structure, Viaduct, Operation Control Centre (OCC), Rolling Stock, Power Supply System, Signalling & Tele-communication have been finalized and approved by Expert Committee in Japan in 2017-18.

E. Land Acquisition

During the year, land acquisition plan has been prepared and submitted to district administration for all the 12 districts through which the alignment is passing. As per current estimate, total land required would be (approx.) 1434.28 Ha / 8878 Plots (i.e. 411.91 Ha / 1915 Plots – Forest/ Railways/ State Governments; and 1022.37 Ha / 6963 Plots - Private).

Numbers of steps were taken in the process of land acquisition during the year 2017-18 and current status is as under:

- i) Mumbai Metropolitan Region Development Authority (MMRDA), Mumbai, Government of Maharashtra, has agreed to hand over land measuring 0.9 Ha for Bandra Kurla Complex (BKC) in February 2019.
- ii) In Maharashtra, application for notifying intent to acquire land had been submitted for 89 villages (out of a total of 94 villages) in terms of the Government of Maharashtra decision dated 12th May 2015 and 30th September 2015. State Government has published the said intent (in Form Namuna-1) for 89 villages.

- iii) Exemption from Social Impact Assessment (SIA) for 194 villages (out of a total of 196 villages) has been approved and notified in gazette by the Government of Gujarat.
- iv) In Gujarat, application for notifying intent to acquire land has been submitted for 187 villages (out of a total of 196 villages) in terms of the provisions of the section 11 of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation & Resettlement (RFCTLARR) Act, 2013. State Government has published the said intent for 177 villages.
- v) Final Reports required by JICA for Environmental Review (appraisal) like Social Impact Assessment (SIA) report, Indigenous People Plan (IPP), and Supplementary Environmental Impact Assessment (EIA) report, etc. has been submitted to JICA in August 2018.



Meeting for Land Acquisition and R&R at Palghar, Maharashtra

F. Environmental Assessment

A draft Supplementary Environmental Assessment (S-EIA) report has been prepared identifying likely environmental impacts of the project including air, water, land, noise, eco-sensitive zones like forest, wildlife sanctuaries, national parks, coastal regulation zone (CRZ), etc.

Various studies have also been conducted through institutes and experts of national repute, viz. (a) Zoological Survey of India, Ministry of Environment, Forest and Climate Change, Government of India has conducted a study on Management and conservation of the Thane Creek Flamingo Sanctuary (TCFS); and (b) Mangrove Society of India, Goa, has conducted a detailed study for the conservation and management of mangrove falling in the project corridor. This study also includes the mangrove afforestation program.

These studies have been conducted to establish associated impacts of the project, and mitigation measures for these impacts are being included in Environment Management Plan.

G. Rehabilitation Action Plan (RAP)

A total of 1434.28 Ha land is proposed to be acquired for the project, out of which 1022.37 Ha is private land and rest is Government or forest land. Land acquisition for the project will be carried as per the provisions of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (RFCTLARR Act, 2013). The Act provides compensation against land, structures, other improvements, resettlement and rehabilitation entitlements not only limited to land owners but also for the affected families whose livelihood is primarily dependent on the land to be acquired. Encroachers, squatters, tenants, etc. have been covered in the census survey and will be provided rehabilitation and resettlement assistance as per the entitlement matrix developed for the project. The entitlement matrix for this project is not only based on the applicable laws, guidelines, government orders, policies; but also covers good practices followed in externally funded projects. Non-titleholders (encroachers and squatters) have been recognized and considered for resettlement and rehabilitation assistance as per the entitlement matrix. Affected families will be eligible for compensation and Rehabilitation & Resettlement (R&R) assistance or R&R assistance depending upon the nature of ownership rights on affected assets and other aspects.

A Resettlement Action Plan has been developed for the project to assess the impacts of the project and develop mitigation measures to assist the project affected persons (PAPs) in getting compensation, R&R assistances along with other measures for improving their socio-economic standards and livelihood capacity. Income Restoration plan proposed for the project aims at developing income of the Project affected Households (PAHs) to pre-project levels or better and is an important part of rehabilitating PAHs, along with socio-economic and cultural systems in project affected areas. NHSRCL acknowledges the responsibility of not just to pay compensation for losses but also to assist PAHs (and vulnerable households in particular) to restore their livelihoods and improve their standard of living. PAHs will have the opportunity to choose from a variety of options designed to leverage their current activities and skills. Extensive engagement will be undertaken to make sure that all PAPs are well informed about the available options and are given adequate opportunity to participate.



Proposed HSR station at Anand

H. Design

The entire MAHSR project is planned to be executed through 26 contract packages. Various design works for tendering of different contract packages were taken up during the year 2017-18. The Design work is in full swing and major design works completed during the year 2017-18 are:

- i) Out of the total 59 General Arrangement Drawings (GAD), 53 GADs have been prepared and submitted to stakeholders for approval. Of which, 19 GADs have been approved by the stakeholders.
- ii) Completion of design for horizontal alignment (in December 2017) and vertical alignments of the project (in January 2018).
- iii) Multimodal Transport Integration Plans for Sabarmati, Ahmedabad, and Vadodara stations have been prepared and submitted to stakeholders (in March 2018).
- iv) Finalised:
 - a) Training Institute Building plan (in February 2018);
 - b) Draft HSR station concept plans (for Sabarmati, Ahmedabad, and Vadodara) for integration with Western Railways stations (in March 2018); and
 - c) Concept plan of Sabarmati Passenger Terminal (in March 2018).
- v) Based on the results of Simulation Studies by Railway Technical Research Institute (RTRI) through JICC and other design efforts, key design parameters of the Traction and OHE system have been finalised for package bid.
- vi) Power Sourcing arrangements have been finalized and application submitted to power utility companies in Gujarat and Maharashtra.

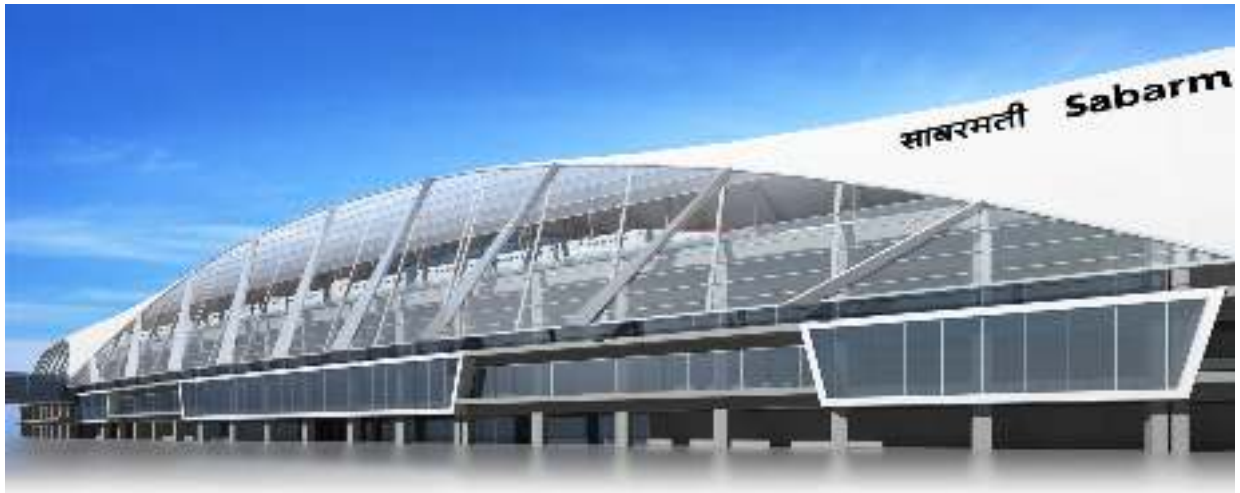


Proposed Interior of HSR Station at Anand

I. Shifting of existing Railway facilities & Utilities:

Existing utilities and Railways facilities which would get affected due to HSR alignment are being relocated, i.e.

- i) Plans for Engineering Workshop, Stores Depot, Central Periodical Overhauling Workshop (CPOH), CONCOR Inland Container Depot have been prepared and submitted to stakeholders i.e. Western Railways / CONCOR.
- ii) Mapping of about 1580 utilities of overhead electrical lines and 1600 utilities of underground cables, water pipelines, sewerage lines, Gas & Petroleum product pipelines, OFC cable etc. has been completed (in February 2018).



Proposed HSR station at Sabarmati

J. HSR Training Institute

A dedicated High Speed Rail Training Institute is being developed in Vadodara. The Institute will have all the facilities which are available at High Speed Training Institute of East Japan Railway Company (JR-East) at Shin Shirakawa in Japan, like driver simulator, track circuit, OHE including power supply, sample track, etc. The High Speed Rail Training Institute at Vadodara will also serve as a back bone for future development of other high speed corridors in India.

Foundation stone for the HSR training institute in NAIR (National Academy of Indian Railways) Campus at Vadodara, Gujarat, was laid on 14th September 2017. The work for construction of Training Institute has commenced and is expected to be completed by December 2020. However, it is planned to start training of staff in 'construction aspects' (in one wing of hostel) by early 2019.

The entire work of training institute has been divided into three works packages (TI-1, TI-2, and TI-3) and one contract package of Supervision Consultancy. Out of these, three contracts pertaining to hostel building (TI-3), training line with slab track (TI-2), and supervision consultancy have been awarded during the year 2017-18 and work has started at site.



Proposed HSR Training Institute

K. Deemed Railway

During 2017-18, Ministry of Railways has communicated that NSHRCL qualifies to be designated as “Non-Government Railway” and its Managing Director as “Railway Administration” in terms of the provisions of the section 2 (25) and 2(32) of Railway Act, 1989, respectively. Accordingly, your Company would be treated as a “deemed licensee” for all power supply applications allowing flexibility for economical power procurement.



Top view of Proposed HSR Terminal at Sabarmati, Gujarat.

FINANCIAL PROFILE

A. Performance with Financial summary or Highlights

Your Company has yet to start commercial operations therefore, there has not been any operating income during the year. However, the Company has earned interest amounting to Rs. 29.64 crore during the year.

Financial Performance Indicators:

(Rs. in crore)

Sl. No.	Particulars	2017-18*	12.02.2016 to 31.03.2017*
1.	Operating income	Nil	Nil
2.	Other Income	29.64	12.48
3.	Profit before tax	29.56	9.72
4.	Profit after tax	21.15	6.42
5.	Net worth	681.91	506.22
6.	Transfer to Retained earnings	26.91	6.22

* Figures as per IndAS.

B. Foreign Exchange Earnings and Outgo

Your Company has earned no foreign exchange during 2017-18 except the foreign exchange outgo of Rs. 208.01 lakh as on 31st March 2018.

C. Dividend

Since your Company is in construction phase and has yet to commence its commercial operations therefore, no dividend has been recommended for shareholders for 2017-18.

D. Structure of Share Capital

The authorised share capital of your Company is Rs. 20,000 crore, to be contributed by the Government of India (GOI), Government of Gujarat (GOG), and Government of Maharashtra (GOM) in the ratio of 50:25:25 respectively. As on 31st March 2018, the paid-up share capital of your Company stood at Rs. 655 crore which was contributed by GOI (i.e. Rs. 650 crore) and GOG (i.e. Rs. 5 crore).

While agreeing to hand over land measuring 0.9 Ha in BKC, GoM has also conveyed that cost of said land be adjusted against the total required equity contribution of the State Government for the project, and that the actual cost of land would be conveyed separately to the Company.

After the close of the year, Government of Gujarat has further contributed Rs. 100 crore towards the equity share capital of your Company.

COMPLIANCES

A. Under Companies Act, 2013

i) Deposits

Your Company did not accept any deposits from public during the year.

ii) Particulars of Inter-corporate loans, guarantees or investments

Your Company has not granted any inter-corporate loans or investment, secured or unsecured as per the provisions of section 186 of the Companies Act, 2013 during the year.

Your Company would be requiring loan amounting to Rs. 88,000 crore (in tranches) from JICA through GOI for financing the cost of the project. The said loan would have rate of interest @ 0.1% with repayment period of 50 years with 15 years moratorium. The Company is seeking approval from its shareholders (at the ensuing Annual General Meeting) for availing the first tranche of such loan amounting to Rs. 15,000 crore, to be disbursed on need basis.

iii) Disclosure of Related Party Transactions

There are no related party transactions entered into by the Company with its directors or their relatives which had potential conflict with the interest of the Company.

iv) Conservation of Energy

An enabling provision for conservation of energy based on Energy Conservation Building Code (ECBC) and Indian Green Building Council (IGBC) norms has been included in the bid specification for Training Institute along with inclusion of provision of Rooftop Solar panels. The depot building designs would allow provision of solar panels later.

v) Technology Absorption

‘Technology Transfer’ and ‘Make in India’ are integral objectives of MAHSR project. Guidance from Department of Industrial Policy & Promotion (DIPP) and Japanese External Trade Organisation (JETRO) is being obtained for taking actions to fulfill these objectives of the project. For instance, four sub-groups viz. Track; Civil; Electrical and S&T; and Rolling Stock have been constituted with representatives from Indian industry, Japanese industry, DIPP, NHRCL and JETRO to discuss and identify potential items and sub-systems required for the project which can be covered under “Make in India” program.

After extensive discussions between representatives of both Indian and Japanese Industries in several sector specific meetings, video conferencing, workshops, etc. (held in Delhi as well as Tokyo), various items have been identified to be covered under ‘Make in India’, and steps are being taken to incorporate such items suitably in the bid documents.

vi) Risk Management

Your Company, being in the nascent stage of construction of project, is in the process of formulating a Risk Management Policy. Risk as to assets and certain liabilities are proposed to be mitigated by obtaining insurance cover of adequate value from insurance company, and by taking such other measures as are necessary for safeguarding assets.

As regards financial risks, adequate internal control measures have been adopted by the Company by engaging external professional firm of Chartered Accountants as internal auditors in addition to regular audit being conducted by Statutory Auditors and Comptroller & Auditors General of India from time to time.

vii) During the period under review, **no significant and material orders had been passed** by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

viii) During the period under review, there is **no change in the nature of business** of your Company.

ix) There are **no material changes and commitments** affecting the financial position of your Company which have occurred between the end of financial year to which the financial statements relate and the date of the report.

x) During the year under review, **maintenance of Cost records** in terms of the provisions of the section 148(1) of the Companies Act, 2013 is not required since company is yet to start its commercial operations and accordingly does not have any operational turnover during 2017-18.

B. No Presidential directives has been received by your Company under Article 151 of the Articles of Association of the Company during 2017-18.

C. Right to Information Act (RTI)

Necessary updated information including the names of Appellate Authority, Public Information Officer, and Assistant Public Information Officer has been posted on the website of the Company in terms of the requirements of RTI Act, 2005.

During the year, all the 38 applications received have been disposed off. The queries usually pertained to the projects status and its financing, service matters, advantages of project, etc.

BOARD COMMITTEES

A. Corporate Social Responsibility Committee

A Board level 'Corporate Social Responsibility Committee' known as 'CSR Committee', for the purpose of undertaking CSR works, has been formed in March 2018 under the chairpersonship of Ms. Namita Mehrotra, Nominee Director; along with Mr. Rajendra Prasad, Director Projects; and Mr. Arun Bijalwan, Director Finance; as its members, and Ms. Sumita Sharma, Company Secretary, as Secretary of the Committee.

The terms of reference of the said CSR Committee are:

- i) To formulate and recommend a CSR policy of the Company along with overseeing / monitoring the implementation of the said CSR Policy;
- ii) To recommend the CSR activities to be undertaken by the Company in areas or subjects as specified in Schedule VII of the Companies Act, 2013 (as amended from time to time);
- iii) To recommend the amount of expenditure to be incurred on the said CSR activities;
- iv) To review (half-yearly) the status of said CSR activities undertaken by the Company;
- v) To assist the BoD to formulate such other policies and strategies so as to take the CSR agenda of the Company forward in the desired direction; etc.

Your Company is in the process of formulating its CSR Policy in accordance with the provisions of the Companies Act, 2013.

The Company has not earned any operational profit. Further, the provision for spending towards CSR activity is applicable on the availability of average net profits of immediately preceding 3 years. Thus, the Company would be able to incur expenditure on CSR in the year 2019-20, after allocating CSR budget on the basis of availability of profits for preceding 3 financial year after its incorporation.

B. Investment Committee

Your Company had formulated an Investment Committee with part-time directors prior to appointment of whole-time directors. Subsequent to appointment of whole-time directors, the said Committee has been dissolved after the close of the year, and an internal committee of officials for the purpose of recommending investment proposals to a committee of two directors, including DF, for considering such recommendations and taking appropriate investment decisions has been formed.

C. Other Committees

NHSRCL is not required to have independent directors on its Board being a joint venture unlisted public company in terms of section 149(4) of the Companies Act, 2013, read with Rule 4 (amended vide MCA notification dated 05.07.2017) of the Companies (Appointment of Directors and Qualification) Rules, 2014.

Accordingly, constitution of Audit Committee, Nomination & Remuneration Committee, and Stakeholders Relationship Committee is also not applicable in terms of sections 177 and 178 of the Companies Act, 2013 read with rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS.

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies for safeguarding its assets, prevention and detection of frauds and errors, ensuring accuracy and completeness of the accounting records, and timely preparation of reliable financial disclosures. The Company's Internal Control System is commensurate with its size, scale, and complexities of its operations.

HUMAN RESOURCE

Your Company gives utmost importance to its human resources. The HR policies of the Company are aimed at attracting and retaining the best available talent. The employees have either been recruited from PSU's, metro companies, private sector, or are generally drawn on deputation from Central Government Departments/ Central PSUs, State Governments, and State PSUs, etc.

The manpower strength of the Company has grown steadily in last one year. As on 31st March 2018, the total manpower strength was 96 including 35 deputationists.

Your Company has initiated various staff welfare measures like ergonomically designed workstations and chairs with lumbar support for staff so as to provide healthy seating for extended period in office; reduced noise and dust free environment in workplace; pool transport for staff; regular preventive health check-up facility for staff after the specified age; etc. Your Company also provides congenial and safe working atmosphere to women employees. No complaints pertaining to sexual harassment at workplace has been received by the Company during the year.

Your Company nurtures and respect performance of its employees and encourages creativity and excellence. Team work is rewarded with small token of appreciation. The Company also imparts regular national / international training for professional development of its personnel. During the year 2017-18, 14 employees attended training in Japan and 28 employees attended training in India (including training on FIDIC).

VIGILANCE

After the close of the year, necessary steps have been initiated for creation of the post of CVO in the Company. Pending creation of such post and appointment of suitable officer, Railway Board has been requested to appoint a senior official of NHSRCL as part-time CVO as per extant guidelines.

CORPORATE GOVERNANCE

The Company adheres to the true spirit of Corporate Governance and implement best governance practices through focus on transparency, accountability, ethical operating practices, and professional management.

BOARD OF DIRECTORS

A. Composition of Board

As on 31st March 2018, the Board of your Company comprises seven (7) directors, nominated by Government of India (through Ministry of Railways), viz. three (3) functional directors (i.e. Managing Director, Director Project, and Director Finance) and four part-time / nominee directors (including Part-time Chairman).

After the close of the year, Mr. Abhijit Narendra ceased to be a part-time director on the Board of the Company (w.e.f. 16th April 2018) and another part-time director (viz. Mr. P.R. Patelia) has been nominated by Government of Gujarat consequent upon allotment of equity shares. Mr. Patelia joined the Board of your Company w.e.f. 15th June 2018.

B. Key Managerial Personnel

Managing Director, Director Projects, Director Finance, and Company Secretary have been declared as Key Managerial Personnel by the Board.

The Board had appointed Mr. S.K. Mallik as Chief Financial Officer (CFO) from 22nd November 2017 to 2nd January 2018 (pending appointment of Director Finance). Director Finance is CFO w.e.f. 2nd January 2018 i.e. from the date of his appointment.

C. Remuneration of Directors

Being a government company, the whole-time directors of your Company are appointed by Government of India. The Whole-time directors of your Company draw remuneration as per Industrial Dearness Allowance (IDA) / Central Dearness Allowance (CDA) pay scales, in accordance with the terms & conditions of their appointment issued by the Government.

The participating state Governments have the right to designate one part-time director each on the Board of the Company in case having share in the paid-up share capital of the Company. Accordingly, the present part-time director(s) on the Board of the Company have been nominated by Ministry of Railways and Government of Gujarat. The part-time directors do not draw any remuneration from the Company for their role as director but draw their remuneration under Central Dearness Allowance (CDA) pay scales from the Government as government officials.

D. Board Meetings and Attendance

The Board of Directors of your Company met four (4) times during the financial year 2017-18 i.e. on 5th May 2017, 25th August 2017, 22nd November 2017, and 15th March 2018.

Attendance details of Directors with respect to Board meeting and Annual General Meeting (AGM) held during 2017-18 are: -

Sl. No.	Name of Director	Designation	No. of Board Meetings		Attendance at the last AGM (held on 4 th December 2017)
			Held during the tenure of the Director	Attended	
1.	Mr. Ashwani Lohani (DIN- 01023747), Chairman Railway Board, Ministry of Railways (w.e.f. 25th August 2017)	Part-time Chairman (Nominated by Government of India)	3	3	Yes

Sl. No.	Name of Director	Designation	No. of Board Meetings		Attendance at the last AGM (held on 4 th December 2017)
			Held during the tenure of the Director	Attended	
2.	Mr. Achal Khare* (DIN- 07576351) (w.e.f. 15th September 2016)	Managing Director* (Whole-time Director)	4	4	Yes
3.	Mr. Rajendra Prasad (DIN- 08006234) (w.e.f. 29th November 2017)	Director Project (Whole-time Director)	1	1	Yes
4.	Mr. A. K. Bijalwan (DIN- 08012372) (w.e.f. 2nd January 2018)	Director Finance (Whole-time Director)	1	1	N.A.
5.	Mr. Sushant Kumar Mishra (DIN- 07869414), Principal Executive Director/ Infra/ Railway Board, Ministry of Railways (w.e.f. 25th August 2017)	Part-time Director (Nominated by Government of India)	3	3	Yes
6.	Ms. Namita Malhotra (DIN- 07916304), Executive Director (F)/RM, Railway Board, Ministry of Railways (w.e.f. 25th August 2017)	Part-time Director (Nominated by Government of India)	3	3	Yes
7.	Mr. P.R. Patelia (DIN- 06480313) Chief Engineer (National Highways) & Addl. Secy., Roads & Building Department, Govt. of Gujarat (w.e.f. 15 th June 2018)	Part-time Director (Nominated by Government of Gujarat)	N.A.	N.A.	N.A.
8.	Mr. Mukul Saran Mathur (DIN- 07361718) Ex- Executive Director /Traffic/ PPP, Railway Board, Ministry of Railways (Held office from 12th February 2016 to 14 th June 2017)	Part-time Director (Nominated by Government of India)	1	1	N.A.

Sl. No.	Name of Director	Designation	No. of Board Meetings		Attendance at the last AGM (held on 4 th December 2017)
			Held during the tenure of the Director	Attended	
9.	Mr. Sanjay Upreti (DIN- 06498752) Ex- Executive Director/ FC, Railway Board, Ministry of Railways (Held office from 31st March 2017 to 31 st January 2018).	Part-time Director (Nominated by Government of India)	3	3	Yes
10.	Mr. Abhijit Narendra (DIN – 07851224) Executive Director (Traffic)/ PPP, Railway Board, Ministry of Railways (Held office from 15 th June 2017 to 15th April 2018)	Part-time Director (Nominated by Government of India)	3	3	Yes

* Mr. Achal Khare assumed the charge of the post of Managing Director in terms of Railway Board's letter dated 20th April 2017. Earlier he was a Co-ordinating Director (i.e. Nominee Director) of the Company from 15th September 2016 to 20th April 2017.

** N.A. means Not Applicable

Ms. Sumita Sharma, Company Secretary, attended all the Board meetings held during her tenure and also the 1st AGM of the Company.

CODE OF CONDUCT & ETHICS-

Your Company has put in place a Code of Conduct & Ethics for its Employees, Senior Management, and Board of Directors w.e.f. 1st June 2018 which enshrines guidance for dealing with work related issues and dilemmas in discharging official duties.

GENERAL BODY MEETINGS

A. The first Annual General Meeting of the Company for the period starting from 12th February 2016 to 31st March 2017 was held on 4th December 2017 at 1030 hours at 2nd Floor, Meeting Hall, Ministry of Railways, Railway Board, New Delhi, wherein two special resolutions were passed viz (i) alteration of Articles of Association of the Company, and (ii) inclusion of Government of Gujarat and Government of Maharashtra as equity partners of the Company.

B. The proposed 2nd AGM of the Company for 2017-18 is scheduled to be held as per following details: -

Day - Monday

Date - 24th September 2018

Time - 1100 hours

Venue - Ministry of Railways, Railway Board, New Delhi 110001

COMPANY'S WEBSITE:

The Company's website is www.nhsrcl.in. All major information pertaining about the Company, including Feasibility reports, technical details of the project, tenders, various vacancies & results of such recruitments, land acquisition compensation to Maharashtra, Gujarat, and Dadar & Nagar Haveli, etc. are provided on the Company's website.

AUDITORS**A. Statutory Auditors**

M/s. Sehgal Mehta & Co., Chartered Accountants in practice, has been appointed as statutory auditors of the Company for 2017-18 by the Comptroller & Auditor General of India in terms of the provisions of the Companies Act, 2013.

B. Secretarial Auditor

The Company has appointed M/s. Jatin Gupta & Associates, Company Secretaries in practice, to undertake the Secretarial Audit of the Company for 2017-18, in terms of the provisions of the Companies Act, 2013.

C. Internal Auditors

The Company has appointed M/s. Bhushan Bensal Jain Associates, Chartered Accountants in practice, to conduct the internal audit of the Company for 2017-18.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of the Company confirms:

- i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii) such accounting policies had been selected and applied consistently and such judgments had been made and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- iii) proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the annual accounts had been prepared on a going concern basis; and
- v) that proper systems had been devised to ensure compliances with the provisions of all applicable laws and that such systems were adequate and operating effectively.

OTHER RELEVANT DOCUMENTS

The following reports / documents along with relevant annexures form an integral part of this report and have been placed as Appendices numbered herein.

1. Extract of Annual Return in Form MGT-9 **Appendix – 1**
[in terms of the section 134(3)(a) of the Companies Act, 2013 read with rule 12(1) of the Companies (Management and Administration) Rules, 2014].
2. Secretarial Audit Report in Form MR-1 **Appendix – 2**
[in terms of section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014].

ACKNOWLEDGEMENT

We record our sincere gratitude to the Government of India, Government of Japan, Ministry of Railways, Ministry of External Affairs and other Ministries; Government of Maharashtra, Government of Gujarat, Ambassadors and Embassies of India and Japan; Passport Authority; Niti Aayog, Department of Industrial Policy and Promotion (DIPP), Officials from JETRO, Japan International Cooperation Agency (JICA), Japan International Consultants (JIC), JR East; Reserve Bank of India, our bankers, and various media channels for their continued support to the Company.

We also place on record our sincere appreciation for all the employees of the Company for their dedication and sincerity towards the Company.

For and on behalf of the Board of Directors

Sd/- (Arun Bijalwan) Director Finance	Sd/- (Rajendra Prasad) Director Projects	Sd/- (Achal Khare) Managing Director
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Date : 28th August 2018

Place : New Delhi

FORM NO. MGT 9 - EXTRACT OF ANNUAL RETURN
[As on 31.03.2018]

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

I. REGISTRATION AND OTHER DETAILS

1	Corporate Identity Number (CIN)	:	U60200DL2016GOI291002
2	Registration Date	:	12th February 2016
3	Name of the Company	:	National High Speed Rail Corporation Limited
4a)	Category of the Company	:	Public Company
4b)	Sub-category of the Company	:	Government Company, Limited by Shares, and Company having share capital.
5	Address of the Registered office & contact details	:	Asia Bhawan, Second Floor, Road No. 205, Sector - 9, Dwarka, New Delhi - 110077 Ph. No.: 011-28070000/01 Fax No. : 011-28070150 Email id: comp.sec@nhsrcl.in
6	Whether Listed Company (Yes/ No)	:	No
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	:	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company are:

Sl. No.	Name and Description of Main Products / Services	NIC Code of the Product/service	% to total turnover of the Company
1	Construction: Civil Engineering - construction of roads and railways - construction of utility projects	Section F Division 42 Group 421 Group 422	Nil*
2	Transportation and Storage: Land transport and transport via pipelines - Transport via Railways - other land Transport - Transport via Pipeline	Section H Division 49 Group 491 Group 492 Group 493	

* The Company is in construction stage and is yet to commence its commercial operations.

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Not Applicable, since NHSRCL did not have any subsidiary or associate companies during the year.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

i) Category-wise Share Holding

Category of Shareholders		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year ³				% Change during the year
		Demat ¹	Physical	Total	% of Total Shares	Demat ¹	Physical	Total	% of Total Shares	
A. Promoters		Nil				Nil				
(1) Indian										
b) Central Government ²			2,000,000	2,000,000	100		6,500,000	6,500,000	99.237	- 0.763
c) State Government(s)			-	-			50,000	50,000	0.763	0.763
Sub-total (A) (1)			2,000,000	2,000,000	100		6,550,000	6,550,000	100	-
(2) Foreign										
Sub-total (A) (2)			-	-			-	-		
Total Promoter Shareholding (A) = (A)(1)+(A)(2)			2,000,000	2,000,000	100		6,550,000	6,550,000	100	-
B. Public Shareholding		Nil								
(1) Institutions										
(2) Non- Institutions										
Total Public Shareholding (B)=(B)(1)+(B) (2)										
C. Shares held by Custodian for GDRs & ADRs		Nil								
Grand Total (A + B + C)		Nil	2,000,000	2,000,000	100	Nil	6,550,000	6,550,000	100	-

Note:

- All the shares of the Company are held in physical form.
- 64,99,988 equity shares of Rs. 1000/- each are held in the name of President of India, and one share of Rs. 1000/- is held by each of the twelve nominees (who are Government Officials from Ministry of Railways) of the President of India.
- The Company has been established as a joint venture between Government of India, Government of Gujarat, and Government of Maharashtra with proposed equity participation of 50:25:25 respectively. The Company being in the nascent stage, equity contribution from JV partners/ promoters is being received from time to time.

ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year ³
		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	
(A)	President of India and his twelve nominees ²	2,000,000	100	-	6,500,000	99.237	-	- 0.763
(B)	Governor of Gujarat	-	-	-	50,000	0.763	-	0.763
	Total	2,000,000	100		6,550,000	100		

iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company ³	No. of shares	% of total shares of the company ³
(A)	At the beginning of the year:				
(1)	President of India	2,000,000	100	-	-
(2)	Governor of Gujarat	-	-	-	-
(B)	Change in shareholding				
(1)	Allotment of Shares to President of India on 05.05.2017	3,000,000	100	5,000,000	100
(2)	Allotment of Shares to President of India on 15.03.2018	1,500,000	99.237	6,500,000	99.237
(3)	Allotment of Shares of Governor of Gujarat on 15.03.2018	50,000	0.763	50,000	0.763
(C)	At the End of the year:				
(1)	President of India	-	-	6,500,000	99.237
(2)	Governor of Gujarat	-	-	50,000	0.763
	Total			6,550,000	100

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): Not Applicable ⁴

v) Shareholding of Directors and Key Managerial Personnel (KMP): Not Applicable ⁴

Note:

4. All the shares of NHSRCL are held by Central Government in the name of the President of India and his 12 nominees (i.e. 65,00,000 equity shares), and by Government of Gujarat in the name of Governor of Gujarat (i.e. 50,000 equity shares).

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	NIL			
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				
- Addition				
- Reduction				
Net Change				
Indebtedness at the end of the financial year				
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 Directors, and / or Manager :

(in Rs.)

Sl. No.	Particulars of Remuneration	Name of Whole-time Director			Total Amount
		Achal Khare, MD (w.e.f. 20.04.2017)	Rajendra Prasad, DP (w.e.f. 29.11.2017)	Arun Bijalwan, DF (w.e.f. 02.01.2018)	
1	Gross salary				
a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,395,976	1,146,446	694,122	5,236,544
b)	Value of perquisites u/s 17(2) of the Income-tax Act, 1961	624,939	140,945	93,573	859,457
c)	Profits in lieu of salary under section 17(3) of the Income- tax Act, 1961	0	0	0	0
2	Stock option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission	0	0	0	0
5	Others, please specify:	0	0	0	0
	Total (A)	4,020,915	1,287,391	787,695	6,096,001
	Ceiling as per the Act - Not Applicable⁵				

B. Remuneration to other directors:

(in Rs.)

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
1	Independent Directors	Not Applicable				
	Fee for attending board/ committee meetings					
		Total (B1)				0
2	Other Non-executive Directors	Ashwani Lohani (w.e.f. 25.08.2017)	S.K. Mishra (w.e.f. 25.08.2017)	Abhijit Narendra (from 25.08.2017 to 16.04.2018)	Namita Mehrotra (w.e.f. 25.08.2017)	
	Fee for attending board/ committee meetings	Nil				
		Total (B2)				0
		Total [B= B1 + B2]				0
	Overall ceiling as per the Act - Not Applicable ⁵					

* After the close of the year, Mr. P.R. Patelia, nominee director, has joined the Board of the Company w.e.f. 15th June 2018.

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

(in Rs.)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		CEO ⁶	Sumita Sharma Company Secretary (w.e.f. 27.10.2017)	S.K. Mallik, CFO ⁷ (from 22.11.2017 to 02.01.2018)	
1	Gross salary				
a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		834,476	361,541	1,196,017
b)	Value of perquisites u/s 17(2) of the Income-tax Act, 1961		0	48,714	48,714
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
5	Others, please specify:		0	0	0
	Total		834,476	410,255	1,244,731
				Total (C)	1,244,731
	Ceiling as per the Act - Not Applicable⁵				

Note:

5. Section 197 of the Companies Act, 2013, is exempt for government companies in terms of notification dated 5th June 2015 of the Ministry of Corporate Affairs.
6. MD, NHRCL, is deemed to be CEO of the Company; and his remuneration is mentioned in Sl. No. VI (A) above.
7. BoD had appointed DF as CFO of the Company w.e.f. 2nd January 2018 vice Mr. S.K. Mallik, GM/Finance/ NHRCL. Remuneration of DF is mentioned in Sl. No. VI(A) above.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES : COMPANY / DIRECTOR/ OTHER OFFICERS IN DEFAULT

NIL

For and on behalf of the Board of Directors

Sd/-
(Arun Bijalwan)
Director Finance

Sd/-
(Rajendra Prasad)
Director Projects

Sd/-
(Achal Khare)
Managing Director

Date : 28th August 2018

Place : New Delhi

**JATIN GUPTA & ASSOCIATES
COMPANY SECRETARIES**

SECRETARIAL AUDIT REPORT

FOR THE YEAR ENDED ON 31.03.2018

Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule 9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014

To
The Members
National High Speed Rail Corporation Limited
(Joint Venture of Govt. of India (Ministry of Railways) and participating State Governments)
New Delhi

CIN: U60200DL2016GOI291002

We have conducted, the Secretarial Audit of Compliance of applicable statutory provisions and adherence to good corporate practices by National High Speed Rail Corporation Limited (The Company). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the Corporate conducts/statutory compliances and accordingly expressing our opinion thereupon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the registers, records, books, papers, minutes books, forms and returns filed and other records as required to be filed/maintained by the Company for the year ended 31.03.2018 according to the provisions of:

- i. The Companies Act, 2013 ('the Act') and the Rules made thereunder and the relevant provisions of the Act;
- ii. The Memorandum and Articles of Association of the Company;

We have also examined compliance with the applicable clauses/ regulations of the following:

- a) Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI).
- i. During the year review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above and in the manner and subject to the reporting made hereinafter and also in line with applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI). The Company has, in our opinion, proper Board-processes and compliance

mechanism and has complied with the applicable statutory provisions, Act, rules, regulations, guidelines, standards, etc., mentioned above as stipulated under the provisions of the Companies Act, 2013 and the Rules made under the Act, and the Memorandum and Articles of Association thereto.

We further report that, the Company is a Government Company, and :

- i. the Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings and directorships in other Companies and interest in other entities;
- ii. the Company has not started commercial operations as yet, hence no approvals under applicable Act were required to be taken;
- iii. there was no prosecution initiated against or show cause notice received by the Company during the year under review under the Companies Act and rules, regulations and guidelines under these Acts.

We further report that during the year:

The status of the Company remains as a Government Company with entire paid-up share capital being held by Ministry of Railways (MoR) and those of participating states as on 31st March 2018. Further, we are of the view that the Company is regular in complying with the applicable provisions of Companies Act, 2013, and no commercial operations took place so far thus no specific act has governed the Company during the year covered under report (the Company being conceptualized for the purpose of running Bullet Train between Ahmedabad and Mumbai for which preliminary work is under way).

- i. The compliance to that effect has been made, this fact has been examined from the perusal of various records maintained by the Company and;
- ii. The Board of Directors of the Company is duly constituted with nominee and functional Directors. The changes in the composition of the Board that took place during the year under review were carried out in compliance with the provisions of the Act (on account of directions from respective Stakeholders). We are informed that the Company being a Government Company has nominee directors on its Board and thus the provisions of Section 149 read with rules thereto stands complied.
- iii. Adequate notices were given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in tandem with requirements of applicable provisions, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- iv. The Company has complied with all the mandatory requirements.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

There are no other specific events/actions in pursuance of the above referred laws, rules, regulations guidelines etc., having a major bearing on the Company's Affairs.

Place: New Delhi
Date: 28th August 2018

Jatin Gupta
Proprietor

Sd/-
For Jatin Gupta & Associates
Company Secretaries
CP No.: 5236 ; FCS No.: 5651

Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report

To
The Members
National High Speed Rail Corporation Limited
(Joint Venture of Govt. of India (Ministry of Railways) and participating State Governments)
New Delhi

CIN: U60200DL2016GOI291002

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

- a. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express our opinion on them based on examination.
- b. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done to ensure that correct facts were reflected in secretarial records, we believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- c. We rely on the statutory auditors reports on the Audited Financial Statement for the correctness and appropriateness of the financial records and books of accounts of the Company.
- d. The compliance of the provisions of corporate and other applicable laws, rules and regulations, and standards is the responsibility of the management. Our examination was limited to the verification of the procedures only.
- e. The Secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: New Delhi
Date: 28th August 2018

Jatin Gupta
Proprietor

Sd/-
For Jatin Gupta & Associates
Company Secretaries
CP No.: 5236 ; FCS No.: 5651

FINANCIAL STATEMENTS



SEHGAL MEHTA & CO.
CHARTERED ACCOUNTANTS

10173/2. BLOCK NO. 15, ABDUL AZIZ ROAD,
W E.A., KAROL BAGH, NEW DELHI-110005

PHONE: 011-4506 4845

Email : sehgalmehta@hotmail.com
sehgalmehta@gmail.com

INDEPENDENT AUDITOR'S REPORT

Dated : 28/08/2018

TO THE MEMBERS OF
M/s NATIONAL HIGH SPEED RAIL CORPORATION LIMITED
Report on the Ind-AS Financial Statements

We have audited the accompanying Ind-AS financial statements of **M/S NATIONAL HIGH SPEED RAIL CORPORATION LIMITED ("the Company")**, which comprise the Balance Sheet as at **March 31, 2018**, and 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 significant accounting policies and other explanatory information (Herein after referred to as "Ind-AS financial statement").

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind-AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

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 the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind-AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind-AS financial statement.

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.

Other Matters

The financial information for the year ended 31st March, 2017 and the transition date opening balance sheet as at 12th February, 2016 included in these Ind-AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the companies (Accounting standard) Rules, 2006 audited by the us whose report dated 25th August, 2017 expressed an unmodified opinion on those financial statements as adjusted for the differences in the accounting principles adopted by the company on transition to the Ind-AS, which has been audited by us.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. 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 in "**Annexure - A**".
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the

Act, we give in the "**Annexure B**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

3. As required by section 143(3) of the Act, we report that:

- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) in our opinion proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books;
- c) the Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the 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 relevant Rules issued there under.
- e) on the basis of written representations received from the directors as on March 31, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure C". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting. And
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind-AS Financial Statements-Refer Note 31 to the financial statements;
 - 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 amount required to be transferred to the Investor Education and Protection Fund by the company.

Place: New Delhi
Date: 28th August 2018

For Sehgal Mehta & Co.
Chartered Accountants
FRN - 003330N

Sd/-
(CA Pankaj Kumar Goyal)
Partner
M. No. 515717



SEHGAL MEHTA & CO.
CHARTERED ACCOUNTANTS

10173/2. BLOCK NO. 15, ABDUL AZIZ ROAD,
W E.A., KAROL BAGH, NEW DELHI-110005
PHONE: 011-4506 4845
Email : sehgalmehta@hotmail.com
sehgalmehta@gmail.com

Dated : 28/08/2018

ANNEXURE "A" TO INDEPENDENT AUDITOR'S REPORT

Annexure to the Independent Auditors' Report referred to in paragraph 6(I) of our report of even date on the financial statements of **National High Speed Rail Corporation Limited** for the Year ended 31st March, 2018

S. No.	CAG's Directions	Our Report	Action Taken thereon	Impact on financial statements
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.	The company does not own any land or building and is working in the rented premises for which proper rent agreements are available.	No action was required to be taken.	NIL
2	Please report whether there are any cases of waiver/write off of debts/loans/interest etc., if any, the reasons there for and the amount involved.	There are no cases of waiver/ written off of debts/ loans/ interest etc.	No action was required to be taken.	NIL
3	Whether proper records are maintained for inventories lying with third parties & assets received as gifts from Govt. or other authorities.	No inventories were lying with the third parties and no assets were received as gifts from government or any other authorities.	No action was required to be taken.	NIL

For Sehgal Mehta & Co.
Chartered Accountants
(Firm's Registration number: 003330N)

Sd/-
(CA Pankaj Kumar Goyal)
Partner
(M. No. 515717)

"Annexure B" to the Independent Auditors' Report

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2018:

- 1)
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
 - (b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
 - (c) No immovable property is held in the name of the company.
- 2) Based upon the audit procedures performed and the information and explanations given by the management, the company has not any inventory during the year under review. Accordingly, the provision of clause 3(ii) of the Order is not applicable to the company and hence not commented upon;
- 3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) "We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act ,2013 and are of the opinion that prima facie, the prescribed accounts have been made and maintained.' "
- 7)
 - (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax,

Service Tax, Goods and Service Tax and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2018 for a period of more than six months from the date on when they become payable.

b) According to the information and explanation given to us, there are no dues of income tax, service tax , Goods And Service Tax outstanding on account of any dispute.

- 8) The company has not taken any loan either from financial institution or from the government and has not issued any debentures.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approval mandated by the provision of section 197 read with schedule V of the companies Act.
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company and hence are not commented upon.
- 13) According to the information and explanations given to us and based on our examination of the records of the company, transaction with the related parties are in compliance with section 177 and 188 of the Act where applicable and details of such transaction have been disclosed in the Ind-AS financial statement as required by the applicable accounting standard.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the Company and hence not commented upon.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

Place: New Delhi
Date: 28th August 2018

For and on behalf of
Sehgal Mehta & Co.
Chartered Accountants
FRN - 003330N

Sd/-
(CA Pankaj Kumar Goyal)
Partner
M. No. 515717

Annexure - C to the Auditors' Report

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of National High Speed Rail Corporation Limited of even date)

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

We have audited the internal financial controls over financial reporting of **M/s National High Speed Rail Corporation Limited ("the Company")** as of 31 March 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company 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. 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, 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 internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 Ind-AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- 3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind-AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 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 Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: New Delhi
Date: 28th August 2018

For Sehgal Mehta & Co.
Chartered Accountants
FRN - 003330N
Sd/-
(CA Pankaj Kumar Goyal)
Partner
M. No. 515717

NATIONAL HIGH SPEED RAIL CORPORATION LIMITED

BALANCE SHEET as at 31st March 2018

Amount (₹ 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	572.89	14.39
(b) Capital work-in-progress	4	8,936.66	1,185.94
(c) Intangible Assets	5	28.58	-
(d) Financial Assets	6		
(i) Loans	6.1	18.43	-
(ii) Others	6.2	162.71	10.64
(e) Deferred Tax Assets (Net)	7	32.59	58.89
(f) Other Non-Current Assets	8	6,605.74	1.63
		16,357.60	1,271.49
2 Current assets			
(a) Financial Assets	9		
(i) Cash and Cash Equivalents	9.1	9,823.25	30,568.99
(ii) Bank Balances other than (i) above	9.2	40,838.44	18,000.00
(iii) Loans	9.3	2.55	-
(iv) Others	9.4	2,334.15	1,044.37
(b) Other Current Assets	10	69.18	8.46
		53,067.57	49,621.82
Total Assets		69,425.17	50,893.31
II. EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share Capital	11	65,500.00	20,000.00
(b) Other Equity	12	2,691.02	30,621.52
		68,191.02	50,621.52
2 Liabilities			
(i) Non-current liabilities			
(a) Financial Liabilities	13		
(i) Others	13.1	4.95	-
(b) Other Non Current Liabilities	14	0.02	-
(c) Provisions	15	18.75	-
		23.72	-
(ii) Current liabilities			
(a) Financial Liabilities	16		
(i) Others	16.1	872.04	204.17
(b) Other Current Liabilities	17	279.91	22.54
(c) Provisions	18	1.42	-
(d) Current Tax Liability (Net)	19	57.07	45.08
		1,210.43	271.79
Total Equity and Liabilities		69,425.17	50,893.31

General Information

1

Summary of Significant Accounting Policies

2

For Sehghal Mehta & Co.
Chartered Accountants

FRN: 003330N

Sd/-

Partner: CA Pankaj Kumar Goyal

M. No.: 515717

Place: New Delhi

Date : 28th August 2018

Sd/-
Achal Khare
Managing Director
DIN: 07576351

Sd/-
A. K. Bijalwan
Director Finance
DIN: 08012372

Sd/-
Sumita Sharma
Company Secretary
M. No. : FCS5250

For and on behalf of Board of Directors

NATIONAL HIGH SPEED RAIL CORPORATION LIMITED

Statement of Profit and Loss for the year ended 31st March, 2018

		Amount (₹ in Lakhs)		
Particulars		Note No.	For the year ended 31st March 2018	For the period 12th February 2016 to 31st March 2017
I.	Revenue from Operations			
II	Other Income	20	2,964.24	1,248.38
III	Total Revenue (I+II)		2,964.24	1,248.38
	Expenses			
	Employee Benefit Expense	21	-	-
	Depreciation and Amortization Expense	22	-	-
	Other Expenses	23	7.85	276.85
IV	Total Expenses (IV)		7.85	276.85
V	Profit before exceptional items and tax (III - IV)		2,956.39	971.53
VI	Exceptional Items			
VII	Profit before tax (V - VI)		2,956.39	971.53
VIII	Tax expense:			
	(1) Current tax	24	815.10	388.81
	(2) Deferred tax		26.29	(58.89)
IX	Profit/(Loss) for the period from continuing operations (VII-VIII)		2,115.00	641.61
X	Profit/(Loss) from discontinued operations			
XI	Tax expense of discontinued operations			
XII	Profit/(Loss) from discontinued operations (X - XI)			
XIII	Profit/(Loss) for the period (IX + XII)		2,115.00	641.61
XIV	Other Comprehensive Income			
	A. (i) Items that will be reclassified to Profit or Loss		-	-
	(ii) Income Tax relating to Items that will be reclassified to Profit or Loss		-	-
	B. (i) Items that will not be reclassified to Profit or Loss		-	-
	(ii) Income Tax relating to Items that will not be reclassified to Profit or Loss		-	-
XV	Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit (Loss) and Other Comprehensive Income for the period)		2,115.00	641.61
XVI	Earning per equity share: (For Continuing Operation)			
	(1) Basic (in ₹)	25	46.11	47.42
	(2) Diluted (in ₹)	25	46.11	47.14
XVII	Earnings Per Equity Share: (For Discontinuing Operation)			
	(1) Basic (in ₹)		-	-
	(2) Diluted (in ₹)		-	-
XVIII	Earnings Per Equity Share: (For Continuing and Discontinued Operation)			
	(1) Basic (in ₹)	25	46.11	47.42
	(2) Diluted (in ₹)	25	46.11	47.14

THE NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

For Sehghal Mehta & Co.
Chartered Accountants
FRN: 003330N

Sd/-
Partner: CA Pankaj Kumar Goyal
M. No.: 515717

Place: New Delhi
Date : 28th August 2018

For and on behalf of Board of Directors

Sd/-
Achal Khare
Managing Director
DIN: 07576351

Sd/-
A. K. Bijalwan
Director Finance
DIN: 08012372

Sd/-
Sumita Sharma
Company Secretary
M. No. : FCS5250

NATIONAL HIGH SPEED RAIL CORPORATION LIMITED

Statement of Cash Flow for the year ended 31st March, 2018

Particulars	Amount (₹ in Lakhs)	
	For the year ended 31st March 2018	For the year ended 31st March 2017
A. Cash Flow from Operating Activities		
Profit before exceptional items and tax	2,956.39	971.53
Adjustments for:-		
Depreciation	49.91	1.36
Interest Income	(2,961.46)	(1,248.02)
Operating Profit before operating capital changes	44.84	(275.13)
Adjustments for :-		
Decrease / (Increase) in Financial Assets-Others	(186.82)	(4.32)
Decrease / (Increase) in Other current Assets	(60.71)	(8.46)
Decrease/ (Increase) in Other Non Current assets	(100.39)	(1.08)
Decrease/ (Increase) in Financial Assets Loans	(20.98)	(10.64)
(Decrease) / Increase in Financial Liability-Others	672.83	204.17
(Decrease) / Increase in Provisions	20.17	-
(Decrease) / Increase in Other Current Liability	257.37	22.54
(Decrease) / Increase in Other Non Current Liability	0.02	-
Cash generated from operation	581.49	202.21
Income Tax Paid	626.33	(72.92)
Total Cash generated from Operating Activities	(176.78)	(416.65)
B. Cash Flow From Investing Activities		
Purchase of Property, Plant and Equipment's & Other Intangible Assets and CWIP	(8,387.73)	(1,201.69)
Capital Advances for Project Work and Capex	(6,503.71)	(0.55)
Increase in Bank Deposits	(22,838.45)	(18,000.00)
Interest Income	1,706.43	207.97
Net Cash used in Investing Activities	(36,023.46)	(18,994.27)
C. Cash Flow From Financing Activities		
Proceeds from Issue of Equity Share Capital	15,500.00	20,000.00
Share Application Money pending allotment	-	30,000.00
Share issue expense	(45.50)	(20.09)
Net Cash generated from Financing Activities	15,454.50	49,979.92
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(20,745.74)	30,568.99
Opening Cash & Cash Equivalents	30,568.99	-
Closing Cash & Cash Equivalents	9,823.25	30,568.99
Cash and Cash Equivalent Comprises of		
Currency in Hand	2.03	-
Balances with banks:		
– Current Account	34.27	30,021.77
– In Flexi Account	786.57	546.88
– In Fixed Deposits with original maturity of less than three months	9,000.00	-
– In Imprest Account	0.38	0.34
Cash and Cash Equivalents as per Balance Sheet	9,823.25	30,568.99

Notes:-

1. The Cash Flow Statement has been prepared under the Indirect method as set out in Ind AS-7 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.

For Sehghal Mehta & Co.

Chartered Accountants

FRN: 003330N

Sd/-

Partner: CA Pankaj Kumar Goyal

M. No.: 515717

Place: New Delhi

Date : 28th August 2018

For and on behalf of Board of Directors

Sd/-
Achal Khare
Managing Director
DIN: 07576351

Sd/-
A. K. Bijalwan
Director Finance
DIN: 08012372

Sd/-
Sumita Sharma
Company Secretary
M. No. : FCS5250

NATIONAL HIGH SPEED RAIL CORPORATION LIMITED

Statement of Changes in Equity for the year ended 31 March, 2018

A. Equity share capital

Particulars	Number of shares	Amount (₹ in Lakhs)
Balance as at April 1, 2017	2,000,000.00	20,000.00
Issue of share capital during the year	4,550,000.00	45,500.00
Balance as at March 31, 2018	6,550,000.00	65,500.00

B. Other Equity

Particulars	Reserves & Surplus	Share Application Money Pending Allotment	Amount (₹ in Lakhs)
	Retained Earnings		Total
Balance at the beginning of the year	621.52	30,000.00	30,621.52
Changes in accounting policy or prior period errors	-	-	-
Restated balance at the beginning of the year	621.52	30,000.00	30,621.52
Profit for the year	2,115.00	-	2,115.00
Other Comprehensive Income for the year (net of income tax)	-	-	-
Total Comprehensive Income for the year	2,115.00	-	2,115.00
Share application money received during the period	-	15,500.00	15,500.00
Share issued during the year	-	(45,500.00)	(45,500.00)
Share issue expenses	(45.50)	-	(45.50)
Balance at the end of the year	2,691.02	-	2,691.02

For Sehghal Mehta & Co.

Chartered Accountants

FRN: 003330N

Sd/-

Partner: CA Pankaj Kumar Goyal

M. No.: 515717

Place: New Delhi

Date : 28th August 2018

For and on behalf of Board of Directors

Sd/-

Achal Khare

Managing Director

DIN: 07576351

Sd/-

A. K. Bijalwan

Director Finance

DIN: 08012372

Sd/-

Sumita Sharma

Company Secretary

M. No. : FCS5250

NATIONAL HIGH SPEED RAIL CORPORATION LIMITED

Statement of Changes in Equity for the period ended 31 March, 2017

A. Equity share capital

Particulars	Number of shares	Amount (₹ in Lakhs)
Balance at February 1, 2016	-	-
Issue of equity shares capital during the period	2,000,000.00	20,000.00
Balance at March 31, 2017	2,000,000.00	20,000.00

B. Other Equity

Particulars	Reserves & Surplus		Amount (₹ in Lakhs)
	Retained Earnings	Share Application Money Pending Allotment	Total
Balance at February 1, 2016	-	-	-
Changes in accounting policy or prior period errors	-	-	-
Restated balance at the beginning of the period	-	-	-
Profit for the period	641.61	-	641.61
Other Comprehensive Income for the period (net of income tax)	-	-	-
Total Comprehensive Income for the period	641.61	-	641.61
Share application money received during the period	-	30,000.00	30,000.00
Less: share issue expenses	(20.09)	-	(20.09)
Balance at the end of the period	621.52	30,000.00	30,621.52

For Sehghal Mehta & Co.

Chartered Accountants

FRN: 003330N

Sd/-

Partner: CA Pankaj Kumar Goyal

M. No.: 515717

Place: New Delhi

Date : 28th August 2018

For and on behalf of Board of Directors

Sd/-

Achal Khare

Managing Director

DIN: 07576351

Sd/-

A. K. Bijalwan

Director Finance

DIN: 08012372

Sd/-

Sumita Sharma

Company Secretary

M. No. : FCS5250

1 General Information

National High Speed Rail Corporation of India Limited (NHSRCL) is a public limited company domiciled in India having registered office at 2nd Floor, Asia Bhawan, Road No.-205, Sector-9, Dwarka (South west Delhi), New Delhi-110077. The Company was incorporated in India under the provisions of Companies Act, 2013 on 12th February 2016 with the object to plan, design, develop, build, commission, maintain, operate and finance high speed rail services between the state of Maharashtra and State of Gujarat and/or any other area either on its own or by taking over or leasing or otherwise of any other model and build new transit route of any mode or a combination of mode with all attendant infrastructure facilities, as may be approved by Ministry of Railways or Government of India or any other such competent authority.

2 Summary of Significant Accounting Policies

2.1 a) Statement of Compliance

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

For all periods up to and including the year ended 31 March 2017, the company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013 (Indian GAAP). These financial statements for the year ended 31 March 2018 is to be company's first IND AS financial statements.

Refer Note No 35 for first time adoption of Ind AS.

b) Basis of Measurement

The financial statements have been prepared under the historical cost convention and on an accrual basis, except for the following item that have been measured at fair value as required by relevant Ind-AS.

- i. Certain financial assets and liabilities measured at fair value.(Refer accounting policy regarding Financial Instruments)
- ii. Defined benefit plan and plan Assets.

c) Use of estimates and judgment

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 future obligations under employee retirement benefit plans and estimated useful life of property, plant and equipment, Employee benefit expenses, provisions etc. 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 /materialized.

In order to enhance understanding of the financial statements, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is as under:

- **Property, Plant and Equipment:** The useful lives and residual values are reviewed periodically along with depreciation method. The lives are based on historical experiences as well as anticipation of future events.
- **Provisions:** Provisions are determined based on estimation to settle the obligation at balance sheet date.
- **Contingent Liabilities/Assets:** Contingent Liabilities/Assets are disclosed based on judgement of management, are reviewed at each balance sheet date and are adjusted to reflect current management estimate.
- **Impairment test of non-financial assets:** The recoverable amount of PPE is determined based on judgement of assumptions of technical experts.
- **Recognition of Deferred Tax Assets:** Deferred Tax Asset is recognized based on the assessment of probability of future taxable income against which the deferred tax can be utilized.
- **Post-Employment Benefits :** Employee benefit obligation are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future development in discount rates, the rates of salary increase and inflation rate. The company consider that the assumption used to measure obligations are appropriate and documented. However, any changes in these assumption may have a material impact on the resulting calculations.

d) All financial information presented in Indian rupees and all values are rounded to the nearest lakhs except where otherwise stated.

2.2 Statement of Cash Flow

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 which are considered part of the Company's cash management system.

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 Statement of cash flow , 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.

2.3 Functional and presentation currency

Items Included in the Financial Statements are measured using the currency of primary economic environment in which the Company operates (Functional Currency) The financial statements are presented in Indian Rupee (INR), which is functional as well as presentation currency of company.

Foreign Currency

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the time of transaction.

Monetary items denominated in foreign currencies are translated at exchange rates as at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognized in profit or loss.

2.4 Property, plant and equipment

(a) 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.

(b) Cost of replacement, major inspection, repair of significant parts is capitalized if the recognition criteria are met.

(c) An item of property, plant and equipment is derecognized 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 and 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.

Depreciation & Amortization

(a) Depreciation on Property, plant and Equipment is provided on Straight Line method (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

(c) Assets given to employees have been depreciated over the period of 3 years on SLM basis.

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

Furniture & Fixture	10 Years
EDP Assets	3 Years
Office Equipment	5 Years
Leasehold Improvements	6 Years
Vehicles	8 Years

(d) Depreciation methods, useful lives and residual values are reviewed at each reporting date.

2.5 Intangible Assets

An intangible Asset is recognized where it is probable that the future economic benefits attributable to the assets will flow to the company and cost of the asset can be measured reliability. Intangible assets are stated at historical cost less accumulated amortization and impairment loss, if any.

Amortisation

Intangible assets are amortized over their respective estimated useful lives on a straight- line basis from the date that they are available for use.

The estimated useful life of intangibles are as follows:

Software:- 3 Years

Amortization methods, useful lives and residual values are reviewed at each reporting date.

2.6 Capital Work in Progress

Amounts paid towards the acquisition of property, plant and equipment outstanding as of each reporting date and the cost of property, plant and equipment not ready for intended use before such date are disclosed under capital work- in-progress.

Expenditure which can be directly identified with the Project undertaken by the company is debited to “Capital Work in Progress” under “Direct Project Expenditure. Indirect expenditure in the nature of employee benefits and indirect expenditure directly related to the project has been charged to project.

Income pertaining to construction period and other incidental income such as interest income (other than from temporary deployment of funds received by way of equity), sale of tender documents, etc. is adjusted against the expenditure during construction.

2.7 Provisions, Contingent Liabilities and Contingent Assets

a) Provisions are recognized in respect of liabilities which can be measured only by using a substantial degree of estimates when:

- i. The Company has a present obligation as a result of a past event.
- ii. Probable outflow of resources embodying economic benefits will be required to settle the obligation; and
- iii. The amount of the obligation can be reliably estimated. Provisions are reviewed at each Balance Sheet date.

Discounting of Provisions

Where the effect of the time value of money is material the amount of a provision shall be the present value of the expenditure expected to be required to settle the obligation.

b) Contingent Liabilities are disclosed in either of the following cases:

- 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.

Contingent Liability and Provisions needed against Contingent Liability and Contingent Assets are reviewed at each Reporting date.

- c) Contingent assets are disclosed where an inflow of economic benefits is probable.

2.8 Revenue Recognition

- i. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. However, when an uncertainty arises about the collectability of an amount already included in revenue, the uncollectible amount, or the amount in respect of which recovery has ceased to be probable, is recognized as an expense rather than as an adjustment of the amount of revenue already recognized.
- ii. Revenue is measured at the fair value of the consideration received or receivable

b. Other Revenue Recognition

- i. Interest income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable using Effective Interest Rate Method.

2.9 Leases

Finance Lease: -

- i. that transfers substantially all the risks and rewards incidental to ownership of an asset
- ii. are capitalised at lease inception at lower of fair value or present value of minimum lease payment
- iii. Payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.
- iv. Finance charges are recognised in finance costs in the statement of profit and loss.
- v. Depreciated over the useful life of the asset. However, if there is no reasonable certainty to obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating Lease: -

- i. is classified as operating lease when significant portion of the risk and rewards are not transferred to the company.
- ii. payment is charged to profit and loss on straight-line basis over the lease term except where lease payment is structured to increase in line with expected general inflation to compensate for the expected inflationary cost increase.

Lease Hold Improvements

Leasehold improvements are amortized over the period of lease from the month in which such improvements are capitalized

2.10 Impairment of non-financial assets

In accordance with Ind AS-36 on 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 Fair Value less cost to sell and the value in use. An impairment loss is recognized in Statement of Profit and Loss whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount and such losses either no longer exists or has decreased. Reversal of impaired loss is recognized in the Statement of Profit and Loss.

2.11 **Borrowing Cost**

Borrowing cost incurred on the funds borrowed specifically for the project and identified therewith is capitalised up to the time of commissioning of the project or part thereof and thereafter charged to revenue to the extent assets are under commercial operation.

2.12 **Employee Benefits**

a) Short Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the services are classified as short term employee benefits. Benefits such as salaries, wages, and short- term compensated absences, LTC etc. are recognized in the period in which the employee renders the related service.

b) Long Term Employee Benefits

i. The obligation for long-term employee benefits such as long-term compensated absences & half pay leave is recognized in the same manner as in the case of defined benefit plans as mentioned in (c) (ii) below.

c) Post-Employment Benefits.

i. Defined contribution plans: The Company makes defined contribution to the Regional Provident Fund Commissioner in respect of provident fund scheme, CGIS and employee state insurance scheme. The contribution paid/payable under the schemes is recognized during the period in which the employee renders the related service.

ii. Defined benefit plans: Gratuity is a post-employment defined benefit plan. The liability recognized in the balance sheet is the present value of the defined benefit obligation at the balance sheet date less fair value of plan assets. The defined benefit obligation is calculated by an independent actuary using projected unit credit (PUC) method. Actuarial gains and losses are recognised immediately in the Profit & Loss Account.

d) Retirement benefits of the ‘staff on deputation’ have been accounted for on the basis of the guidelines of the Ministry of Railways.

e) Actuarial gains or losses are recognized in Other Comprehensive Income.

f) Re-measurements recognised in Other Comprehensive Income are comprising actuarial gains or losses that are not reclassified to profit or loss from Other Comprehensive Income in subsequent periods.

2.13 **Current income tax**

i. Tax expense for the year comprises of current Income tax and deferred tax.

ii. Current tax is measured at the amount expected to be paid to the tax authorities using the applicable tax rates.

iii. 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.

iv. Current tax related to OCI Items is recognized in Other Comprehensive Income (OCI).

2.14 Deferred tax

In accordance with the Indian Accounting Standard (IND-AS 12) “Income Taxes” issued by the Institute of Chartered Accountants of India.

- i. 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.
- ii. Deferred income tax asset is 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.
- iii. 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.
- iv. Deferred tax related to OCI Item are recognized in Other Comprehensive Income (OCI).

2.15 Earnings Per Share

1. Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for events of bonus issue and share split.
2. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.16 Preliminary Expenses

All Preliminary Expenses are recognised as an expense when it is incurred.

2.17 Dividend to equity holders

Dividend paid/payable is recognized in the year in which the related dividends are approved by shareholders or board of directors as appropriate.

2.18 Events occurring after Balance Sheet Date

Events occurring after Balance Sheet date are considered in the preparation of financial statements in accordance with Ind AS 10 (Contingencies and Events Occurring After Balance Sheet Date).

2.19 Fair Value Measurement

Company measures certain 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.

2.20 **Financial instruments: -**

a) Initial Recognition:

Financial Assets and Liabilities are recognized when the company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

b) Subsequent measurement

Financial Assets

financial assets are classified in following categories:

a. At Amortised Cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and 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.

b. Fair Value through Other Comprehensive Income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and 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.

c. At Fair Value through Profit and Loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

Financial Liabilities

Financial Liabilities are classified as follow:

a. Financial liabilities at Amortized Cost

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

b. Financial liabilities at Fair value through Profit and Loss

The company has not designated any financial liabilities at Fair value through Profit and Loss.

c) De-recognition

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 liability 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 statement of profit or loss.

d) 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 Fair value through Other Comprehensive Income debt instruments. The impairment methodology applies on whether there has been significant increase in credit risk.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expense in the statement of profit and loss.

2.21 Non-current Assets (or disposal groups) held for Sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount is intended to be recovered principally through a sale (rather than through continuing use) when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset (or disposal group) and the sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets and disposal groups classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell.

2.22 Standard issued but not effective

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.

NATIONAL HIGH SPEED RAIL CORPORATION LIMITED

Note: - 3

Property, Plant and Equipment's

						Amount (₹ in Lakhs)
Particulars	Lease Hold Improvements	Furniture & Fixtures	Motor Vehicles	EDP Assets	Office Equipment	Total
Gross Carrying Amount						
At 12 February, 2016	-	-	-	-	-	-
Additions	-	-	-	8.74	7.02	15.76
Disposals/Adjustments	-	-	-	-	-	-
At 31 March 2017	-	-	-	8.74	7.02	15.76
Additions	341.26	46.97	47.92	103.62	66.51	606.28
Disposals/Adjustments	-	-	-	-	-	-
At 31 March 2018	341.26	46.97	47.92	112.36	73.53	622.03
Accumulated Depreciation and Impairment						
At 12 February, 2016	-	-	-	-	-	-
Depreciation charged for the period	-	-	-	0.99	0.38	1.37
Disposals/Adjustments	-	-	-	-	-	-
At 31 March 2017	-	-	-	0.99	0.38	1.37
Depreciation charged for the year	25.75	2.50	2.98	11.84	4.69	47.76
Disposals/Adjustments	-	-	-	-	-	-
At 31 March 2018	25.75	2.50	2.98	12.83	5.07	49.13
Net Carrying Value						
At 31 March 2018	315.51	44.47	44.93	99.53	68.46	572.89
At 31 March 2017	-	-	-	7.75	6.64	14.39

Note: - 4

Capital Work in Progress

		Amount (₹ in Lakhs)
Particulars	Total	
At 12 February 2016	-	
Additions (subsequent expenditure)	1,185.94	
Adjustments	-	
At 31 March 2017	1,185.94	
Additions (subsequent expenditure)	7,750.72	
Adjustments	-	
At 31 March 2018	8,936.66	

Note: - 4.1

Details of Capital Work in Progress

Particulars	(12-02-2016 to 31-03-2017)			FY 2017-18		
	Additions	Adjustments	As at 31.3.2017	Additions	Adjustments	As at 31.3.2018
Construction/Procurement Cost	-	-	-	50.97	-	50.97
Land Facilities Expenditure*	-	-	-	389.41	-	389.41
Consulting Service Cost	1,048.14	-	1,048.14	4,081.61	-	5,129.75
Preliminary Project Expenditure	-	-	-	1,230.69	-	1,230.69
Common Project Expenditure	32.75	-	32.75	-	-	32.75
Incidental Project expenditure	105.05	-	105.05	2,014.34	-	2,119.39
Less: Sale of Tender	-	-	-	(16.30)	-	(16.30)
Total	1,185.94	-	1,185.94	7,750.72	-	8,936.66

* it includes one time infra cost and directly related expenses for land facilitation.

Note: - 5**Intangible Assets**

		Amount (₹ in Lakhs)
Particulars		Amount
<u>Gross Carrying Amount</u>		
At 12 February, 2016		-
Additions		-
Disposals/Adjustments		-
At 31 March 2017		-
Additions		30.72
Disposals/Adjustments		-
At 31 March 2018		30.72
<u>Accumulated Amortisation and Impairment</u>		
At 12 February, 2016		-
Amortisation charge for the year		-
Disposals/Adjustments		-
At 31 March 2017		-
Amortisation charge for the year		2.14
Disposals/Adjustments		-
At 31 March 2018		2.14
<u>Net Carrying Value</u>		
At 31 March 2018		28.58
At 31 March 2017		-

Note :- 6**Financial Assets- Non Current****Note :- 6.1 Loans**

		Amount (₹ in Lakhs)
Particulars	As at 31st March 2018	As at 31st March 2017
Unsecured, Considered Good		
House Building Advance Loan to Employee's	18.43	-
Total	18.43	-

Note :- 6.2 Other Financial Assets

		Amount (₹ in Lakhs)
Particulars	As at 31st March 2018	As at 31st March 2017
Security Deposits	162.71	10.64
Total	162.71	10.64

Note: - 7**Deferred Tax**

Particulars	Amount (₹ in Lakhs)	
	As at 31st March 2018	As at 31st March 2017
A. Deferred Tax Liabilities		
Property, Plant and Equipment	7.41	0.60
Total of Deferred Tax Liabilities	7.41	0.60
B. Deferred Tax Assets		
Preliminary Expenses	34.19	59.49
Provision for Gratuity	1.40	-
Provision for Leave Encashment	4.42	-
Total of Deferred Tax Assets	40.00	59.49
Net Deferred Tax (Liability)/ Assets	32.59	58.89

Movement in Deferred Tax Asset/(Liability)

Particulars	Amount (₹ in Lakhs)		
	Property, Plant and Equipment	Preliminary Expenses	Employee Benefit Expenses
Opening balance as at 12th February, 2016			
Charged/(credited) during 12-02-2016 to 31-03-2017			
To Profit & Loss	(0.60)	59.49	-
To other comprehensive income	-	-	-
Closing balance as at 31st March 2017	(0.60)	59.49	-
Charged/(credited) during the year			
To Profit & Loss	(6.81)	(25.30)	5.82
To other comprehensive income	-	-	-
Closing balance as at 31st March 2018	(7.41)	34.19	5.82

Note :- 8

Other Non-Current Assets		Amount (₹ in Lakhs)	
Particulars		As at 31st March 2018	As at 31st March 2017
a) Capital Advances			
Advances for fixed assets		2.05	0.55
Project Advances		6,501.65	-
b) Others			
Prepaid Expenses		32.08	-
Fair value adjustment-Security Deposit*		60.75	1.08
Fair value adjustment- House Building Advance**		9.21	-
Total		6,605.74	1.63

* it represents the unamortised portion of difference between Fair value and transaction value of security deposit.

** it represents the unamortised portion of difference between Fair value and transaction value of House Building Advance Loan.

Note :- 9**Financial Assets-Current****Note :- 9.1 Cash and Cash equivalent**

Particulars	Amount (₹ in Lakhs)	
	As at 31st March 2018	As at 31st March 2017
Currency in Hand	2.03	-
Balances with banks:		
– In Current Account	34.27	30,021.77
– In Flexi Account	786.57	546.88
In Imprest Account	0.38	0.34
Fixed Deposits (with original maturity of Less than 3 Months and less than 12 months)	9,000.00	-
Total	9,823.25	30,568.99

Note :- 9.2 Bank Balances other than Cash and Cash Equivalents

Particulars	Amount (₹ in Lakhs)	
	As at 31st March 2018	As at 31st March 2017
- Fixed Deposits (with original maturity of more than 3 Months and less than 12 Months)	40,838.44	18,000.00
Total	40,838.44	18,000.00

Note :- 9.3 Loans

Particulars	Amount (₹ in Lakhs)	
	As at 31st March 2018	As at 31st March 2017
Unsecured, Considered Good		
House Building Advance Loan to Employee's	2.55	-
Total	2.55	-

Note :- 9.4 Other Current Financial Assets

Particulars	Amount (₹ in Lakhs)	
	As at 31st March 2018	As at 31st March 2017
Interest Accrued but not due on Term & Fixed deposits	2,268.00	1,040.05
Recoverable from RDSO	1.22	1.22
Interest Receivable-Rites Sabarmati	27.09	-
Security Deposits against employee accomodation	37.84	3.10
Total	2,334.15	1,044.37

Note :- 10**Other Current Assets**

Particulars	Amount (₹ in Lakhs)	
	As at 31st March 2018	As at 31st March 2017
Advances other Than Capital Advance		
Advances For Expenses	2.04	-
Others		
Prepaid Expenses	52.58	7.76
Fair value adjustment-Security Deposit*	13.78	0.70
Fair value adjustment-House Building Advance**	0.78	-
Total	69.18	8.46

* it represents the unamortised portion of difference between Fair value and transaction value of security deposit.

** it represents the unamortised portion of difference between Fair value and transaction value of House Building Advance.

Note : - 11**Equity Share capital**

Particulars	Amount (₹ in Lakhs)	
	As at 31st March 2018	As at 31st March 2017
Authorised share capital		
20,00,00,000 Equity Shares of Rs. 1000 each	2,000,000.00	2,000,000.00
(As at 31 March 2017, 20,00,00,000 Equity shares of Rs. 1000 each)	2,000,000.00	2,000,000.00
Issued/Subscribed and Paid up Capital		
65,50,000 Equity shares of Rs. 1000 each	65,500.00	20,000.00
(As at 31 March 2017, 20,00,000 Equity shares of Rs 1000 each)	65,500.00	20,000.00

Note :- 11.1 Reconciliation of the number of equity shares and share capital

Particulars	As at 31 March 2018		As at 31 March 2017	
	No. of shares	Amt (Rs in Lakhs)	No. of shares	Amount (₹ in Lakhs)
Issued/Subscribed and Paid up equity Capital outstanding at the beginning	2,000,000	20,000.00	-	-
Add: Shares Issued during the period	4,550,000	45,500.00	2,000,000	20,000.00
Issued/Subscribed and Paid up equity Capital outstanding at the end of the year	6,550,000	65,500.00	2,000,000	20,000.00

Note 11.2 :- Rights, Preference and restrictions attached to shares

The Company has only one class of equity shares referred to as equity shares having at par value of Rs 1,000/-. 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. During the Year ended 31st March 2018, dividend declared for distribution to equity shareholders was Rs Nil.

Note :- 11.3 Details of Shares held by shareholders holding more than 5% of the aggregate shares in the company

Name of the shareholder	As at 31 March 2018		As at 31 March 2017	
	No. of shares	% of holding	No. of shares	% of holding
Equity shares				
Ministry of Railway, Govt. of India & its nominees	6,500,000	99.24%	2,000,000	100.00%
Total	6,500,000	99.24%	2,000,000	100.00%

Note : - 12**Other Equity**

Particulars	Amount (₹ in Lakhs)	
	As at 31st March 2018	As at 31st March 2017
Retained Earnings	2,691.02	621.52
Share Application Money Pending Allotment	-	30,000.00
Total	2,691.02	30,621.52

Note :- 12.1 Retained Earnings

Particulars	Amount (₹ in Lakhs)	
	As at 31st March 2018	As at 31st March 2017
Opening Balance	621.52	-
Add: Profit during the period	2,115.00	641.61
Less: Share Issue Expenses	(45.50)	(20.09)
Closing Balance	2,691.02	621.52

Note :- 12.2 Share Application Money Pending allotment

Particulars	Amount (₹ in Lakhs)	
	As at 31st March 2018	As at 31st March 2017
Opening Balance	30,000.00	-
Add: Share Application Money Received during the period	15,500.00	30,000.00
Less:- Share Issued During the Year	45,500.00	-
Closing Balance	-	30,000.00

Note :- 13 Financial Liabilities- Non Current**Note :- 13.1 Other Financial Liabilities**

Amount (₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Security Deposit	4.95	-
Total	4.95	-

Note :- 14 Other Non Current Liabilities

Amount (₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Fair Value Adjustment in Security Deposits	0.02	-
Total	0.02	-

Note :- 15**Provisions Non Current**

Amount (₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Provision for Gratuity	4.84	-
Provision for Leave Encashment	13.91	-
Total	18.75	-

Note :- 16 Financial Liabilities- Current**Note :- 16.1 Other Financial Liabilities**

Amount (₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Other Payables	764.25	181.60
Salary Payable	12.32	21.83
Security Deposit	95.47	0.74
Total	872.04	204.17

Note :- 17 Other Current Liabilities

Amount (₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Statutory Dues	144.03	17.98
Provision for Expenses	135.55	4.56
Fair Value Adjustment in Security Deposits	0.33	-
Total	279.91	22.54

Note :- 18 Provisions

Amount (₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Provision for Gratuity	0.02	-
Provision for Leave Encashment	1.40	-
Total	1.42	-

Note :- 19 Current Tax Liability

Amount (₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Provision for Income Tax net of TDS	57.07	45.08
Total	57.07	45.08

Note :- 20 Other Income

Particulars	Amount (₹ in Lakhs)	
	For the year ended 31st March 2018	For the period 12th Feb 2016 to 31st March 2017
Interest Income		
Interest Income on FDR's	2,806.38	1,225.20
Interest Income -Flexi Account	128.00	22.82
Interest Income -Sabarmati	27.09	-
Interest Income of HBA Loan to employee	0.90	-
Interest income on Financial Assets	1.85	0.30
Other Non-Operating Income		
Miscellaneous Income	-	0.06
Amortisation of Financial liabilities	0.02	-
Total	2,964.24	1,248.38

Note :- 21**Employee Benefit Expenses**

Particulars	Amount (₹ in Lakhs)	
	For the year ended 31st March 2018	For the period 12th Feb 2016 to 31st March 2017
Salaries, Wages & Bonus	724.77	71.37
Contribution to Provident and Other Funds	17.69	-
Gratuity	4.86	-
Leave Encashment	15.31	-
Staff Welfare Expenses	228.10	2.99
Training Expenses	8.79	-
Total	999.52	74.36
Less: Transferred to CWIP	(999.52)	(74.36)
	-	-

Note :- 22**Depreciation & Amortization Costs**

Particulars	Amount (₹ in Lakhs)	
	For the year ended 31st March 2018	For the period 12th Feb 2016 to 31st March 2017
Depreciation on Tangible Assets (Refer Note-3)	47.77	1.36
Amortisation of Intangible Assets (Refer Note-5)	2.14	-
Total	49.91	1.36
Less: Transferred to CWIP	(49.91)	(1.36)
	-	-

Note :- 23**Other Expenses**

Particulars	Amount (₹ in Lakhs)	
	For the year ended 31st March 2018	For the period 12th Feb 2016 to 31st March 2017
Office Rent	332.27	26.39
Duties, Rates & Taxes	1.32	0.01
Repair Maintenance & other	50.19	3.04
Power& Fuel	14.67	0.45
Travelling Expenses	261.57	16.46
Payment to Auditors (Refer Note No-23.1)	0.80	0.58
Legal & Professional Fees	36.65	11.60
Printing& Stationery	29.30	0.75
Communication Expenses	19.23	0.54
Books & Periodicals	4.50	0.11
Entertainment on Guest	4.98	0.01
Preliminary Expenses	-	276.26
Miscellaneous Expenses	45.45	2.63
House Keeping	127.62	-
Advertisement Expenses	15.55	-
Website Development Charges	22.94	-
Interest on Tax & TDS	5.73	-
Total	972.77	338.82
Less: Transferred to CWIP	(964.92)	(61.97)
Total	7.85	276.85

Note :- 23.1 Details of Payment to Auditors

Particulars	Amount (₹ in Lakhs)	
	For the year ended 31st March 2018	For the period 12th Feb 2016 to 31st March 2017
Payment to Auditors as Auditor	0.80	0.58
Total	0.80	0.58

Note :- 24**Income Tax Expense**

Particulars	Amount (₹ in Lakhs)	
	For the year ended 31st March 2018	For the period 12th Feb 2016 to 31st March 2017
Current Income Tax:		
Current income tax charge	815.10	388.81
Deferred Tax:		
In respect of the current year	26.29	(58.89)
Total	841.39	329.92

Reconciliation between Tax Expense and the Accounting Profit :

Particulars	Amount (₹ in Lakhs)	
	For the year ended 31st March 2018	For the period 12th Feb 2016 to 31st March 2017
Accounting profit before tax from continuing operations	2,956.38	971.53
Accounting profit before income tax	2,956.38	971.53
At India's statutory income tax rate of 28.84% (P.Y. 33.45%)	852.62	325.02
Tax effect of amounts which are not deductible (taxable) in calculating Taxable income		
Ind AS Adjustment	(0.79)	(8.21)
Interest paid on late deposit of Tax	1.65	0.01
Preliminary expenses not allowed in previous assessment year	-	18.48
Adjustments for Share Issue expenses	-	(5.38)
Deferred tax adjustment due changes in tax rate	(12.09)	-
	841.39	329.92
Income tax expense reported in the statement of profit and loss (relating to continuing operations)	841.39	329.92
Effective Tax Rate	28.46%	33.96%

Note: - 25**Earnings per share (EPS)**

Particulars	Amount (₹ in Lakhs)	
	For the Year Ended 31st March 2018	For the Year Ended 31st March 2017
	(₹ per share)	(₹ per share)
Basic EPS		
From continuing operation (Refer Note 25.1)	46.11	47.42
From discontinuing operation (Refer Note 25.1)		
Diluted EPS		
From continuing operation	46.11	47.14
From discontinuing operation		

25.1 Basic Earning per Share

The earnings and weighted average number of equity shares used in calculation of basic earning per share and the EPS for the previous year is restated after adjustment for issue of bonus shares during the year.

Particulars	Amount (₹ in Lakhs)	
	For the Year Ended 31st March 2018	For the Year Ended 31st March 2017
Profit attributable to equity holders of the company:		
From Continuing operations	2114.99	641.60
From discontinuing operations		
Earnings used in calculation of Basic Earning Per Share	2,114.99	641.60
Weighted average number of shares for the purpose of basic earnings per share (Number of shares in Lakhs)	45.87	13.53

25.2 Diluted Earning per Share

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

Particulars	Amount (₹ in Lakhs)	
	For the Year Ended 31st March 2018	For the Year Ended 31st March 2017
Profit attributable to equity holders of the company:		
Continuing operations	2114.99	641.60
From discontinuing operation		
Earnings used in calculation of diluted Earning Per Share from continuing operations	2,114.99	641.60

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:

Particulars		
	For the Year Ended 31st March 2018	For the Year Ended 31st March 2017
Weighted average number of shares for the purpose of basic earnings per share	45.87	13.53
Effect of Dilution :	0.00	0.08
Weighted average number of shares for the purpose of Diluted earnings per share	45.87	13.61

NATIONAL HIGH SPEED RAIL CORPORATION LIMITED

Notes :- 26 Capital Management

The company objective to manage its capital in a manner to ensure and safeguard their ability to continue as a going concern so that company can continue to provide maximum returns to share holders and benefit to other stake holders. Company does not have any borrowings as at 31st March 2018.

Further, company manages its capital structure to make adjustments in light of changes in economic conditions and the requirements of the financial covenants. No changes were made in the objectives, policies or processes of managing capital during the year ended 31st March 2018.

Note :- 27 Fair Value Measurements

(i) Financial Instruments by Category

Amount (₹ in Lakhs)

Particulars	As at 31st March 2018			As at 31st March 2017		
	FVTPL*	FVTOCI**	Amortized Cost	FVTPL*	FVTOCI**	Amortized Cost
Financial Assets						
(i) Security Deposits	-	-	200.56			13.74
(ii) HBA Loan to Employee's			20.98			
(iii) Cash and Cash Equivalents	-	-	9,823.25			30,568.99
(iv) Bank Balances other than Cash & Cash Equivalents	-	-	40,838.44			18,000.00
(v) Others	-	-	2,296.31			1,041.27
	-	-	53,179.54	-	-	49,624.00
Total Financial Assets						
Financial Liabilities						
(i) Security Deposits	-	-	100.42			0.74
(ii) Others	-	-	771.62			203.43
Total Financial Liabilities	-	-	872.04	-	-	204.17

*Fair Value through Profit & Loss

**Fair value through Other Comprehensive Income

(ii) Assets and liabilities which are measured at amortized cost for which fair values are disclosed.

Amount (₹ in Lakhs)

Particulars	As at 31st March 2018		As at 31st March 2017	
	Carrying Value	Fair value	Carrying Value	Fair value
Financial Assets				
Security Deposit	200.56	217.89	13.74	12.97
Employee's Loans	20.98	21.34	-	-
Total Financial Assets	221.54	239.23	13.74	12.97
Financial Liabilities				
Security Deposit	100.42	100.42	-	-
Total Financial Liabilities	100.42	100.42	-	-

a. The carrying amounts of Short term Security Deposit, cash and cash equivalents and other short term receivables and other payables are considered to be same as their fair values, due to short term nature.

b. The fair value of long term security deposits were calculated on the cash flows discounted using current market rate. They are classified as level-3 of fair values hierarchy due to inclusion of unobservable inputs.

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. Derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value on recurring basis and at amortised cost.

Quantitative disclosures of fair value measurement hierarchy for financial assets as on 31 March 2018:-

Particulars	Amount (₹ in Lakhs)			
	Level 1	Level 2	Level 3	Total
Financial assets measured at Amortised Cost for which fair value are disclosed:				
Security Deposits	-	-	217.89	217.89
Employee's Loans	-	-	21.34	21.34
	-	-	239.23	239.23

Quantitative disclosures of fair value measurement hierarchy for financial assets as on 31 March 2018:-

Particulars	Amount (₹ in Lakhs)			
	Level 1	Level 2	Level 3	Total
Financial Liabilities measured at Amortised Cost for which fair value are disclosed:				
Security Deposits	-	-	100.42	100.42
	-	-	100.42	100.42

Quantitative disclosures fair value measurement hierarchy for financial assets as on 31 March 2017:-

Particulars	Amount (₹ in Lakhs)			
	Level 1	Level 2	Level 3	Total
Financial assets measured at Amortised Cost for which fair value are disclosed:				
Security Deposits	-	-	12.97	12.97
	-	-	12.97	12.97

Note :- 28 Financial Risk Management

The Company is exposed to various risk in relation to financial instruments. The Company is expose to market risk, credit risk and liquidity risk. The company financial risk activities are governed by appropriated policies and procedures and that financial risk are identified, measured and managed in accordance with the companies policies and risk objectives, which are summarized below:-

a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instruments will fluctuate because of changes in market prices. Market risk comprises Interest rate risk and foreign currency risk. The company does not have any interest rate risk since the company does not have any loans/borrowings as on reporting date.

i) Foreign Currency Risk

The exchange fluctuation is due to import of services for project related work from outside India. Company does not have any hedging instruments to cover foreign exchange risk.

b) Credit risk

Credit risk refers to the risk of defaults on its obligation by the counterparty resulting in a financial loss. The company is exposed to credit risk for various financial instruments for example advance to employees, security deposits and other receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets.

c) 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 counterparty on the basis of the financial quotes received from the counterparty.

d) Liquidity risk

The Company liquidity needs are monitored on the basis of monthly projections. The company principal source of liquidity are cash and cash equivalents arising from issue of share capital.

Company manage our liquidity needs by continuously monitoring cash inflows and by maintaining adequate cash and cash equivalents. Net cash requirement are compared to available cash in order to determine any shortfalls. Short term liquidity requirements consists mainly of expenses payable for project related work, employees dues, security deposits and retention money arising during the normal course of business as of each reporting date. We maintain a sufficient balance in cash and cash equivalents to meet our short term liquidity requirements.

Note :- 29 Estimates and assumptions

The followings are the key assumptions concerning the future, and the key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities with next financial year.

a) Fair valuation measurement and valuation process

The fair values of financial assets and financial liabilities are measured using the valuation techniques including Discounted Cash Flow model. The inputs to these methods are taken from observable markets where possible, but where this it is not feasible, a degree of judgement is required in arriving at fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

b) Taxes

Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which losses can be utilized. Significant management judgement is required to determine the amount of deferred tax asset that can be recognized, based upon the likely timing and level of future taxable profit together with future tax planning strategies.

c) Useful lives of property, plant and equipment

The estimated useful lives of property, plant and equipment are based on number of factors including the effects of obsolescence, demand, competition, and other economic factors. The Company reviews the useful life of property, plant and equipment at the end of each reporting date.

Note: 30 Related Party Disclosure**Key managerial Personnel of the entity**

Name	Position
Achal Khare (w.e.f. 20.04.2017)	Managing Director (whole Time Director)
Sanjay Upreti (w.e.f 31.03.2017 to 01-02-2018)	Director (Nominee Director)
Mukul Saran Mathur (w.e.f 12.02.2016 to 15-06-2017)	Director (Nominee Director)
Ashwani Lohani (w.e.f. 25.08.2017)	Director (Nominee Director)
S.K. Mishra (w.e.f. 25.08.2017)	Director (Nominee Director)
Abhijit Narendra (w.e.f. 25.08.2017)	Director (Nominee Director)
Namita Mehrotra (w.e.f. 25.08.2017)	Director (Nominee Director)
Rajendra Prasad, DP (w.e.f. 22.11.2017)	Director Projects (whole Time Director)
Arun Bijalwan, DF (w.e.f. 02.01.2018)	Director Finance (whole Time Director)
Sumita Sharma (w.e.f. 27.10.2017)	Company Secretary
S.K. Mallik (from 22.11.2017 to 02.01.2018)	Chief Financial Officer

30.1 Compensation of Key Managerial personnel :

The remuneration of directors and other members of key management personnel during the year was as follows:

Particulars	Amount (₹ in Lakhs)	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Short Term Benefits	68.79	-
Post-employment benefits	1.4	-
Other long-term benefits	3.22	-
	73.41	-

Note: 31 Contingent liability**(i) Capital Commitment**

The Amount of works to be executed on capital account and not provided for (net of advances) as at 31.03.2018 is Rs 84187.67 Lakhs (Previous Year Rs NIL).

(ii) Claims against the company not acknowledge as debts is Rs. Nil (Previous Year Rs NIL).

Note 32 : The company has accounted for the employee's benefit expenses in accordance with Ind AS 19 "Employee Benefits" notified by the Ministry of Corporate Affairs, Government of India. The summarised position of Defined Contribution Plans, Defined Benefit Plans and other Long term benefit plans recognised in the Statement of Profit and Loss and Balance sheet as per Ind AS 19 are as under-

a) Defined Contribution Plans

Particulars	Amount (₹ in Lakhs)	
	2017-18	2016-17
The Company recognised the following amounts in Profit and Loss Account for the year		
Employer Contribution to Provident Fund and Employee State Insurance Scheme	15.67	-
	15.67	-

b) Defined Benefit Plans and other Long term Benefit plans

32.1 Change in present value of obligation:

Amount (₹ in Lakhs)

Particulars	2017-18		2016-17	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Opening Balance	-	-	-	-
Interest Cost	-	-	-	-
Current service cost	4.85	15.31	-	-
Past Service Cost including curtailment Gains/Losses	-	-	-	-
Benefit paid	-	-	-	-
Actuarial (Gain)/ Loss on obligation	-	-	-	-
Closing Balance	4.85	15.31	-	-

32.2 Change in fair value of Plan Assets

Amount (₹ in Lakhs)

Particulars	2017-18		2016-17	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Fair value of Plan Assets at the beginning of the year	-	-	-	-
Expected return on Plan Assets	-	-	-	-
Employer's contribution	-	-	-	-
Benefit Paid	-	-	-	-
Actuarial (loss)/ gain on Obligations	-	-	-	-
Closing Balance	-	-	-	-

32.3 Amount Recognized in Balance Sheet

Amount (₹ in Lakhs)

Particulars	2017-18		2016-17	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Estimated Present Value of obligations as at the end of the year	4.85	15.31	-	-
Fair value of Plan Assets as at the end of the Year	-	-	-	-
Net Assets/ (Net Liability) recognized in Balance Sheet	4.85	15.31	-	-
Current	0.02	1.40	-	-
Non Current	4.83	13.91	-	-

32.4 Expenditure recognized in the Statement of Profit & Loss

Amount (₹ in Lakhs)

Particulars	2017-18		2016-17	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Current Service Cost	4.85	15.31	-	-
Past Service Cost including curtailment Gains/Losses	-	-	-	-
Interest Cost	-	-	-	-
Net Actuarial (Gain) / Loss recognized in the year	-	-	-	-
Total expenses recognized in the Statement of Profit and Loss	4.85	15.31	-	-

32.5 Expenditure recognised in Other Comprehensive Income

Amount (₹ in Lakhs)

Particulars	2017-18		2016-17	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Net cumulative unrecognized actuarial gain/ (loss) opening	-	-	-	-
Actuarial gain/ (loss) for the year on PBO	-	-	-	-
Actuarial gain/ (loss) for the year on the assets	-	-	-	-
Unrecognized Actuarial gain/ (loss) at the end of the year	-	-	-	-

32.6 Principal actuarial assumption at the Balance Sheet Date**ACTUARIAL ASSUMPTIONS:****2017-18**

Method Of Valuation :	Project Unit Credit Method
Discount Rate :	7.71%
Salary Escalation Rate:	6.50%
Retirement Age:	60 Years
Withdrawal Rate:	Upto 30 Years -3% From 31 to 44 Years-2% Above 44 Years-1%
Mortality Rate	India Assured Lives Mortality (2006-08) Ult.

32.7 Sensitivity Analysis

Amount (₹ in Lakhs)

Particulars	Change in assumptions	Effect on Gratuity obligation	Effect on Leave Encashment
Discount Rate	0.50%	(0.29)	(0.89)
	(0.50%)	0.32	0.98
Salary Growth	0.50%	0.32	0.99
	(0.50%)	(0.29)	(0.9)

Note 33 : Foreign Currency Expenses

Amount (₹ in Lakhs)

Particulars	2017-18	2016-17
Expenses related to Project (CWIP)	175.24	-
Foreign TA/DA	9.66	-
Foreign Travel Expenses	17.98	-
Other Foreign Expenses	5.13	-
	208.01	-

Note :- 34 Approval of financial statements

The financial statements were approved for issue by the Board of Directors on 28.08.2018.

NATIONAL HIGH SPEED RAIL CORPORATION LIMITED

Note No. 35: - First-time adoption of Ind-AS

These standalone financial statements of National High Speed Rail Corporation Limited for the period ended March 31, 2017 have been prepared in accordance with IndAS. For the purposes of transition to IndAS, the Company has followed the guidance prescribed in IndAS 101-First Time adoption of Indian Accounting Standard, with February 12, 2016.

As per Ind-AS 101-First Time adoption of Indian Accounting Standard, Company covered under phase ii of roadmap issued by MCA, require to prepare the opening balance sheet as on 1.4.2016 at transition date and the balance sheet as on 31.03.2017 for comparatives period, as company has been incorporated on dated February 12, 2016 and the first financial year under previous GAAP has been considered from February 12, 2016 to March 31, 2017 as per the companies Act 2013, therefore company has adopted the Ind-AS from the date of Incorporation, hence there is no requirement of opening balance sheet. The comparative balance sheet are of period from February 12, 2016 to March 31, 2017 and not fully comparable with the balance sheet as on March 31, 2018.

The transition to IndAS has resulted in changes in the presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles. The accounting policies set out in Note 2 have been applied in preparing the standalone financial statements for the period ended March 31, 2018 and the comparative information.

Exceptions / Exemptions availed on first time adoption of Ind AS 101

1. Estimates :

Present estimates should be consistent with estimates made under the previous GAAP unless:

i) There was an error, or

ii) The estimate and related information under previous GAAP is no longer relevant because the entity elects a different accounting policy on the adoption of Ind AS.

Reconciliation of Equity for the year ended 31st March 2017*

		Amount (₹ in Lakhs)			
	Particulars	Foot Notes	Previous GAAP	Adjustments	Ind AS
I.	ASSETS				
(1)	Non-current assets				
	(a) Property, Plant and Equipment		14.39	-	14.39
	(b) Capital work-in-progress	4,5	1,156.81	29.13	1,185.94
	(c) Financial Assets				
	(i) Loans		-	-	-
	(ii) Others	2	12.44	(1.80)	10.64
	(d) Deferred Tax Assets (Net)	1	54.86	4.03	58.89
	(e) Other Non-Current Assets	2	0.56	1.08	1.63
			1,239.06	32.44	1,271.49
(2)	Current assets				
	(a) Financial Assets				
	(i) Cash and Cash Equivalents		30,568.98	-	30,568.99
	(ii) Bank Balances other than (i) above		18,000.00	-	18,000.00
	(iii) Loans		-	-	-
	(iv) Others		1,044.37	-	1,044.37
	(b) Other Current Assets	2	7.76	0.70	8.46
			49,621.11	0.70	49,621.82
	Total Assets		50,860.17	33.14	50,893.31
II.	EQUITY AND LIABILITIES				
(1)	Equity				
	(a) Equity Share Capital		20,000.00	-	20,000.00
	(b) Other Equity	2,5	30,592.94	28.58	30,621.52
			50,592.94	28.58	50,621.52
(2)	Liabilities				
	Non-current liabilities				
(3)	Current liabilities				
	(a) Financial Liabilities				
	(i) Trade payables				
	(ii) Others	4	204.17	-	204.17
	(b) Other Current Liabilities		17.98	4.56	22.54
	(c) Current Tax Liability (Net)		45.08	-	45.08
			267.23	4.56	271.80
	TOTAL Equity and Liabilities		50,860.17	33.14	50,893.31

* The previous GAAP figures have been reclassified to conform to Ind-AS presentation requirements for the purpose of this note

NATIONAL HIGH SPEED RAIL CORPORATION LIMITED

Reconciliation of profit or loss for the year ended 31st March 2017

		Amount (₹ in Lakhs)			
	Particulars	Notes	Previous	Adjustments	Ind AS
I.	Revenue :				
	Revenue from operations				
II.	Other Income	2	1,248.08	0.30	1,248.38
III.	Total Income (I + II)		1,248.08	0.30	1,248.38
IV.	Expenses:				
	Employee benefits expenses		0.43	(0.43)	-
	Depreciation and amortization expense		1.36	(1.36)	-
	Other Expenses	2,3,5	319.39	(42.55)	276.85
	Total Expenses (IV).		321.19	(44.34)	276.85
V.	Profit/loss Before exceptional items and Tax (I - IV)		926.89	44.64	971.53
VI.	Exceptional items		-	-	-
VII.	Profit/(Loss) before tax (V - VI)		926.89	44.64	971.53
VIII.	Tax expense:				
	(1) Current tax		388.81	-	388.81
	(2) Deferred tax	1	(54.86)	(4.03)	(58.89)
IX.	Profit/(loss) for the period from continuing operation (VII - VIII)		592.94	48.67	641.61
X.	Profit/(loss) from discontinued operations		-	-	-
XI.	Tax Expense of discontinued operations		-	-	-
XII.	Profit/(loss) from discontinued operations (after tax) (X-XI)		-	-	-
XIII.	Profit/(loss) for the period (IX+XII)		592.94	48.67	641.61
XIV.	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		-	-	-
XV.	Total Comprehensive Income for the period (XIII +XIV) (Comprehensive profit and other comprehensive income for the period)		592.94	48.67	641.61
XVI.	Earnings Per Equity Share: (For Continuing Operation)				
	(1) Basic		43.81	3.61	47.42
	(2) Diluted		43.55	3.59	47.14
XVII.	Earnings Per Equity Share: (For discontinuing Operation)				
	(1) Basic				
	(2) Diluted				
XVIII.	Earnings Per Equity Share: (For discontinued and continuing Operation)				
	(1) Basic		43.81	3.61	47.42
	(2) Diluted		43.55	3.59	47.14

* The previous GAAP figures have been reclassified to conform to Ind-AS presentation requirements for this purpose of this note

NATIONAL HIGH SPEED RAIL CORPORATION LIMITED

Reconciliation of Total Equity as at 31st March 2017

Particulars	Note No.	Amount (₹ in Lakhs)
		As at 31st March 2017
Total Equity (shareholder's fund) as per previous GAAP		50,592.94
Adjustments		
Recognition of Deferred tax assets on Share Issue Expenses	1	4.03
Unwinding of Discounts on security deposits-Assets	2	0.30
Amortization of prepaid expenses deferred on security deposits	2	(0.32)
Capitalization of Expenses in CWIP	5	24.57
Total Equity (shareholder's fund) as per Ind-AS		50,621.52

Reconciliation of Total Comprehensive Income for Period Ended as on 31st march 2017

Particulars	Note No.	Amount (₹ in Lakhs)
		for Period Ended as on 31st march
Profit and loss as per GAAP		592.94
Adjustments		
Recognition of Deferred tax assets on Share Issue Expenses	1	4.03
Share Issue Expenses	3	20.09
Unwinding of Discounts on security deposits-Assets	2	0.30
Amortization of prepaid expenses deferred on security deposits	2	(0.32)
Capitalization of Expenses in CWIP	5	24.57
Total Comprehensive Income for the period		641.61

Reconciliation of Changes in Cash Flow

Particulars	Note No.	Amount (₹ in Lakhs)		
		GAAP	Adjustments	Ind-AS
Cash Flow from Operating Activities	6	(1,506.47)	1,089.81	(416.65)
Cash Flow from Investing Activities	6	(17,924.54)	(1,069.73)	(18,994.27)
Cash Flow from Financing Activities	6	50,000.00	(20.08)	49,979.92
Net Increase/(Decrease) in Cash and Cash Equivalents		30,568.99	(0.00)	30,568.99
Opening Cash & Cash Equivalents		-	-	-
Closing Cash & Cash Equivalents		30,568.99	(0.00)	30,568.99

Notes to Reconciliation

1. Deferred tax Assets

As per Ind-AS 12, Deferred tax assets of Rs 4.03 lakhs has been recognised on share issues expenses incurred, therefore deferred tax assets has been increased by Rs 4.03 lakhs with correspondingly increase in profit after tax and other equity as on 31.03.2017.

2. Financial Assets

Security Deposit for rent has been recognised initially at fair value and subsequently at amortised cost. which result in to increase in other income by Rs 0.30 lakhs and in rent expense by Rs 0.32 lakhs.

Due to fair valuation there is decrease in other long term financial assets by Rs 1.80 lakhs and increase in other non current assets by Rs 1.08 lakhs and increase in other current assets by Rs 0.70 lakhs.

3. Share Issue Expenses

As per Ind-AS expenses incurred on share issue has been recognised directly in Equity which result in to decrease in other expense and increase in profit by Rs 20.09 lakhs with no impact in other equity.

4. Prior period Expenses of Rs 4.56 lakhs has been capitalised in CWIP during FY 2016-17, therefore CWIP and Other financial liability has been increased by Rs 4.56 lakhs.

5. Expenses of Rs 24.57 lakhs has been transferred from Expenses to CWIP, therefore there is increase in Equity by Rs 24.57 Lakhs with Corresponding increase in Retained Earnings.

6. Difference in cash flows is due to regrouping of assets and liabilities as per Ind-AS.

C&AG
COMMENTS
ON
FINANCIAL
STATEMENTS

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL
STATEMENTS OF NATIONAL HIGH SPEED RAIL CORPORATION LIMITED FOR
THE YEAR ENDED 31 MARCH 2018.**

The preparation of financial statements of **NATIONAL HIGH SPEED RAIL CORPORATION 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 28 August 2018.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of **NATIONAL HIGH SPEED RAIL CORPORATION 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

Sd/-

(B.R. Mondal)

**Principal Director of Audit
Railway Commercial, New Delhi**

Place: New Delhi

Dated: 23rd September 2018



Birds Eye View of Proposed HSR station at Sabarmati