

11^{वीं} वार्षिक रिपोर्ट
Annual Report
2013 - 2014



रेल विकास निगम लिमिटेड
Rail Vikas Nigam Limited
(A Government of India Enterprise)

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Saffron Communications



रेल विकास निगम लिमिटेड
Rail Vikas Nigam Limited
(A Government of India Enterprise)

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Performance During Last Five Years

(₹ in Crores) (Except EPS)

Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
Turnover	1749.08	1444.65	1597.92	2116.85	2492.37
Total Income	80.83	84.51	177.19	255.92	287.24
Paid up Capital	2085.02	2085.02	2085.02	2085.02	2085.02
Reserves and Surplus	106.76	151.50	222.79	329.32	451.05
Net Worth	2191.78	2236.52	2307.81	2414.34	2536.07
Net Fixed Assets	2.72	3.84	4.83	7.75	8.99
Profit before Tax	67.49	75.45	119.33	167.46	195.17
Provision for Tax	15.58	14.36	20.94	31.91	37.75
Profit after Tax	51.91	61.09	98.39	135.55	157.42
Dividend	10.00	12.5	20.00	27.00	31.50
Earning Per Share(EPS)	0.25	0.29	0.47	0.65	0.76

Mission

"To create state-of-the-art rail transport infrastructure to meet the growing demand"

Vision

"To emerge as the most efficient provider of rail infrastructure, with a sound financial base and global construction practices, for timely completion of projects"

निदेशक मंडल / Board of Directors



श्री एस.सी. अग्निहोत्री
अध्यक्ष एवं प्रबंध निदेशक

Mr. S.C. Agnihotri
Chairman and Managing Director



श्रीमती गीता मिश्रा
निदेशक (कार्मिक)

Mrs. Gita Mishra
Director (Personnel)



श्री मुकुल जैन
निदेशक (परिचालन)

Mr. Mukul Jain
Director (Operations)



श्री विजय आनंद
निदेशक (परियोजना)

Mr. Vijay Anand
Director (Projects)



श्री अशोक कृ गंजू
निदेशक (वित्त)

Mr. Ashok K. Ganju
Director (Finance)



प्रो. (डॉ.) एस.एस. चटर्जी
(अंशकालिक गैर सरकारी) निदेशक
Prof. (Dr.) S.S. Chatterji
(Part-time non-official) Director



डॉ. के.के. चौधरी
(अंशकालिक गैर सरकारी) निदेशक
Dr. K.K. Chaudhuri
(Part-time non-official) Director



श्री आर.एस. शर्मा
(अंशकालिक गैर सरकारी) निदेशक
Mr. R.S. Sharma
(Part-time non-official) Director



श्री वी.पी. दुडेजा
कार्यपालक निदेशक (निर्माण),
रेलवे बोर्ड, (अंशकालिक सरकारी) निदेशक
Mr. V.P. Dudeja

ED (Works), Railway Board, (Part-time Official) Director



श्री के.के. अग्रवाल
कार्यपालक निदेशक (नि.एवं परि.),
रेलवे बोर्ड, (अंशकालिक सरकारी) निदेशक
Mr. K.K. Aggarwal

ED (W&P), Railway Board, (Part-time official) Director

Rail Vikas Nigam Limited,
Mezzanine Floor, Thirumalai Railway Station,
MTP Office, Mylapore, **Chennai**

Rail Vikas Nigam Limited,
24, Desh Pran Shash Mal Road, **Kolkata (3 Units)**

Rail Vikas Nigam Limited,
7, Kesharkunj, Shankar Nagar, Near Pragati
Petrol Pump, Habibganj, **Bhopal (2 Units)**

Rail Vikas Nigam Limited,
Near IRICEN Railway Colony,
South main Road, Koregaon Park, **Pune**

Rail Vikas Nigam Limited,
7th Floor, New Administration Building,
Central Railway D.N. Road, CST, **Mumbai**

Rail Vikas Nigam Limited,
6.9 Acre Complex, B-Block, Rail Vihar,
Chandrashekharpur, **Bhubaneswar (2 Units)**

Rail Vikas Nigam Limited,
1st Floor, Paryatan Bhawan, C-13,
Vipin Khand, Gomti Nagar, **Lucknow**

Rail Vikas Nigam Limited,
A-21, Police Colony Anisabad
P.S. Gardani Bagh, **Patna**

Rail Vikas Nigam Limited,
D-38/A, Railway Bungalow, Residency Road,
Jodhpur

Rail Vikas Nigam Limited,
No.15, 1st Floor, Vectra House, 1st Main Road,
6th Cross Gandhi Nagar, **Bangalore**

Rail Vikas Nigam Limited,
D-Block, Rishilok, Garwal Mandal Vikas
Nigam, Munikireti, **Rishikesh, Uttarakhand**

Rail Vikas Nigam Limited,
Amsri Faust, 5th Floor, Door No. 9-1-164/A, 165
& 166, Sarojini Devi Road, **Secunderabad**

Rail Vikas Nigam Limited,
5&6, 2nd Floor, Ashoka Millennium,
New Rajendra Nagar, **Raipur,
Chattisgarh (2 units)**

Rail Vikas Nigam Limited,
Building No. T-34, MSM Colony, Gnanapuram,
Vishkhapatnam, Andhra Pradesh

Rail Vikas Nigam Limited,
1st Floor, August Kranti Bhawan,
Bhikaji Cama Place,
R.K. Puram, **New Delhi (1 unit)**

Rail Vikas Nigam Limited,
45-A, Y Block, Kidwai Nagar,
Kanpur, Uttar Pradesh

Rail Vikas Nigam Limited,
H.No. 5, Vidhya Vihar, Near Kendriya Vidyalaya
No. 1, Station Road, **Kota, Rajasthan**

Rail Vikas Nigam Limited,
Room No., 61, 2nd Floor, 4D Square Mall, Opp.
Vishva Karma Engg. College, Visat- Gandhi
Nagar Highway, Chandkheda,
Ahmedabad, Gujarat

Company Secretary

Mrs. Kalpana Dubey

Statutory Auditors

Kumar Chopra & Associates, B-12, (G.F.),
Kalindi Colony, Near Maharani Bagh,
New Delhi-110065

Internal Auditors

K.K. Goel & Associates, 204, A.J. Chamber,
Naiwala, 4th Street, Karol Bagh,
New Delhi-110005

Registered & Corporate Office

1st Floor, August Kranti Bhawan,
Bhikaji Cama Place, R.K. Puram,
New Delhi-110066

Bankers

State Bank of India | Punjab National Bank
| Union Bank of India | Corporation Bank
| Axis Bank | ICICI Bank

23 PIUs at 18 locations across the country



Chairman's Address

Distinguished Shareholders,

On behalf of the Board of Directors of Rail Vikas Nigam Limited, I extend a very warm welcome to all of you on the occasion of the 11th Annual General Meeting of the Company. The audited accounts of the Company for the financial year 2013-14, along with the Directors' Report and reports of Auditors and comments of Comptroller and Auditor General of India have already been circulated and with your permission, I take them as read.

I would like to extend a very warm welcome to Shri Arunendra Kumar, Chairman, Railway Board who has always extended his full support and encouragement to the functioning of the Company, Shri V. K. Gupta, Member Engineering - the Administrative Secretary of the Ministry for the Company, Shri D. P. Pandey, Member Traffic, Shri Alok Johri, Member Mechanical, Shri A. K. Mittal, Member Staff and Smt. Rashmi Kapoor, Financial Commissioner (Railways) and all RVNL's shareholders and invitees.

At the outset, I am happy to inform the Shareholders that in recognition of its continuously improving and excellent performance, your Company has been granted Mini Ratna status on 19th September 2013.

During 2013-14, RVNL has further consolidated its position as a major provider of rail infrastructure in the country. As in the previous years, the Company continued to contribute to

more than one third of the total doubling and railway electrification works achieved by Indian Railways and at the same time improved its financial performance, in addition to capacity augmentation works, RVNL has diversified the nature of projects being executed to Metro Railways in Kolkata, rail projects in the Himalayas, railway workshops etc.

• PHYSICAL PERFORMANCE

Cumulatively, RVNL has till the end of March 2014 completed a total of 1385 km of doubling, 1590 km of gauge conversion, 194 km of new lines and 1934 km of Railway Electrification and 2 Workshop projects. Thus as on 31st March, 2014, a total project length of 5103 km has been completed.

During 2013-14, RVNL completed 465 km of project length that includes 262 km of Doubling and 203 km of Railway Electrification. In addition, 218 km of Railway Electrification was completed as a part of doubling and 3rd lineworks.

The important doubling projects/ sections completed during the year include 57 km of Bhopal - Bina 3rd Line, 55 kms of Villupuram - Dindigul section, 16 kms of Salka Road - Annapur project, 38 km of Jaroli (Banaspani) - Jakhapura, 18 km of Tamluk Jn. Cabin - Basulya Sutahata, 28 km of Bhagat Ki Kothi - Luni, 12 km of Goelkera - Manoharpur 3rd Line, 15 km of Rani-Keshavganj. With completion of the 69 km of Daund - Manmad (including Puntamba - Shirdi - RE project), the holy city of Shirdi has

been connected to the electrified main line. The other major RE project completed was 134 km of Yelahanka - Dharmavaram – Gooty section.

The Company has achieved commendable success in commissioning signalling works associated with doubling, third line, auto signaling, yard remodeling and gauge conversion projects. During the year 2013-14, RVNL commissioned 20 stations including 7 stations on 3rd line projects, 60 auto signals, 4 IBS and laid 210 km of 6 Quad cables. I would like to confirm to the shareholders that RVNL carries out all the works related to NI for all projects.

RVNL strives to use the latest state of the art technology available in execution of projects. Using high accuracy 3D Digital Elevation Models, based on satellite imagery specifically procured for the purpose, RVNL has finalized the alignment for the prestigious Rishikesh-Karnprayag New Line project. The process of land acquisition has been initiated. Ministry of Railways has also recently transferred the new line project of Bhanupalli - Beri in the state of Himachal Pradesh to RVNL.

Although the Metro projects in Kolkata are progressing, work has been hampered due to pending clearances from Central and State Governments.

• FINANCIAL PERFORMANCE

In 2013-14, the Company surpassed its previous achievements with a turnover of ₹2,493 crore as compared to ₹2117 crore in 2012-13, i.e. an increase of 18%. While there has been an increase in Profit Before Tax (PBT) from ₹167.46 crore in 2012-13 to ₹195.21 crore in 2013-14, the Profit after Tax (PAT) of the Company for the year is ₹157.45 crore compared to ₹135.6 crore in the previous year.

In view of the improved financial performance, the Directors of your Company have recommended payment of the highest ever dividend of ₹31.5 crore to the Ministry of Railways. Till date RVNL has paid a total of ₹114 crore as Dividend.

Both the physical progress of projects, and financial performance of the Company are extremely sensitive to the continued allocation and timely release of funds by the Ministry. We urge Railway Board for their continued support in this regard.

• ADB PROJECTS

ADB has agreed to provide a multi-tranche financing facility of US \$ 500 million for funding of 5 projects. While the Loan Agreement for the first Tranche for an amount of US \$ 150 was signed in July 2012, the Loan Agreement for the 2nd Tranche of US \$ 130 million was signed in February 2014. Execution of the projects is in progress.

• SPECIAL PURPOSE VEHICLES

One of the main objectives for setting up RVNL was to mobilise extra budgetary resources from the market for port connectivity and hinterland rail projects. Accordingly, RVNL took the lead to create five joint venture Special Purpose Vehicles (SPVs) for implementation of projects worth ₹5087 crore with a contribution of only ₹620 crore, which is approximately only 12% of the total investment.

Kutch Railway Company Ltd., Krishnapatnam Railway Company Ltd. and Bharuch Dahej Railway Company Ltd have commenced operations and the volumes of traffic on these lines have been steadily increasing. These SPVs are contributing substantially to the total revenues of the railways. However, certain issues affecting the financial position and operations of the SPVs have been referred to the Ministry of Railways for resolution.

While the work of doubling of the section between Venkatachallam to Krishnapatnam has been completed, the work on the balance section between Venkatachallam and Obulavarpille is in progress. The SPV has achieved financial closure with a loan of ₹933 crore from a consortium of banks for a total project cost of ₹1203 crore.

Doubling of 270 km of the Kutch Railway line between Palanpur and Samakhlyali has been sanctioned which is being funded completely by the SPV at an estimated cost of ₹1400 crore. The problems in land acquisition in Haridaspur-Paradip and Angul-Sukinda New Line projects have been resolved and physical works have now been taken up.

• HIGH SPEED RAIL CORPORATION

Your Company, with the approval of President, has incorporated a fully owned subsidiary, namely, High Speed Rail Corporation of India Ltd. (HSRC) in July 2012 for development and implementation of High Speed Rail Projects in the country. The Company was formally launched by the Hon'ble Minister for Railways in a function held at Vigyan Bhawan on 29th October, 2013. HSRC has been assigned a pre-feasibility study for a Delhi-Chandigarh-Amritsar High Speed Corridor.

HSRC has been associated as a Project Integrator to facilitate implementation of projects related to upgrading the speed potential on certain existing tracks upto 160 kmph. Ministry of Railways has assigned 3 lines to HSRC including New Delhi-Agra, New Delhi – Kanpur and New Delhi – Chandigarh. Work has been taken up on the New Delhi – Agra section which will be completed by the year end. The speed on selected sections will subsequently be raised to 200 kmph.

In the Railway Budget speech for 2014-15, Hon'ble Minister for Railways has announced an ambitious plan to have a Diamond Quadrilateral Network of High Speed Rail connecting major Metros and growth centres of the country. A provision of ₹100 crore has been made to RVNL/HSRC for taking further steps. I would like to take this opportunity to assure the Shareholders that RVNL is eager and looking

forward to be associated with this technically challenging and iconic rail infrastructure project.

• HUMAN RESOURCE DEVELOPMENT

It is highlighted that these achievements were realized with an on-roll staff strength of only 410 regular personnel. To maintain a lean and thin organization structure and to assist this highly motivated team, systems and procedures have been streamlined through various measures, such as introducing Standard Bill of Quantities for different types of works, awarding composite contracts incorporating all aspects of Civil, Electrical and S&T works, floating multi-package tenders to reduce multiple evaluations etc. These initiatives have greatly reduced the period between assignment of the work to RVNL and actual commencement of work. The task of implementation of an Integrated IT solution for the Company, which is in progress, will further improve productivity and transparency.

• CORPORATE SOCIAL RESPONSIBILITY

RVNL is conscious of its Corporate Social Responsibility. The CSR project for providing hostel facilities for 300 tribal boys in the backward and Left Wing Affected District of Narainpur, in the state of Chhattisgarh, was successfully completed in March 2014 as per schedule. The hostel was inaugurated by His Excellency Governor of Chhattisgarh on 15th April 2014. Further, a project for education and development of under privileged differently-abled children is being implemented in the backward district of South 24 Parganas, West Bengal. On 3rd December, 2013, the International Day for Persons with Disabilities, His Excellency Governor of West Bengal gave a State Award to the implementing agency in the category of Outstanding Institution working in the field of disability.

Your Company's CSR initiatives have been well appreciated by the target population and

lauded by the Tata Institute of Social Science, the CSR hub in its social audit.

• **MOU PERFORMANCE**

Based on overall performance, your Company has been rated as 'Excellent' by Department of Public Enterprises for the financial year 2012-13. The grading achieved by your Company, was highest among the Railway CPSEs.

It is with a feeling of satisfaction that I can inform the Shareholders that all the performance targets for 2013-14, set under various parameters in the Memorandum of Understanding with Ministry of Railways, and Department of Public Enterprises, Ministry of Heavy Industries, have been achieved. Based on the overall performance, it is expected that your Company will achieve an 'Excellent' rating for the financial year 2013-14 for the fourth consecutive year.

• **CORPORATE GOVERNANCE**

RVNL maintains a robust system of checks and balances to ensure that the authority of decision making is exercised with due care and responsibility to meet the aspirations of shareholders and society. Your Company complies meticulously with all legal requirements and Government guidelines regarding Corporate Governance. A Report on Corporate Governance and Management Discussion and Analysis forms part of the Annual Report.

Place : New Delhi
Date: 10th September 2014

(Note : This does not purport to form proceedings of the Annual General Meeting.)

In the end, I would like to mention that the final integration of doubling, 3rd and 4th line projects being executed by RVNL with the existing running railway system requires meticulous planning and close coordination with the Zonal Railways to ensure availability of blocks, manpower and movement of materials. It is only with the active cooperation of the Zonal Railways, and complete support from the Chairman and Members of the Railway Board and other officers, that RVNL has been able to pursue its mission to ramp up rail infrastructure in the country.

I express my sincere thanks to our esteemed Shareholders, Ministry of Railways, Ministry of Finance, Department of Public Enterprises, Ministry of Heavy Industries, the State Governments, Zonal Railways, ADB, IRFC, Financial Institutions, C&AG's office, our bankers and stakeholders in various railway projects and national and international contractors for their unstinted cooperation to RVNL. I would also like to place on record my deep appreciation for the devotion and dedication of all my fellow RVNL employees who have been pillars of strength for the company and have delivered their best despite various difficulties and obstacles.

I am confident that the Company will continue to get the required support and cooperation to achieve the overall objectives of the Company.

Sd/-
S. C. Agnihotri
Chairman & Managing Director



92 m steel through girder launching over river Mahanadi near Naraj in Rajatgarh-Barang doubling project.



Machine Packed track of Tiruvallur Arakkonam line ready for commissioning



43.8 m PSC box girder weighing 650 tons launching over river Luna in Haridaspur - Paradeep NL project.



Ballast Spreading through Rail lorry in Section of Hospet - Tinaighat Doubling Project



FOB launching at Nimka Thana - Ajmer - Phulera - Ringur - Rewari GC Project



PSC Girder Bridge in Villupuram - Dindigul doubling project.



Stone Pitching at bridge approaching Villupuram - Dindigul doubling project



Non - Inter lock working in Gooty - Pullampet doubling Project

CSR Activities



Annual General Meeting



Annual Day Celebrations



DIRECTORS' REPORT

Distinguished Shareholders,

The Directors of your Company are privileged to present the 11th Annual Report on the performance of your Company, along with the Audited Statement of Accounts, Auditors' Report and the Review of Accounts by the Comptroller & Auditor General of India for the financial year ended 31st March 2014.

Integral Reports

The "Management Discussion and Analysis Report", "Corporate Governance Report", "Corporate Social Responsibility (CSR) and Sustainability Report" form an integral part of this Directors' Report and have been placed as **Annexure "A" "B" and "C"** respectively.

The Management Discussion and Analysis Report provides an overview of the affairs of the Company, its business environment, mission and objectives, outlook, operational performance, its resources and systems, strengths, opportunities, constraints, risks and concerns, strategies, prospects, etc.

The Corporate Governance Report highlights the Company's philosophy on Corporate Governance and Key Value(s), composition of Board of Directors and its Committees, their details including a profile of Directors who joined the Board during 2013-14 and thereafter, attendance and remuneration of Directors etc, other relevant disclosures, CEO/CFO Certification and general information for shareholders. It is supplemented by the following compliance certificates.

- (i) A Certificate signed by the Chairman and Managing Director affirming receipt of compliance with the Code of Conduct from all Board members and Senior Management personnel during the year 2013-14 (**placed at Annexure "B1"**) as per guidelines of

Department of Public Enterprises on Corporate Governance ;

- (ii) A Certificate from the Chairman and Managing Director and Director Finance with regard to authenticity of financial statements (**placed at Annexure "B-2"**); and
- (iii) A Certificate of compliance of Corporate Governance signed by a practicing Company Secretary (**placed at Annexure "B-3"**) as per guidelines of Department of Public Enterprises on Corporate Governance.

The Corporate Social Responsibility (CSR) reflects the Company's CSR activities, Budget, expenditure and evaluation process etc. and Sustainability Report describes RVNL's plans, policy and activities undertaken for Sustainability during the year.

1. PERFORMANCE HIGHLIGHTS

Your Directors take pride to inform you that 2013-14 has been a year in which your Company has exceeded all previous performance parameters. The significant milestones achieved include:

- During 2013-14, **465.5 kms (262 km of Doubling and 203.5 Km of Railway Electrifications)** of project length has been physically completed
- Highest ever turnover of ₹ 2492.37 crore;
- Increase in Profit before Tax to ₹ 195.17 crore;
- Profit after Tax (PAT) of the Company is at ₹ 157.42 crore showing increase of 16% over the previous year;
- The Directors of your Company have recommended a highest ever Dividend of ₹ 31.50 crore to the Ministry of Railways;
- Your Company has once again surpassed its performance targets set for Excellent in the Memorandum of Understanding (MoU)

entered into with Ministry of Railways (MoR), Government of India in consultation with Department of Public Enterprises. Based on overall performance, your Company has achieved 'Excellent' rating for the financial year 2012-13, as in the previous years.

2. FINANCIAL RESULTS

Important indicators of the financial performance of RVNL of 2013-14 as compared to 2012-13 are mentioned below (rounded to nearest Rupees/crore):

(₹ in Crores)

Particulars	2013-14	2012-13
Turnover	2492	2117
Total Income	2597	2205
Operating Income	182	168
Gross Margin (from operations)	102	90
Reserves & Surplus	453	333
Profit Before Tax	195	167
Profit After Tax	157	136
Net worth	2538	2418
Appropriations		
Proposed Final Dividend	31.50	27
Transfer to General Reserves	10	10
Transfer to CSR and Sustainability funds	4.07	3.44
Transfer to R&D Fund	0.68	0.49

TURNOVER

The Company has achieved a Turnover of ₹2,492.37 crore at the end of the financial year 2013-14 as compared to ₹ 2116.85 crore in 2012-13, i.e. an increase of 18%.

The increase in Turnover is due to projects being executed for Ministry of Railways where there has been a substantial increase from ₹1905 crore in 2012-13 to ₹2319 crore in 2013-14. However, there has been a decline in the level of expenditure on works undertaken for SPVs and other deposit works to ₹174 crore during 2013-14 in

comparison to ₹212 crore in the previous year. The decline is on account of issues related to land acquisition in Odisha based projects, environmental clearance in Andhra Pradesh and law and order problem in Chhatisgarh. The share of works executed by Zonal Railways in RVNL's Turnover in 2013-14 is ₹92.96 crore compared to ₹6.17 crore during 2012-13, due to reporting of expenditure incurred in the previous years.

PROFIT

Profit Before Tax increased from ₹167.46 crore in 2012-13 to ₹195.17 crore in 2013-14. The major

increase is on account of higher income from project execution from ₹89.56 crore in previous year to ₹101.75 crore in 2013-14 (excluding appropriation to funds as per DPE guidelines). There has also been increase in Dividend income by ₹5 crore and the balance increase is from interest income from banks and SPVs.

CAPITAL STRUCTURE

With an authorized share capital of the Company of ₹3000 crore, there has been no change in the Capital Structure of the Company, with the paid-up share capital of the Company remaining at ₹2085.02 crore. Ministry of Railways, Government of India holds the entire share capital of the Company.

DIVIDEND

As a result of improved financial performance of the Company, the Board of Directors have recommended a final Dividend of ₹31.50 crore for the year 2013-14 as compared to ₹27 crore in 2012-13 for consideration of the shareholders. The cumulative Dividend paid to Ministry of Railways by RVNL will amount to ₹114 crore, including the Dividend declared for 2013-14.

RESERVES

An amount of ₹10 crore has been transferred to General Reserves by appropriation from profits of the Company. After taking into account, the proposed Dividend of ₹31.50 crore and Dividend Distribution Tax of ₹5.56 crore, the balance under Reserves & Surplus at the end of 2013-14 stands at ₹452.94 crore in comparison to ₹332.59 crore in 2012-13.

NET WORTH

The Net Worth of your Company has increased over the previous year on account of transfer of profits amounting to ₹120.35 crore to Reserves and Surplus. Accordingly, the Net Worth of the Company has increased from ₹2417.61 crore at

the end of previous year to ₹2537.96 crore at the end of the current year.

FIXED DEPOSITS

No deposits from the public have been accepted by the Company during the year under review.

BUY-BACK OF SHARES

The Government of India (Ministry of Railways) holds the entire paid-up share capital of the Company. The Company has not resorted to buy back of shares and accordingly there is nothing to report under section 217(2B) of the Companies Act 1956.

PROJECT ADVANCE/LOANS

RVNL received an amount of ₹2141.36 crore, as project advance, from Ministry of Railways (MoR) during the year for execution of various works.

Loans from IRFC: During the year, an additional amount of ₹440 crore was received as borrowings from IRFC. With this, the total amount received from IRFC is ₹2623 crore. The principal and interest on the borrowings from IRFC are repaid by Ministry of Railways (MoR) as a pass through entry in the books of RVNL. During the year an amount of ₹262 crore was paid to IRFC on this account.

APPROPRIATION TO FUNDS:

The following appropriations to Funds have been made in terms of DPE's guidelines:

- CSR and Sustainability fund – ₹4.07 crore (3% of PAT of 2012-13)
- R&D fund – ₹0.68 crore (0.5% of PAT of 2012-13)

3. PROJECT EXECUTION:

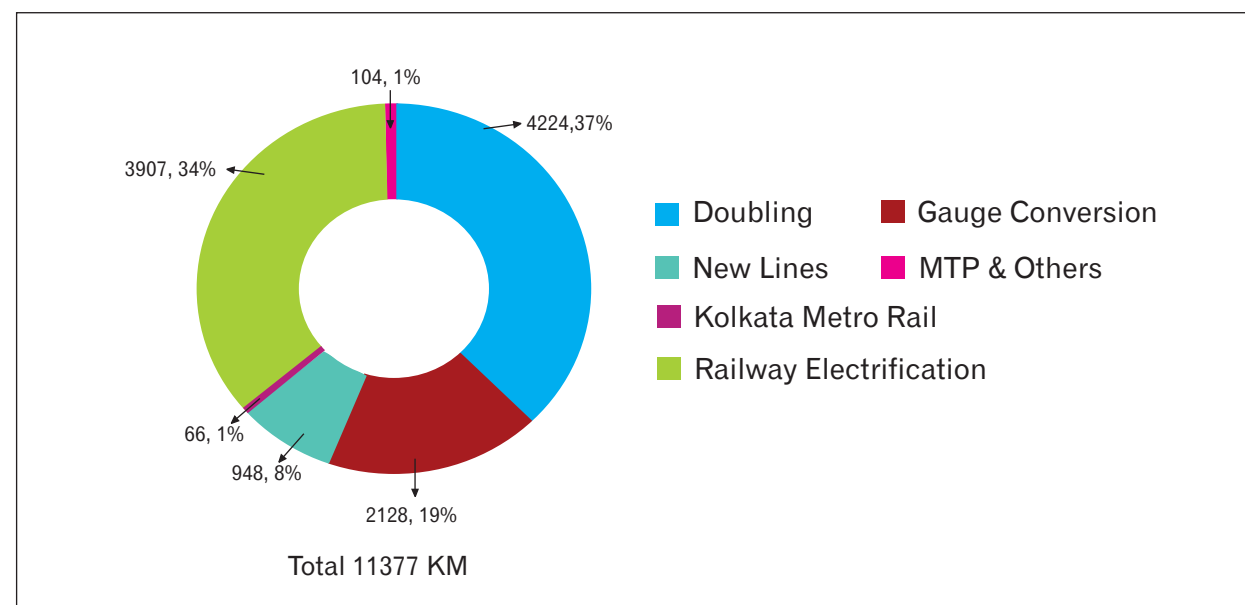
3.1 Physical Size of the Projects:

Ministry of Railways has transferred 123 projects to RVNL for execution, which may be broadly

classified under the following heads:

• Doubling	56
• Gauge Conversion	11
• New Lines	14
• Kolkata Metro Rail	4
• Railway Electrification	16
• Workshops	12
• Others	10

The distribution of project length under various plan heads is shown below:



Upto 2012, the RE works transferred to RVNL were only those where electrification was a part of some other work like doubling, gauge conversion, etc projects being executed by RVNL. However, in the last 2 years, pure RE projects have also been transferred for execution such as Manheru - Hissar - RE, Amla - Chhindwara - Kalumna - RE, Jakhal - Hissar - RE, Jakhal - Dhuri - Ludhiana - RE, Rajpura - Dhuri - Lehra Mohabat - RE etc.

With the transfer of projects involving construction of workshops, Metro projects, construction of cable stayed bridge etc; RVNL has diversified

the nature of projects being executed by it.

These projects are spread all over the country and for efficient implementation of projects, Project Implementation Units (PIUs) have been established at 23 locations i.e. New Delhi, Mumbai, Kolkata (3 Units), Chennai, Secunderabad, Bhubaneswar (2 Units), Bhopal (2 Units), Kota, Jodhpur, Waltair, Bangalore, Pune, Raipur (2 Units), Lucknow, Rishikesh, Patna, Ahmedabad, Kanpur to execute projects in their geographical hinterland.

3.2 Status Of Physical Progress Of Projects

The status of the 123 projects assigned to RVNL for execution is as under:-

Projects completed upto March 2014	:	40
Projects under implementation	:	79
Project yet to be sanctioned	:	04

The list of 40 projects fully completed upto March, 2014 is as under:

S.No	Railway	Project Name	Type of Project	Length
1	Central Railway (CR)	Divra - Kalyan 5th & 6th Line	Doubling	11
2	Central Railway (CR)	Pakni - Mohol Doubling	Doubling	17
3	Central Railway (CR)	Panvel - Jasai Jnpt Doubling	Doubling	28.5
4	Central Railway (CR)	Pakni - Solapur Doubling	Doubling	16.28
5	East Coast Railway (ECoR)	Jakhpura- Haridaspur 3rd Line	Doubling	23.3
6	East Coast Railway	Talchar-Cuttack-Paradeep Doubling with 2nd Bridge on River Birupa & Mahanadi	Doubling	3
7	East Central Railway (ECR)	Barauni - Tilrath Bypass Doubling	Doubling	8.3
8	Eastern Railway (ER)	Gurup - Saktigarh Extn of 3rd Line	Doubling	26
9	North Central Railway	Palwal - Bhuteswar 3rd Line	Doubling	81
10	North Central Railway (NCR)	Aligarh - Ghaziabad 3rd Line	Doubling	106.1
11	South Central Railway (SCR)	Pullampet - Balapalle Ph I of Gooty-Renigunta Doubling	Doubling	41
12	South Central Railway (SCR)	Krishnapatnam - Venkatachalam Doubling With RE	Doubling	16.5
13	South Central Railway (SCR)	Gooty - Renigunta Patch Doubling	Doubling	151
14	South East Central Railway (SECR)	Bilaspur - Urkura 3rd Line Doubling	Doubling	105
15	South Eastern Railway (SER)	Panskura - Kharagpur 3rd Line	Doubling	45
16	South Eastern Railway	Panskura - Haldia Ph 1 Doubling	Doubling	14
17	South Eastern Railway (SER)	Rajgoda - Tamluk (Jn. Cabin) Doubling	Doubling	13.5
18	South Eastern Railway (SER)	Tamluk Jn. Cabin - Basulya Sutahata Doubling	Doubling	24.2
19	South Eastern Railway (SER)	Tikiapara - Santragachi Doubling	Doubling	5.6
20	Southern Railway (SR)	Attipattu- Korukkupet 3rd Line Doubling	Doubling	18
21	Southern Railway (SR)	Pattabiram - Triuvallur 4th Line & Tiruvallur - Arakkonam 3rd Line	Doubling	41.89

S.No.	Railway	Project Name	Type of Project	Length
22	South Western Railway (SWR)	Hospet - Guntakal Doubling	Doubling	115
23	North Western Railway (NWR)	Delhi - Rewari Gauge Conversion	GC	94.2
24	North Western Railway (NWR)	Ajmer - Phulera - Ringus - Rewari Gauge Conversion	GC	295
25	North Western Railway (NWR)	Bhildi - Samdari Gauge Conversion	GC	223
26	Southern Railway (SR)	Thanjavur-Villupuram Gauge Conversion	GC	192
27	Southern Railway (SR)	Cuddalore - Salem Gauge Conversion	GC	193
28	South Western Railway (SWR)	Arasikere-Hassan-Mangalore Gauge Conversion	GC	230
29	Western Railway (WR)	Bharuch-Samni-Dahej Gauge Conversion	GC	62
30	Western Railway (WR)	Gandhidham-Palanpur Gauge Conversion	GC	301
31	East Coast Railway (ECoR)	Daitari - Banspani New Line	NL	155
32	Southern Railway (SR)	Vallarparadm - Idapally New Line	NL	9
33	East Coast Railway (ECoR)	Tomka - Banaspani - RE	RE	144
34	Railway Electrification (RE)	Kharagpur (Nimpura - Bhubaneswar Including Branch Line of Talcher - Cuttack - Paradeep)	RE	581
35	Railway Electrification (RE)	Bhubaneswar - Kottavalasa	RE	417
36	South Central Railway (SCR)	Renigunta - Guntakal RE	RE	308
37	Western Railway (WR)	Bharuch - Samni - Dahej RE	RE	64
38	Central Railway (CR)	Daund-Manmad Incl. Puntamba-Shirdi-RE	RE	255
39	Eastern Railway (ER)	Civil Engineering Works In Connection With Diesel Loco Component Factory, Dankuni	WKSP	
40	South Eastern Railway (SER)	Setting Up of Diesel Multiple Unit(DMU) Manufacturing Factory at SankRail /Haldia	WKSP	

Cumulatively, RVNL has till now completed a total of 1385 Kms of doubling, 1590 Kms of gauge conversion 194Kms of new lines and 1934 Kms of Railway Electrification. Thus, as on 31.03.14, 5103 km out of a total length of 11259 km of 119 sanctioned projects assigned to RVNL, have been completed.

3.3 Projects Completed During 2013-14

During 2013-14, 465.5 kms (262 km of Doubling and 203.5 Km of Railway Electrification) of project length has been physically completed including sections of important projects such as Bhopal -

Bina 3rd Line, Salka Road - Annuppur (with flyover) Doubling, Goelkera - Manoharpur 3rd Line, Jaroli (Banspani) - Jakhpura - Doubling, Villupuram - Dindigul Doubling, Tamluk Jn. Cabin - Basulya Sutihata Doubling, Bhagat Ki Kothi - Luni

Doubling, Rani-Keshavganj Doubling, Yelahanka - Dharmavaram - Gooty Re, Daund - Manmad Incl. Puntamba - Shirdi - RE etc.

3.4 In addition, Railway Electrification of 218.7 Km was also carried out in other than specific Railway Electrification as part of Doubling Works. RVNL's efforts towards capacity building in execution of signalling and telecommunication works have paid dividends and during the year important doubling, 3rd line projects have been commissioned involving large scale Solid State Interlocking and NIs of major yards on busy routes.

3.5 Bhopal - Bina 3rd Line project: During the year of 57.3 Kms of project length was completed. Mandi Bamora-Kurwai Kethora (7.9 Km), Salamatpur-Diwanganj (9.0 km), Sanchi-Salamatpur (7.4 Km), Sumer-Sorai (8.3 Km) was completed in June, 2013; Kalhar-Bareth (9.6 Km) was completed in July, 2013; Sorai-Vidisha (5.6 Km) was completed in October, 2013 and Bina-Kurwai Kethora (9.5 Km) was completed in March, 2014.

3.6 Salka Road - Annuppur (with Flyover) doubling project: This lies on the busy coal carrying route of Indian Railways. During the year of 15.8 Kms of project length was completed. Hari-Ventatnagar (10.8 km), Chulha-Anuppur (5.0 km) sections were completed in June, 2013.

3.7 Villupuram - Dindigul Doubling: During the year of 55.0 Kms of project length was completed. Vridhachalam Jn to Ulundurpet (19.0 km) completed in September, 2013, Dindigul-Tamaraipadi (8.0 km) and Manapara-Samudram (10.0 km) completed in December, 2013; Samudram -Kolatur (7.0 km) and Ulundurpet - Parikkal (11.0 Km) completed in January, 2014 and March, 2014 respectively.

3.8 Tamluk Jn. Cabin - Basulya Sutihata Doubling: During the year 18.5 Kms of project length was completed. Mahisadal-Barda (8.5 Km) completed in June, 2013 and Tamluk-

Mahisadal (10.0 Km) section completed in March, 2014 thus completing the entire project.

3.9 Bhagat Ki Kothi - Luni Doubling: During the year of 28.4 Kms of project length was completed. Luni - Hanwant (7.0 km) and Hanwant - Salawas (8.4 km) completed in August, 2013 and Salawas - Bhagat Ki Kothi (13.0 km) was completed in October, 2013.

3.10 Goelkera - Manoharpur 3rd Line: Manoharpur -Posoita (11.6 km) was completed in June, 2013.

3.11 Jaroli (Banaspani) - Jakhpura - Doubling: During the year 38.4 Kms of project length was completed. Sukinda Road - Baghuapal (8.5 Km) and Baghuapal - Tomka (8.5 Km) sections were completed in December, 2013; Chilkidra Harichandanpur (10.4 Km), Galdhi - Keonjhar (11.0 Km) sections were completed in January, 2014 and March, 2014 respectively.

3.12 Krishnapatnam - Venkatachalam Doubling With RE: The entire section (16.5 km) was completed in June, 2013.

3.13 Rani-Keshavganj doubling: During the year of 15.0 Kms project length was completed. Nana-Keshavganj (8.7 Km) and Kothar-Nana (6.3 Km) sections were completed in January, 2014 and February, 2014 respectively.

3.14 Daund-Manmad RE: During the year of 69.4 Kms project length was completed. Sarola-Belvandi (30.0 Km) and Belvandi-Daund (39.4 Km) sections were completed in September, 2013, thus completing the entire project.

3.15 Gooty-Dharmavaram-Yelahanka RE: During the year of 134.1 Kms of project length was completed. Gooty-Pamidi (22.0 Km), Garladinne-Anantpur (11 Km) Yelahanka-Rajankunti (7.1 Km), Dodaballapur-Someshwara (34 Km), Anantpur-Prasannayapalli-Zangalpalli-Chigicheria (26.5 Km), Chigicheria-Dharmavaram (13 Km),

Viduraswatha-Someshwara (10Km), Viduraswatha-Devarapalle (6.5 Km), Dharmavaram - Nayasundaram (4 Km) Sections were completed from April to September 2013.

3.16 Signalling and Telecommunication

3.17 The Company has achieved commendable success in commissioning signalling works associated with doubling, third line, auto signalling, yard remodeling and gauge conversion. During the year 2013-14, RVNL commissioned 20 stations including 7 stations on 3rd line projects, 60 auto signals & 4 IBS. Your Company has also been able to successfully commission telecom works involving laying of optic fibrecables and 6 Quad cables of a total of 210 kms.

3.18 Kolkata Metro Projects

3.19 Four major projects for the extension of Kolkata Metro were transferred to RVNL in March 2010 viz.

- Baranagar- Barrackpore Dakshineswar (14.5 Km);
- Dum Dum Airport - New Garia Via Rajerhat (32 Km);
- Joka - Binoy Badal Dinesh Bagh Via Majerhat (16.72 Km);
- Naupara (Ex.) – Baranagar (2.6 Km).

RVNL has worked at a fast pace for execution of these projects, despite the fact that no detailed project report (DPR) was prepared at the time of sanctioning of project by the Government. The contract for Naupara - Baranagar (2.6 Km) & Baranagar - Dakshineswar (2 Km) including 2 station buildings was awarded in September 2010 which had to be terminated in November 2010 as contractor did not start work. The tender was reinvented and fresh contract was awarded in February 2011. After detailed designing of corridor, 326 piles, 40 pile caps, 25 piers, 19 pier caps and 88

I girders have been cast. Construction of station at Dakshineswar has started. A 213 m diversion of express way to facilitate construction of via duct has also been completed. There are about 500 encroachments which have to be relocated/ removed. The second contract has also been terminated due to poor performance of the contractor. Fresh tender is under finalization.

In Baranagar- Barrackpore, tender for road widening has been awarded and 96% of the utility identification work has been completed and 98% geotechnical investigation work has been completed. The tenders for the viaduct and stations will be invited only after the water pipe lines are closed by State Government.

The foundation stone for Joka - Binoy Badal Dinesh Bagh project, was laid by Her Excellency, President of India on 22.09.2010. The contract for execution of works was awarded in December 2010. 1185 piles, 276 pile caps, 273 piers, 261 pier caps and 232 segment erection has been completed on the Joka – Mominpur section of the project. Work for construction of stations at Joka, Thakurpukur, Sakherbazar, Behala Bazar and Tartala has been awarded in April 2012. 811 piles, 111 pile caps, 92 piers have also been completed for stations.

The contract for viaduct portion between New Garia to Rabindra Tirtha section of Dum Dum Airport - New Garia project in 4 packages have also been awarded on 21.10.2011. 3721 working piles, 392 pile caps, 318 piers, 263 pier caps and 1804 segments have been cast and 503 segments have been launched. The contracts for 21 stations (3 Packages) have also been awarded on 05.03.2014. The Survey, Geotechnical work and Utility diversion is in progress.

3.20 Projects Under Implementation:

The list of 79 projects under various stages of implementation is as under:

S. No.	Railway	Name of Project	Type of Project
1.	CR	Daund - Gulbarga Doubling	Doubling
2.	CR & SCR	Pune - Guntakal Rly Elect.	RE
3.	ECoR	Khurda Road - Barang 3rd Line	Doubling
4.	ECoR	Cuttack - Barang Doubling	Doubling
5.	ECoR	Rajatgarh - Barang Doubling	Doubling
6.	ECoR	Haridaspur - Paradeep New Line	New Line
7.	ECoR	Angul - Sukinda New Line	New Line
8.	ECoR	Sambalpur - Titlagarh - Doubling	Doubling
9.	ECoR	Raipur - Titlagarh - Doubling	Doubling
10.	ECoR	Banaspani - Jakhpura – Doubling	Doubling
11.	ECoR	Titlagarh (Excl) - Raipur –RE	RE
12.	ECR	Neora - Daniwan & Barbigha - Shekhpur NL as MM of Restoration of Dismantled Line of Fathua – Islampur	New Line
13.	ER	Dankuni - Furfura New Line	New Line
14.	ER	Nabadwipghat - Nabadwipdham - New Line	New Line
15.	NR	New Delhi - Tilak Bridge 5th & 6th Line	New Line
16.	NR	Utretia- Rae Bareli Doubling	Doubling
17.	NR	Rishikesh - Karnaprayag New Line	New Line
18.	NR	Rae Bareilly To Amethi Doubling	Doubling
19.	NR	Bhanupalli - Bilaspur - Beri New Line	New Line
20.	NR	Jakhal - Hisar- Railway Electrification	RE
21.	NR	Jakhal - Dhuri- Ludhiana - Railway Electrification	RE
22.	NR	Rajpura - Dhuri - Lehra Mohabat - Railway Electrification	RE
23.	NCR	Bhimsen - Jhansi Doubling With Electrification	Doubling
24.	NER	Lucknow- Pilibhit Via Sitapur, Lakhimpur GC	Gauge Conversion
25.	NWR	Abu Road - Sarotra Road Patch Doubling	Doubling

S. No.	Railway	Name of Project	Type of Project
26.	NWR	Sarotra Road - Karjoda Patch Doubling	Doubling
27.	NWR	Bhagat Ki Kothi - Luni Doubling	Doubling
28.	NWR	Abu Road - Swaroopganj Doubling	Doubling
29.	NWR	Rani - Keshav Ganj Doubling	Doubling
30.	NWR	Karjoda - Palanpur Doubling	Doubling
31.	NWR	Rewari-Manheru Doubling With RE	Doubling
32.	NWR	Manheru - Hissar - Railway Electrification	RE
33.	NWR	IOC Siding At Salawas (Deposit Work)	Others
34.	NWR	Rani - Palanpur - Railway Electrification	RE
35.	SCR	Balance Section of Obulavaripalle - Krishnapattnam New Line	New Line
36.	SCR	Balance Section of Raichur - Guntakal Doubling	New Line
37.	SCR	Guntur - Tenali Doubling With Electrification	Doubling
38.	SCR	Vijaywada - Gudivada - Bhimavaram - Narasapur, Gudiva Da - Machilipatnam & Bhimavaram - Nidadavolu Doubling with RE	Doubling
39.	SCR	Yelahanka - Dharmavaram - Gooty RE	RE
40.	SCR	Hospet - Guntakal And Tomagallu - Ranjitpura	RE
41.	SCR	Multi-Modal Transport System (MMS) - Phase-II	MTP
42.	SER	Goelkera - Manoharpur 3rd Line Doubling	Doubling
43.	SECR	Amla - Chhindwara - Kalumna - Railway Electrification	RE
44.	SECR	Salka Road - Annuppur (with Flyover) Doubling	Doubling
45.	SECR	Dalli - Rajhara - Raoghat New Line	New Line
46.	SR	Tiruvallur - Arakkonam 4th Line	Doubling
47.	SR	Villupuram - Dindigul Doubling	Doubling
48.	SR	Thanjavur - Ponmalai Doubling With Bypass Line Before Pomalai	Doubling
49.	SWR	Hospet - Tinaighat - Doubling	Doubling
50.	WCR	Bhopal - Bina 3rd Line	Doubling

S. No.	Railway	Name of Project	Type of Project
51.	WCR	Bina - Kota Doubling	Doubling
52.	WCR	Habibganj - Barkhera 3rd Line	Doubling
53.	WCR	Barkhera- Budni 3rd Line	Doubling
54.	WCR	Budni - Itarsi 3rd Line	Doubling
55.	WR	Ahmedabad - Botad Gauge Conversion	Gauge Conversion
56.	WR	Dhasa - Jetalsar Gauge Conversion	Gauge Conversion
57.	WR	Palanpur - Samakhiali Doubling	Doubling
58.	MET	Baranagar - Barrackpore & Dakshineswar	METRO
59.	MET	Dum Dum Airport - New Garia Via Raerhat	METRO
60.	MET	Joka - Binoy Badal Dinesh Bagh Via Majerhat	METRO
61.	MET	Naupara(Ex.) - Baranagar (Extension of DumDum – Naupara Metro Line)	METRO
62.	WKSP	Dankuni - Setting Up Of Electric Loco Assembly And Ancillary Unit Of Clw	WKSP
63.	WKSP	Barauni - 250 High Horse Power Loco Shed	WKSP
64.	WKSP	Barauni - New Loco Shed to Home 100 Electric Locos	WKSP
65.	WKSP	Kharagpur Workshop - Setting up of centre of Excellence for Wagon Prototyping	WKSP
66.	WKSP	Anara (Adra) Setting up of Mid-Life Rehabilitation Workshop for Coaches	WKSP
67.	WKSP	Vadodara - Setting up of New PoH Shop for Electrical Locos	WKSP
68.	WKSP	Varanasi - Augmentation of Production Capacity from 200 To 250 High HP Locos Per Year	WKSP
69.	WKSP	Lucknow-Modernisation of Alambagh Workshop (Pase-I)	WKSP
70.	WKSP	Workshop for Manufacture Flat Bogies for Lhb Design Coaches, Yadgir	WKSP
71.	WKSP	Kota- Modernisation of Wagon Repair Workshop	WKSP
72.	CR	Augmentation of Administrative / Office Infrastructure, Solapur Division, Gulbarga	OSW
73.	ER	ROB at Bardhman(YARD) - 4 LANES	ROB

S. No.	Railway	Name of Project	Type of Project
74.	SR	Srirangam - Tiruchacirapalli Town - 4 Lane ROB in lieu of 2 - Lane Bridge No. 380-A	ROB
75.	ER	Dum Dum Jn. - Flyover to Improve Passage of Goods and Mail/Express Trains	Flyover
76.	SCR	Secunderabad- Upgradation Of Facilites At Centralised Training Acedemy For Railway Accounts	OSW
77.	SCR	Moula Ali - Setting up of Indian Railway Institute of Finance Management	OSW
78.	SECR	Direct Power Supply from Central Generating Agencies	OSW
79.	WCR	Provision of Addl. Traction Substation at Budhni	OSW

3.21 Projects under Sanction and Development

1. Connectivity to Rewas Port
2. Surat - Hajira New Line
3. Dighi Port New Line
4. Rail Connectivity to Vizhinjam International Seaport Limited (VISL)

3.22 Projects handed over to Railways

The following sections of projects consisting of 130.05 Km of Doubling and 185 Km of Railway Electrification have been handed over to Zonal Railways for operations during 2013-14:

1. Hodal - Chhata (21 Km) section of Palwal-Bhuteshwar 3rd line NCR
2. Baikunth- Silyari (8 Km) section of Bilaspur-Urkura 3rd line SECR
3. Adoni - Esivi-Kupgal (16 Km) section of Raichur Guntakal Doubling SCR
4. Bareth-Ganjbasoda-Pabai (18.6 Km) section of Bhopal-Bina 3rd line WCR
5. Panskura - Shyamchak (25 Km) Section of Panskura - Kharagpur 3rd Line SER

6. Krishnapatnam-Venkatachalam doubling (16.45 Km) SCR

7. Kallakkudi Palanganatham-Valadi (25 Km) section of Villupuram - Dindigul Doubling SR

8. Muddanur – Guntakal (121Km) section of Renigunta-Guntakal RE SCR

9. Baruch-Samni-Dahej RE (64 Km) WR

3.23 Accidents

During the year no accident was reported from any of the project sites on RVNL account.

3.24 ADB funded projects:

The first ADB loan (IND-1981) sanctioned for "Railway Sector Improvement" has been closed on 31.12.2011. 2nd ADB Loan has also been sanctioned for funding of 5 projects, namely:

- Raipur-Titlagarh doubling
- Sambhalpur-Titlagarh doubling
- Hospet-Tinaighat doubling
- Daund-Gulbarga doubling
- Pune-Guntakal Railway Electrification

The funding by ADB requires compliance of various loan covenants on resettlement and rehabilitation of project affected persons, procurement of works and stores following international competitive bidding and implementation of plans for mitigation of social and environmental impact norms. A Multi Tranche Financing Facility of \$ 500 million has been agreed to by ADB. The loan agreement for first Tranche (Loan No. 2793-IND) of this MFF for an amount of \$ 150 million has been signed in July 2012. Contracts for 12 packages had been awarded during 2012-13. The tenders for the balance packages are under various stages of process. The contract for General Consultants for these 5 projects had also been awarded in May 2013. The loan agreement for second Tranche (Loan No. 3108-IND) of this MFF for an amount of \$ 130 million has been signed in February 2014. The contracts for supply of 60 Kg Rails & 52 Kg Rails have been awarded in March, 2014. Contract for appointment of NGOs to implement the rehabilitation and resettlement policies of the ADB have been finalised and the work of R&R is in an advanced stage.

During the year 2013-14, an amount of ₹112.41 crore equivalent to \$18.477 million has been disbursed by ADB.

3.25 Contracting

As the size of projects being executed by RVNL is quite large, to ensure fast award and execution of projects, RVNL invites tenders consisting of multiple packages. Each tender may consist of two to four contract packages. This approach has a number of advantages such as:

- a) Multiple contracts can be awarded through one tender which saves time and effort in invitation and finalization of tenders.
- b) Both small and large agencies can compete for any contract package which increases competition.

- c) Large agencies who are capable of executing big contracts can quote for multiple packages to achieve economies of scale and pass on the benefit to RVNL by quoting discounts in case of award of more than one package.
- d) Smaller agencies, which would not be eligible to quote if the tender for the project was floated in a single package, are now able to compete in any of the contract packages individually as they may meet the qualification requirements of individual packages which are of comparatively smaller value.

During 2013-14, contracts worth approximately ₹5280 cr. were awarded as compared to contracts worth approximately ₹4826 cr. awarded during the previous year (2012-13).

The following major contracts were awarded by the Company during the year:

- Construction of roadbed, station buildings, passenger amenities, minor bridges, General electrical work in connection with the new BG Rail line from Haridaspur to Paradeep (81.200 Km) in Khurda Division of East Coast Railway in State of Orissa, India (in two packages)." - Contract package 1 from Haridaspur KM 0.00 (Incl.) to Kendrapada (Excl.) 42.040 KM (₹179.6cr)
- Construction of roadbed, station buildings, passenger amenities, minor bridges, General electrical work in connection with the new BG Rail line from Haridaspur to Paradeep (81.200 Km) in Khurda Division of East Coast Railway in State of Orissa, India (in two packages)." - Contract package 2 from Kendrapada (Excl.) 42.040 KM to Paradeep 81.20KM (₹206.56cr)
- Package 1: Design, Supply, Erection, Testing & commissioning of 25 KV, 50 HZ, Single Phase, Traction Over-Head Equipment, Switching Stations, Traction sub-station, SCADA,

General electrical Services works along with Signaling & Telecommunication work, civil engineering work i.e. Service Buildings, Quarters, TW sidings, TSS cross track and other associated works between Section Raipur (Excl.) Khariar Road (Excl.) 105 RKM/ 251TKM of Raipur and Sambalpur division on East Central & East Coast Railway respectively, Chhattisgarh & Odisha, India (₹95.93 cr)

- Package 2: Design, Supply, Erection, Testing & commissioning of 25 KV, 50 HZ, Single Phase, Traction Over-Head Equipment, Switching Stations, Traction sub-station, SCADA, General electrical Services works along with Signalling & Telecommunication work, civil engineering work i.e. Service Buildings, Quarters, TW sidings, TSS cross track and other associated works between Section Khariar Road (Incl.) - Titlagarh (Excl.) 98 RKM/ 229 TKM of Sambalpur division on East Coast Railway, Odisha, India (₹104.85 cr)
- Construction of Major Bridges in connection with the construction of new BG line from Haridsapur (0.00 km) to Paradeep (81.200 Km) in the Khurda Division of East Coast Railway in Odisha, India (₹164.66 cr)
- Package - 1: Construction of roadbed, major and minor bridges, RUBs, supply of ballast, Track Linking (Excluding supply of Rails and PSC line sleepers), General Electrical, Traction and Signal & Telecom works (outdoor) in connection with Quadrupling along with Railway Electrification of Ghatkesar - Moulali - "C" cabin and patch doubling between Moulali - Sitafalmandi stations (Including Moulali, Ghatkesar/ Cherapalli, Moulali Gate cabin, Malkajgiri & Sitafalmandi yards) on Secunderabad & Hyderabad Divisions of South Central Railway" Notification of Award (₹109.17 cr)
- Package - 2: Construction of roadbed, major

and minor bridges, RUBs, supply of ballast, Track Linking (Excluding supply of Rails and PSC line sleepers), General Electrical, Traction and Signal & Telecom works (outdoor) in connection with doubling with Railway Electrification of Sanathnagar-Moulali - "C" cabin section and Restoration of single line between Telapur & Ramachandrapuram stations (Excluding Moulali but including Sanathnagar, Telapur & Ramachandrapuram yards) on Secunderabad Division of South Central Railway" Notification of Award (₹150.51 cr)

- Package - 3: Construction of roadbed, major and minor bridges, RUBs, supply of ballast, Track Linking (Excluding supply of Rails and PSC line sleepers), General Electrical, Traction and Signal & Telecom works (outdoor) in connection with doubling with Railway Electrification of Secunderabad - Bolarum - Medchal Stations and between Falaknuma - Umdanagar stations (including Medchal, Bolarum, Falaknuma & Umdanagar on Secunderabad & Hyderabad Divisions of South Central Railway" Notification of Award (₹129.43 cr)
- Package 1: Construction of Roadbed, Major & Minor Bridges, Track Linking (excluding supply of Rails and Main line PSC sleepers), S&T, OHE, TSS & General Electric works in connection with doubling between Bina & Kota (282.576 Kms) excluding Ruthiyal - Guna Section of Kota & Bhopal Divisions of West Central Railway in the State of Rajasthan & Madhya Pradesh, India Kota including Km (0.00) to PILOD ROAD (including Km 89.00) total 89.00 KM (₹245.95 cr.)
- Package 2: Construction of Roadbed, Major & Minor Bridges, Track Linking (excluding supply of Rails and Main line PSC sleepers), S&T, OHE, TSS & General Electric works in connection with doubling between Bina &

Kota (282.576 Kms) excluding Ruthiyal - Guna Section of Kota & Bhopal Divisions of West Central Railway in the State of Rajasthan & Madhya Pradesh, India PILOD ROAD (excluding Km 89.00) to RUTHIYAL (including Km 164.26) and GUNA (including Km 1093.52) to SHAHDORAGAON (Excluding Km 1070.50), Total 98.28 KM (₹260.16 cr)

- Package 3: Construction of Roadbed, Major & Minor Bridges, Track Linking (excluding supply of Rails and Main line PSC sleepers), S&T, OHE, TSS & General Electric works in connection with doubling between Bina & Kota (282.576 Kms) excluding Ruthiyal - Guna Section of Kota & Bhopal Divisions of West Central Railway in the State of Rajasthan & Madhya Pradesh, India SHAHDORAGAON (Including Km 1070.50) to BINA (Including Km 975.15), Total 95.50 KM (₹252.34 cr)
- Earthwork in formation (excluding blanketing), Minor Bridges between Km 19.000 to Km 47.000 and 3 nos. of steel Girder Bridges, 8 nos. of Road over Bridges between Km 19.00 to Km 67.00 in connection with Angul-Sukinda New Railway BG line in the State of Odisha, India (₹144.3 cr)
- Construction of important and Major Steel Girder Bridges along with Foundation, Substructure and related protection works in connection with Jhansi-Bhimsen doubling in Jhansi Division of North Central Railway in the State of Uttar Pradesh (₹114.13 cr)
- Manufacture and supply of 106600 MT of UIC 60 Kg/m Rails (Grade 880, Class A) conforming to Indian Railway Specifications IRS-T-12-2-0 (read along with latest amendments) for various Railroad projects in different regions of India (₹639.11 cr)
- Package 1 - Construction of Roadbed, Major & Minor Bridges, Track Linking (excluding supply of Rails and Main Line PSC sleepers),

Outdoor S&T Works, OHE, TSS & General Electrical works from Jhansi (including Km 1129.00) to Erich Road (including Km 1195.00) and indoor S&T works from Jhansi to Bhimsen in connection with Doubling between Jhansi and Bhimsen Stations on Jhansi Division of North Central Railway in the State of Uttar Pradesh, India (₹267.42 cr)

- Package 2 - Construction of Roadbed, Major & Minor Bridges, Track Linking (excluding supply of Rails and Main Line PSC sleepers), Outdoor S&T Works, OHE, TSS & General Electrical works from Erich Road (excluding Km 1195.00) to Usargaon (including Km 1265.00) in connection with Doubling between Jhansi and Bhimsen Stations on Jhansi Division of North Central Railway in the State of Uttar Pradesh, India (₹227.88 cr)
- Package 3 - Construction of Roadbed, Major & Minor Bridges, Track Linking (excluding supply of Rails and Main Line PSC sleepers), Outdoor S&T Works, OHE, TSS & General Electrical works from Usargaon (excluding Km 1265.00) to Bhimsen (including Km 1334.00) in connection with Doubling between Jhansi and Bhimsen Stations on Jhansi Division of North Central Railway in the State of Uttar Pradesh, India (₹264.46 cr)
- Manufacture and supply of 10740 MT of IRS 52 Kg/m Rails (Grade 880, Class A) conforming to Indian Railway Specifications IRS - T- 12 - 2009 (read along with latest amendments) for various Railroad projects in different regions of India (₹64.39 cr)
- Construction of Roadbed, Major and Minor bridges and track linking (excluding supply of Rails and sleepers), S&T and General Electrical work in Sarotra Road-Palanpur (29.52 Km) in Ajmer Division of North Western Railway and Ahmedabad Division of Western Railway in Gujarat State, India (₹112.8 cr)

- Package 1 - Construction of roadbed, Major & Minor bridges, Track Linking (excluding supply of Rails, ordinary track sleepers and thick web switches), Outdoor signalling and Electrical (General works in connection with Doubling of Sambalpur-(In.) - Barpali (in) (64.276 kms) part of Sambalpur-Titlagarh Doubling of East Coast Railway in the State of Odissa, India (₹209.27 cr)
- Package 2 - Construction of roadbed, Major & Minor bridges, Track Linking (excluding supply of Rails, ordinary track sleepers and thick web switches), Outdoor signalling and Electrical (General works in connection with Doubling of Barpali (Ex.) - Bolangir (In.) (56.758 kms) part of Sambalpur-Titlagarh Doubling of East Coast Railway in the State of Odissa, India (₹157.05 cr)
- Package 3 - Construction of roadbed, Major & Minor bridges, Track Linking (excluding supply of Rails, ordinary track sleepers and thick web switches), Outdoor signalling and Electrical (General works in connection with Doubling of Bolangir (Ex.) - Titlagarh (In) (63.193 kms) part of Sambalpur-Titlagarh Doubling of East Coast Railway in the State of Odissa, India (₹184.74 cr)
- Package-ANS1: Construction of Seven (07) stations including related works from Kavi Subhas (New Garia) to Ritwik Ghatak in New Garia - airport Metro Corridor of Kolkata Metro Railway Line (₹351.15 cr.)
- Package-ANS2: Construction of Seven (07) stations including related works from Barun Sengupta to Bidhan Nagar in New Garia - airport Metro Corridor of Kolkata Metro Railway Line (₹338.97 cr.)
- Package-ANS3: Construction of Seven (07) stations from SUB CBD1 to Titumir in New Garia - airport Metro Corridor (₹299.77 cr.)

- Beside these works contracts, ₹36.55 cr value of FLS, DDE & PMC contracts have also been awarded during the financial year 2013-14.

3.26 Final Location Survey (FLS)

During 2013-14, 458 km of Final Location Survey (FLS) was carried out in the following projects:

- Habibganj - Barkhera 3rd Line (41 Km)
- Barkhera - Budni 3rd Line (33 Km)
- Bhimsen - Jhansi Doubling With Electrification (206 Km)
- Vijaywada - Gudivada - Bhimavaram - Narasapur, Gudiva Da- Machilipatnam & Bhimavaram - Nidadavolu Doubling with Electrification (154 Km)
- Guntur - Tenali Doubling with Electrification (24 Km)

4. PROJECT PLANNING & DEVELOPMENT

4.1 Public Private Partnership (PPP) - Joint Venture SPVs of RVNL

RVNL was conceived as a non-budgetary investment initiative for creation and augmentation of capacity of Rail infrastructure. In its initial years, RVNL took the lead to create five joint venture Special purpose Vehicles (SPVs). Through these initiatives, RVNL has succeeded in attracting investment of ₹5087 crore (₹1665.40 crore as equity and ₹3421.60 crore as debt), with a contribution of only ₹620 crore by RVNL, which is approximately 12% of the total investment (details given below). Of the five SPVs promoted by RVNL, Kutch Railway Company Limited has been fully operational since 2006, Krishnapatnam Railway Company Limited is partially operational since 2008 and Bharuch Dahej Railway Company Limited commenced operations in 2012 in full earnest. Construction work being taken up for Haridaspur Paradip Railway Company Limited and Angul Sukinda Railway Limited SPVs is in progress after completion/resolving land acquisition issues.

Name of SPV	Total Equity		RVNL Equity		Partners' Equity		Debt	Total
	₹Cr	₹Cr	%age	₹Cr	%age	₹Cr	₹Cr	
Kutch Railway Co Ltd.(KRC)	250.00	125.00	50.0%	125.00	50.0%	300.00	550.00	
Bharuch Dahej Railway Co. Ltd. (63 Km)*	165.00	55.00	33.3%	100.11	60.7%	230.00	395.00	
Krishnapatnam Railway Co. Ltd. (113Km)	270.00	81.00	30.0%	189.00	70.0%	933.00	1203.00	
Haridaspur Paradip Railway Co. Ltd. (82 Km)	510.00	170.00	33.3%	340.00	66.7%	1092.00	1602.00	
Angul Sukinda Railway Ltd. (102 Km)	470.40	189.00	40.2%	281.40	59.8%	866.60	1337.00	
Total	1665.4	620.00	37.23%	1035.51	62.17%	3421.60	5087.00	
*Equity gap of ₹9.89 cr Total Investment = ₹5087 cr RVNL contribution = ₹620 cr or 12%								

a. Kutch Railway Company Limited (KRC)

The first SPV of RVNL, connecting Gandhidham - Palanpur (301 km Gauge Conversion MG to BG) in Gujarat on Western Railway, commenced operations in 2006. The turnover of the SPV for 2013-14 is expected to increase to ₹509 Crore (provisional) as compared to ₹501 crore in the previous year.

To cater to the anticipated increase in traffic of Kandla & Mundra ports, KRC has planned the doubling of Samakhali - Palanpur section (248 km). This route will be an important feeder route to the Dedicated Freight Corridor. The doubling project has been sanctioned by the Ministry of Railways in 2012-13 at a cost of ₹1266 crore, which would be funded by KRC without any contribution of funds by Indian Railways. The SPV plans to fund the doubling project through internal accruals, enhanced equity participation from shareholders and term loans from banks. KRC has appointed RVNL as the executing agency for this project. Further, the study has been completed for the

feasibility of a 3rd line between Samakhali and Gandhidham (53 km) and report has been submitted to KRC.

b. Haridaspur Paradip Railway Company Limited (HPRCL)

HPRCL was incorporated in 2006 to implement the new line project connecting Haridaspur to Paradip port (82 km) in Odisha on East Coast Railway. Land has been acquired for 68 kms out of the total project length of 82 kms. However, land losers had impeded the progress of construction at some locations through obstruction of work and agitations-demanding additional compensation. To resolve this issue Government of Odisha proposed payment of additional compensation as ex-gratia to the land losers. The additional cost of Rs. 48 crore (approximately) towards land acquisition is being borne by the SPV. By March 2014, about 95% of the ex-gratia amount payable was disbursed through State Government agencies.

Contract for important bridge on Luna River is under execution and substantial progress has been made and Bridge on Mahanadi River has

been completed and handed over to RVNL. Contracts for roadbed, and other major and minor bridges have been awarded in May 2013. HPRCL is now in the process of financial closure to meet its project funding requirements.

c. Krishnapatnam Railway Company Limited (KRCL)

KRCL was registered on 11.10.2006 to implement the new line project connecting Obulavaripalle to Krishnapatnam Port (113 km) in Andhra Pradesh on South Central Railway. The SPV commissioned 23 km of the project section to connect Venkatachalam Station with Krishnapatnam Port in November, 2008. Currently, an average of 11 loaded trains per day are moving on this section and rapid increase of Rail traffic is anticipated. To cater to the increase in port traffic, a 9 km long by-pass was constructed between Venkatachalam and Manubolu in 2010. Doubling of the section between Venkatachalam and Krishnapatnam, taken up at a cost of ₹87 crore completely funded by KRCL, has been completed and opened for traffic on 2nd March 2014.

A contract awarded for phase II of the work between Obulavaripalle to Venkatachalam (17-35 km), in May 2012, which includes two tunnels with a total length of about 7.8 km was terminated due to poor progress of work. The tender has since been reinvited. Delay has also occurred on account of pending land acquisition in 3 villages.

d. Bharuch Dahej Railway Company Limited (BDRCL)

BDRCL was incorporated to implement the Gauge Conversion project connecting Bharuch to Dahej Port (62 km) in Gujarat on Western Railway. The first goods train ran on the section in December, 2011. The SPV started commercial operations in March, 2012. A total of 1689 trains were loaded and run on the

section during 2013-14. The SPV is expecting a turnover of ₹75.81 crore (provisional) for 2013-14. Western Railway has introduced passenger services on the section in February, 2014.

Due to the paucity of manpower, Ministry of Railways has permitted the SPV to maintain the entire track and also deploy gatemen to man 16 gates on the section. The Company is successfully carrying out the maintenance work resulting in substantial savings compared to the cost of maintenance indicated by the Railways.

e. Angul Sukinda Railway Limited (ASRL)

ASRL was formed in February, 2009 to implement the new line project connecting Angul to Sukinda Road (102 km) in Odisha on East Cost Railway. The Concession Agreement between the SPV and Ministry of Railway was signed in May 2010. The process of land acquisition is in progress through East Cost Railway. The Project requires 1205 acres of private land, 220 acres of Government land 251 acres of forestland i.e. total 1676 acres. Acquisition of both government and private land is an advanced stage. A tender for taking up execution of work on a portion of the land which has been acquired has been awarded and work has commenced.

4.2 Bankability Studies

During the year, Bankability reports for the following projects, which were assigned to RVNL, have been completed and submitted to Ministry of Railways for taking further action:

- (a) Rail connectivity to Dighi Port (in Maharashtra);
- (b) Rail connectivity to Rewas Port (in Maharashtra);

Bankability reports for the following projects, which were assigned to RVNL, have been completed

- (a) Samkhyali to Gandhidham 3rd line (submitted to Kutch Railway Company)

- (b) Samkhyali to Gandhidham Doubling (Sent to Kutch Railway Company)

- (c) Revised bankability of Angul – Sukinda (submitted to Angul Sukinda Railway company Limited)

In addition, bankability study for the following project is in the process of finalization:

- (a) Bhimsen - Jhansi Doubling with RE

4.3 Model Concession Agreements

Ministry of Railways had mandated RVNL to develop the Model Concession Agreements for various models enumerated in the new policy on Participative Models for Rail connectivity and capacity augmentation projects. The drafts for all the five (5) Model Agreements have been submitted to Ministry of Railways by RVNL for further scrutiny.

5. SUBSIDIARIES

High Speed Rail Corporation of India Limited (HSRC)

High Speed Rail Corporation of India Ltd. (HSRC) has been formed as a subsidiary of Rail Vikas Nigam Ltd. (RVNL), with the approval of President of India, to develop High Speed Rail (HSRC) Corridors in India to run passenger trains at speeds upto 350 km per hour. RVNL incorporated High Speed Rail Corporation of India Limited (HSRC) as its wholly owned subsidiary on 25th July 2012 with an authorized share capital of ₹5 crore and paid-up share capital of ₹5 lakh. HSRC, which is a Government Company under the provisions of Companies Act, 1956 received its Certificate of Commencement of Business on 18th August, 2012. HSRC was formally launched by the then Hon'ble Minister for Railways, Sh. Malikarjun Kharge in a function held at Vigyan Bhawan on 29th October 2013.

In accordance with section 212 of the Companies Act, 1956, the Audited Balance Sheet and Profit

& Loss account for the year ended 31st March 2014) and the report of Board of Directors along with Auditors' Report thereon of High Speed Rail Corporation of India Limited, have been included in the Annual Report of RVNL (Holding Company).

A pre-feasibility study of Delhi-Chandigarh-Amritsar High Speed Rail Corridor has been assigned to HSRC by Ministry of Railways. Ministry of Railways has also entrusted the job of increasing the maximum permissible speed on Indian Railways to 160 Km/h on three sections of IR i.e: Delhi-Agra, Delhi-Chandigarh and Delhi-Kanpur. Knowledge based support for the work of speed raising on existing tracks by upgrading of infrastructure is in progress with HSRC as the project integrator.

6. PERSONNEL DEVELOPMENT

Human Resource is the driving force behind the success of any organization, and it is important to ensure that they are given due recognition and their continued motivation is ensured. The main thrust of HR policy is to ensure that this resource is able to adapt to the changing business priorities and be a strategic business partner in the growth of the organization. Your Company has a lean, but effective organisation, which has been made possible by careful selection of employees with the relevant experience and capability and their further development to ensure most effective delivery of project execution.

In addition to the RVNL's own cadre of employees, the requirement of technical and experienced manpower is largely met by deputation of officers from the Railways. As on 31.3.2014, out of a total strength of 410 employees, 288 are on deputation and the remaining 122 officials are regular employees of the Company.

RVNL has created a sustainable, conducive and

employee-friendly working environment where they are encouraged to innovate to enhance productivity. In RVNL, a transparent and open communication forum addresses the employee's needs which has brought about a sense of belonging to the organization. The working conditions and policies are reviewed from time to time to keep the employees' morale high.

To equip employees to handle new challenges, special attention is placed on managerial and technical skill development through arranging in-house and external trainings/ seminars relevant to their area of work. In all 231 employees were deputed for various training programmes during the year.

RVNL recognizes the services of meritorious employees through individual/group awards by presenting shields and cash awards on the occasion of Annual Foundation Day celebrations. In the current year, celebrations were held on 12th April 2013 and nineteen meritorious employees were awarded for their outstanding performances. In addition, eight shields were given to the Project Implementation Units for their achievements in various fields. Chairman Railway Board and Member Engineering handed over the awards and shields in the function. The list of winners of shields is as under –

- | | |
|---|---|
| • Best PIU (Winner) | - PIU, Secunderabad |
| • Best PIU (Runner up) | - PIU, Bhopal |
| • Best Project | - a) Rajgoda-Tamluk-BasulyaSutahata
b) Panskura-Kharagpur-Manoharpur-Posoita |
| • Best PIU in Maximum Turnover | - PIU, Chennai |
| • Best PIU in Metro Project | - Jokha-Majerhat, (PIU Majerhat, Kolkata) |
| • Best Workshop Project | - Haldia Workshop, (PIU Majerhat, Kolkata) |
| • Best PIU in Railway Electrification Project | - PIU, Secunderabad |
| • Best PIU in Signalling Projects | - PIU, Secunderabad |

The Company provides free consultation services of doctors in Allopathy, Homeopathy and Ayurveda in the office premises to cater to the medical needs of the employees and their families.

As a staff welfare measure, the Company organized a picnic programme in which more than a hundred staff along with families participated.

Industrial Relations

Cordial industrial relations have been maintained throughout the year.

Implementation of Vishaka Guidelines

A new committee was constituted, as per Vishaka Guidelines, during the year for dealing with cases of sexual harassment of women at the work place.

MOU Targets for HRM Performance Evaluation

In the MOU targets for the year, training was to be imparted in five specified modules under the sub head "HRM Performance Evaluation" namely – Building Competency in various fields of Project Management, Building Competency in Corporate Governance for Senior Executives, Building Competency in Sustainability, Building Competency in Risk Management for Senior Management and Building Competency in Corporate Social Responsibility. The Company has achieved the targets for rating as "Excellent" in all the above five parameters.

Particulars of Employees under Section 217 (2A) of Companies Act, 1956

None of the employees of the Company has drawn remuneration exceeding the limits laid down under the provisions of section 217 (2A) of the Companies Act read with Companies (Particulars of Employees) Rules, 1975 as amended from time to time.

Right to Information Act

The Right to Information Act has been implemented in RVNL in letter and spirit and timely responses are given to the queries. The Company has nominated an Appellate Authority/Central Public Information Officer for the Corporate Office and an Asstt. Public Information Officer for each PIU. During the year 2013-14, 46 applications were received and disposed off in time.

Rajbhasha (Official Language)

The company has been making concerted efforts in implementing the directives of the Government of India on use of Rajbhasha (Official Language). The Rajbhasha Department of the Company has a part-time Mukhya Rajbhasha Adhikari and Up-mukhya Rajbhasha Adhikari and a regular Assistant Manager (Rajbhasha). The website of the company is bilingual and is updated

regularly. All computers in the Corporate Office have been provided with Unicode compliant software and fonts to facilitate access to common templates in Devnagari. To encourage use of Rajbhasha, officials using Rajbhasha in drafting notes and letters were identified and given cash awards.

On the occasion of Rajbhasha Pakhwara, various competitions in Hindi essay writing, Hindi noting and drafting, Hindi quiz and Shankar Dayal Singh Smriti Puraskar Yojana were held. The successful employees were awarded cash prizes and certificates. During the year 2013-14, four meetings of Rajbhasha Implementation Committee of RVNL with the representatives of Railway Board and one Independent Observer, nominated by Railway Board, were held.

Presidential Directives

The Company did not receive any Presidential Directive from Ministry of Railways during 2013-14.

7. VIGILANCE

The Vigilance department in RVNL is headed by a Chief Vigilance Officer, and assisted by one GM/ Vigilance (Part time), two DGMS/ Vigilance and one Manager/Vigilance.

RVNL Vigilance functions include a broad range of preventive checks, punitive measures and intelligence gathering. The main focus of the Vigilance was to assess the quality of compliance of works procedures/ practices including quality control in the implementation of projects through inspections onsite and offsite to suggest suitable system improvements, where required.

Preventive Measures

During the year 2013-14, six preventive checks on establishment related matters were conducted and recommendations made for streamlining of procedures namely selection of vendors, terms & conditions of contracts etc. Apart from

these checks, inspections of five projects were carried out to ensure adherence to quality, specification standards and the terms & conditions of contracts. These inspections also covered the project management consultancy contracts.

RVNL also facilitated technical inspection by CTE organization of CVC of three projects of RVNL. The inspection reports of CTE were forwarded to the Technical Authority and their replies, vetted by Vigilance, were submitted to CVC. During 2013-14, as a result of vigorous pursuance with the Management, replies to 117 pending paras of all intensive examinations conducted by CVC in the previous years were sent and a large number were closed on satisfactory compliance and system improvement.

Investigation

Complaints received by Vigilance were handled as per prescribed procedure. The verifiable facts, if any, raised in the complaints were investigated and surprise checks done as deemed fit.

Disciplinary Action

During 2013-14, one major penalty case, four minor penalty cases and three Administrative Action cases were finalized with the imposition of penalties/administrative action.

A detailed investigation on certain issues raised by CTE organization of CVC was conducted and the report was submitted to CVC for its advice in the matter.

All prescribed reports vis. Monthly, Quarterly and Annual reports were submitted to the concerned authorities of Railway Board/ CVC on time.

Vigilance Awareness Week

The Vigilance Awareness Week was celebrated in

RVNL from 28th October 2013 to 2nd November 2013 commencing with the administration of pledge by all officers and staff. A seminar on the theme – “Promoting Good Governance – Positive Contribution of Vigilance” - was held on 28.10.2013 in Corporate Office of RVNL. On this occasion, RVNL's 8th Vigilance Bulletin was released and an interactive session with officers of RVNL and CTE of CVC organized.

As per instructions issued by CVC, RVNL Vigilance took up with the management the matter of adoption of Integrity Pact clause in Workstenders in the interest of greater transparency and accountability. The Management have decided to adopt the Integrity Pact clause in principle and the issue of appointment of Independent External Monitors (IEMs) is under consideration in consultation with CVC.

System Improvement

Some of the major focus areas of system improvement implemented through vigilance efforts are indicated below:-

1. Provision of levying of cess @ 1% of the construction works on the contractor
2. Provision for use of local good soil as binding materials
3. Guidelines for fixing completion period of contracts as per requirement of works.
4. System of monitoring delays on part of the contractor for imposition of penalties.
5. Rate of Delay damages
6. Deployment of PMC personnel commensurate with requirement of work.

8. MEMORANDUM OF UNDERSTANDING

The Company secured “Excellent” rating by Department of Public Enterprises for the year 2012-13 on the basis of the Memorandum of Understanding signed between RVNL and Ministry of Railways

and achievement of the committed targets. This is the third consecutive year for which the Company has been rated as “Excellent”.

In 2013-14, the Company has been able to achieve the targets set in the MoU and even surpass them. RVNL completed Doubling of 187.6 km against an Excellent target of 181 Km under project implementation and 74.5 Km against a target of 69 Km under time line completion of projects. Completion of 173.5 km Railway Electrification was achieved against an excellent target of 170 km and 30 km of Railway Electrification under time line completion of projects. The Company was also able to meet the targets for all financial, enterprise specific, sector specific, Corporate Social Responsibility, R&D parameters set in the MoU for 2013-14. Accordingly, the Company is expecting to achieve an “Excellent” rating for 2013-14 as well.

During the year, the Company signed a Memorandum of Understanding (MoU) with Ministry of Railways fixing its physical, financial targets and other sector specific targets for the year 2014-15.

9. PARTICULARS RELATING TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO ETC.

Conservation of Energy and Technology Absorption

RVNL is conscious of the limited nature of conventional sources and the importance of using our energy resources wisely. Initiatives taken to create awareness about conservation of energy among employees has resulted in steady reduction in energy consumption at Corporate Office. In addition, various state of the art systems have been installed and environment friendly technology has been

adopted in the Corporate Office building.

Environment friendly equipments like solar heaters, solar lights etc are being installed in projects/offices of the Company.

Foreign Exchange Earnings and Outgo

During the financial year 2013-14, the Company spent ₹44.22 lakh in foreign exchange on foreign travel of Company's officials & ₹37.47 lakh on Project Management Consultancy. The Company, however, did not earn any Foreign Exchange.

10. RISK MANAGEMENT

RVNL has a formal Risk Management Policy duly approved by the Board of Directors. The Policy aims to review the exposure of RVNL to various risks and the mitigation measures to be taken periodically. It also strives to increase awareness among its employees and other stakeholders about possible risks and measures to control the same.

Your Company has a Risk Management Committee under the chairmanship of Director (Operations) with ED (Projects), ED (PP&D), GGM (HR) and GM (F) as members. Significant risks identified by the Committee include risks arising from time and cost overrun in implementation of projects, risks associated with delay in land acquisition, risk of dependency on Indian Railways for financing RVNL projects etc. A number of measures to minimize the claims of the contractors, recommended by the Committee, have been accepted by RVNL management and circulated to units for compliance.

A residential programme on Risk Management for senior management was conducted at Institute of Public Management, Osmania University by Dr V.S. Sastry on 1.12.2013 to 3.12.2013. The programme was attended by 14 Managers from various departments and PIUs.

The Committee has engaged a professional firm for preparing a detailed document on Enterprise

Risk Assessment and Management in RVNL. The Committee has also proposed to document the risks faced during project execution, and prepare a compendium of case studies for guidance of project managers.

11. CORPORATE SOCIAL RESPONSIBILITY (CSR)

In accordance with the revised guidelines and directives issued by Department of Public Enterprises (DPE) in January 2013 (which were to be effective from 1st April 2013), RVNL has formulated its CSR and Sustainability Policy which was approved by the Board of Directors (BoD) of RVNL in January 2013 itself.

As per the approved CSR and Sustainability Policy, RVNL has put in place a three tier organizational structure to steer the CSR and Sustainability agenda of RVNL. The three-tier structure comprises of:

- Tier-I -- Board Level Committee, headed by an Independent Director;
- Tier-II -- Corporate Level Committee, headed by ED (Mechanical), the Nodal officer for CSR and Sustainability.
- Tier-III -- Project Implementation Units (PIU) Level Committees, at the field level, headed by the respective CPM of the PIU.

A comprehensive report on CSR activities of RVNL for the year 2013-14 is enclosed as Annexure-C to the report.

12. RESEARCH AND DEVELOPMENT

In accordance with the guidelines issued by Department of Public Enterprises, a Board level Committee headed by an Independent Director has been constituted. The Committee had four meetings during the year.

The progress of identified R&D projects are as under:

S. No.	Projects Chosen	Progress
1	Use of satellite stereo images for identifying various alignment options	Completed for the full project length of Rishikesh – Karanprayag new line.
2	Consultancy for Development of Integrated IT solution for RVNL including Project Management	Percentage Financial progress of 40% of the contract has been achieved
3	Continued implementation of real time software based project monitoring and management system in additional PIUs	REMS in 5 units i.e. Bangalore, Lucknow, Kolkata (Barrackpur), Chennai and Kolkata (Line) has started functioning.

- The Director Level Committee held four meetings (one in each quarter) in the year 2013-14.
- An expenditure of ₹1.13 crore has been incurred on R&D activities against the target of ₹77 Lakh during the year 2013-14.

13. DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of the Company in pursuance of section 217 (2AA) of the Companies Act, 1956 as amended hereby confirms:

- that in the preparation of the annual accounts, all the applicable accounting standards along with proper explanation have been followed

and there has been no material departure;

- that such accounting policies were selected and applied consistently and such judgements and estimates were made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company and Profit & Loss of the Company for the year ended on 31st March 2013;
- that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- that the Annual Accounts have been prepared on a going concern basis.

14. BOARD OF DIRECTORS

During 1st April, 2013 to 31st March, 2014, the Company held six Board meetings to transact business with one meeting in the quarter ending June 2013, two meetings in quarter ending September 2013, two meetings in quarter ending December 2013 and one meeting in quarter ending March 2014.

The following Directors are holding office as on the date of the report:-

- | | |
|---|---|
| 1. Mr. S.C. Agnihotri
Chairman and Managing Director | -- from 27.1.2010 as Managing Director and from 5.3.2013 onwards as CMD |
| 2. Ms. Gita Mishra, Director (Personnel) | -- from 13.10.2008 onwards |
| 3. Mr. Mukul Jain, Director (Operations) | -- from 16.06.2010 onwards |
| 4. Mr. Vijay Anand, Director (Projects) | -- from 09.04.2011 onwards |
| 5. Mr. Ashok K. Ganju, Director (Finance) | -- from 12.09.2011 onwards |
| 6. Mr. R. S. Sharma
Part- time (non- official) Director | -- from 11.06.2012 onwards |
| 7. Mr. V. P. Dudeja, ED (Works)/
Railway Board, Part- time (official) Director | -- from 28.06.2013 onwards |
| 8. Mr. K. K. Aggarwal, ED (W&P)
/Railway Board, Part-time (official) Director | -- from 22.01.2014 onwards |

Mr. V. P. Dudeja, ED (Works), Ministry of Railways was appointed as (part-time) (official) Director on the Board of RVNL w.e.f. 28.06.2013. Mr. K. K. Aggarwal, ED (W&P), has been nominated as (part-time) (official) Director by Ministry of Railways w.e.f. 22.01.2014.

Mr. Pradeep Kumar, Advisor (Projects), Ministry of Railways ceased to be part-time official Director on the Board of RVNL due to his transfer from the post of Advisor (Projects), Ministry of Railways.

Dr. K. K. Chaudhary completed his tenure of 3 years as Independent Director on the Board of RVNL on 14.12.2013.

Prof. (Dr.) S. S. Chatterji completed his tenure of 3 years as Independent Director on the Board of RVNL on 12.05.2014.

The Directors would like to express their gratitude to all their predecessors for their invaluable contribution.

On the date of report, the strength of the Company is eight Directors comprising of five functional directors including Chairman and Managing Director, two part-time official and one (part-time) (non official) Directors.

Annexure "A"

15. AUDITORS

The Comptroller & Auditor General of India has appointed M/s Kumar Chopra & Associates Chartered Accountants as Statutory Auditors of the Company for the year ended 31st March, 2014. The Board would like to thank them for their valuable support and guidance during the audit of accounts under review.

16. COMMENTS OF COMPTROLLER & AUDITOR GENERAL (C&AG) OF INDIA

The Comptroller & Auditor General of India has undertaken supplementary audit on the accounts of the Company for the year ended 31st March, 2014 under Section 619(4) of the Companies Act, 1956. The comments of the C & AG on the Annual Accounts of the Company for the year ended 31st March, 2014 shall also form part of this report.

17. ACKNOWLEDGEMENTS

We take this opportunity to gratefully acknowledge the cooperation, guidance and support received

from Ministry of Railways (MoR), Ministry of Finance, Department of Public Enterprises, various banks, Asian Development Bank, the Zonal Railways, IRFC, RITES, IRCON, RLDA and our equity partners in Joint Venture SPVs for their continued interest and support to the Company. The Directors would like to express their thanks for the devotion, commitment and dedication of each and every employee of the Company due to which your Company could face the new challenges and opportunities and create a niche for itself as a major provider of Rail infrastructure in the country. The Directors also place on record their appreciation to the officials of Comptroller & Auditor General of India for their guidance during the year under review. Last but not the least, the Directors would like to express their deep appreciation and gratitude towards all their predecessors who have been associated with RVNL, for their invaluable contribution to the growth and development of the Company in attainment of the Company's aims and goals in all spheres.

For and on behalf of Board of Directors

Sd/-

(S. C. Agnihotri)

Chairman and Managing Director

New Delhi

Date: 15.07.2014

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENT:

Over the years Indian Railways have emerged as the world's fourth largest Rail freight carrier and largest passenger carrier. It runs 12,617 trains carrying over 23 million passengers and 3 million tonnes of freight per day. It is the backbone of India's transport infrastructure and the quality, capacity and the performance of Railways' infrastructure is of crucial importance for the nation. Experts have noted that the contribution of Indian Railways is around 1.2% of the GDP and that by 2020 it should reach about 3% to ensure sustainable economic development of the country.

However, Indian Railways is presently faced with a critical infrastructure deficit as the main traffic carrying routes are saturated. At the same time the road sector has developed significantly resulting in the steady increase in the share of traffic being moved by roads at the cost of the Railways whose share has reduced to less than 30%. Alarming, this is also true for the traditional bulk cargo of Railways such as coal, cement, steel etc. On a wider perspective, reduction in traffic share is not in the national interest as the Railways are the most energy efficient and environment friendly mode of transport on land.

Due to serious bottlenecks on saturated lines, the Railways are also not in a position to meet the demand for additional passenger and freight traffic. At the same time there is a need to provide Rail connectivity to emerging ports, new mines, power plants etc. The situation has been further compounded due to limited budgetary support in the past leading to inadequate funding of important infrastructure enhancing Rail projects. To ensure that the Railways continue to play a vital role in the economic development of the country, it will have

to focus on creation of additional capacity and provide vital links to new economic hubs.

The present scenario of a severe resource crunch and the need for capacity augmentation is in fact similar to that faced by the Railways in 2002. At that time Prime Minister of India launched a non-budgetary investment initiative for the creation and augmentation of capacity of Rail infrastructure called National Rail Vikas Yojana (NRVY). RVNL was, in fact, created in this background with the specific mandate for fast track implementation of projects and raising of extra budgetary resources.

Over the years, RVNL has successfully established its credentials for fast track delivery of Railway infrastructure projects. Initially RVNL had started with the execution of doubling, gauge conversion, new lines and Railway electrification projects. Having established itself in the area of project execution, the Company has now diversified and is executing projects of varied types including construction of Metro lines and workshops. RVNL has also been assigned the technically challenging Rishikesh Karanprayag new line in Himalayas for execution. The alignment has now been finalised after detailed geo-technical and other studies. Recently another challenging project in Himachal Pradesh, namely Bhanupalli- Bilaspur new line, has also been assigned to RVNL for execution. RVNL is also emerging as a major provider in increasing the Railway Electrification network.

RVNL has also recognised the vast potential for building a High Speed Rail Network in the country and with the approval of President of India has formed High Speed Rail Corporation of India Ltd., as its subsidiary. This initiative will ensure that RVNL will have a significant role to play in the delivery of high speed Rail

infrastructure in the country while HSRC will plan for operating the system in partnership with global service providers on PPP basis. A suitable financial model for implementing HSR projects will have to be formulated accordingly.

RVNL has been given a mandate for resource mobilization through extra budgetary resources. Accordingly, it has played a significant role in the raising of funds for project implementation through the SPV route. RVNL has established five SPVs, which have generated substantial revenues with only a limited contribution of equity by Indian Railways. To augment resources, fresh avenues of further investment from critical stakeholders as well as funding agencies will have to be explored. In this regard the Ministry of Railways announced a new policy for Private Participation in Rail infrastructure which addresses the specific concerns of prospective partners such as ports, mines, industry and private investors. However, presently the company's role in raising EBR from market borrowings has been limited to projects financed by IRFC (as decided by Railway Board).

It is in this background that RVNL is poised to play an even more significant role in the ramping of Rail infrastructure in the country. While the company has streamlined its tendering and project management processes, the major challenge that RVNL will face in the coming years is to reduce its dependence on allocation of funds in the Railway budget and to find innovative methods to raise extra budgetary resources for implementation of Rail related projects in the country.

RAIL VIKAS NIGAM LIMITED (RVNL) – ASYNOPSIS

Rail Vikas Nigam Limited, a Public Sector Undertaking of Ministry of Railways, was created in 2003 under the National Rail Vikas Yojana

(NRVY) to implement capacity augmenting Railway projects viz. gauge conversion, new line, doubling or third line through budgetary and non-budgetary resources to remove bottlenecks on the Indian Railways network, and to facilitate port connectivity and multimodal corridors to the hinterland on a fast track basis. With the assignment of metro works in Kolkata and construction of workshop projects, RVNL is emerging as a major provider of Rail infrastructure projects in fast track mode.

Working on turnkey basis, RVNL undertakes project development and implementation and has been mandated to undertake resource mobilization directly or by creation of project specific SPVs or any other financing structure, appropriate for various kind of projects. RVNL is supporting Ministry of Railways in strengthening the policy and regulatory framework of PPPs in the Railway Sector.

STRENGTHS/WEAKNESSES/OPPORTUNITIES /THREATS

Strengths

- RVNL has successfully mobilized funds for the construction of new lines by creating project specific SPVs with strategic stakeholders. Its large capital base can be leveraged to raise more funds as per its original mandate.
- MoR has delegated the authority to RVNL for sanctioning of estimates and awarding contracts without any financial limits enabling RVNL to implement projects faster.
- As RVNL can award large value contracts, it has been able to attract the best infrastructure companies in India.
- It has developed expertise in undertaking all stages of project development - from concept to commissioning.
- RVNL has successfully mobilized funds for

the construction of new lines by creating project specific SPVs with strategic stakeholders. Its large capital base can be leveraged to raise more funds as per its original mandate.

- RVNL has developed the requisite skills and experience to follow ADB procedures and ensure Resettlement and Rehabilitation of Project Affected Persons to implement socio-economic safeguards.
- It has introduced large - scale mechanization in all aspects of construction to achieve high quality output.
- It has refined its tendering processes and introduced innovative concepts like multi-package tenders resulting in faster decision making and savings in overall costs
- It has a sound and robust financial management system, allowing for effective monitoring and control of expenditure
- It is a lean organisation with qualified, expert, technical manpower base.

Weaknesses

- RVNL is largely dependent on the Ministry of Railways for funding of projects which may prove detrimental for the future growth of the Company and for timely implementation of the projects.
- RVNL has not been notified as a Zonal Railway and accordingly does not have the authority to approve drawings, designs etc.
- The progress of projects often gets impaired on account of delays in securing the necessary approvals from the Zonal Railways.
- There are changes in approved plans by the Railways during execution of projects which causes delays.
- RVNL has to depend on Railways for granting

of traffic blocks for execution of projects which may delay the project.

- RVNL does not have the freedom to plan execution of projects and has to follow priorities set by Railways.
- RVNL is dependent on MoR for approval of the projects to be taken up through SPV route along with terms of concession agreement.
- A large percentage of RVNL's skilled manpower is on deputation from Indian Railways. In case the terms of deputation that includes provision for retaining Railways accommodation becomes adverse, a number of deputationists may seek repatriation.

Opportunities

- RVNL can play a significant role in raising extra-budgetary resources for project execution as this is a specific mandate of the company and has experience of implementation of projects in PPP mode.
- With the work of implementation of Kolkata Metro projects, RVNL has developed expertise for implementation of metro projects in other cities across the country.
- RVNL has successfully constructed major workshops for Indian Railways in fast track mode. RVNL can thus undertake implementation of large buildings, factories, townships etc. for other agencies as well.
- With RVNL's growth as a major provider of a variety of Rail infrastructure, there is an opportunity of securing Rail infrastructure projects overseas.
- RVNL is implementing Rishikesh – Karanprayag project in the Himalayan region and can also take up more such projects in hilly terrain.
- RVNL has formed a subsidiary company for

the development and implementation of High Speed Rail projects - High Speed Rail Corporation of India Ltd. which can provide opportunities for:

- (i) Implementation of High Speed Corridors in the country
- (ii) Upgradation of some routes for semi high speed operation as planned by MoR
- (iii) Providing Inter city high speed train connectivity such as Bangaluru-Mysore (130 km), Ahmedabad-Dholera (125 km)

Threats

- The shortage of technical manpower, with requisite experience in the Rail sector, is a major constraint in the delivery of projects.
- At present, RVNL is largely dependent on deputationists from Indian Railways. Any adverse policy decision may result in Railway officers not being available for deputation.
- Land acquisition issues require to be resolved expeditiously so that the progress of projects is not hampered.
- Delays in clearances for project execution such as tree-cutting, removal of utilities from the construction of viaducts for metro Rail projects etc.
- A number of projects are being executed along existing running lines, which makes safety a serious challenge.
- Projects are adversely affected due to poor law and order conditions such as those in Left Wing Extremists affected districts.

INDUSTRIAL RELATIONS

Industrial Relations remained harmonious and cordial.

Strategies

The Company is taking measures for

ensuring cost control and timely delivery of projects, without any compromise on quality for the execution and delivery of Rail infrastructure projects on a fast track basis. RVNL can play a significant role in Ministry of Railways efforts of raising extra-budgetary resources for project implementation, especially through the SPV route. Innovative models for project financing will also have to be explored. RVNL has also requested Ministry of Railways that it may be permitted to leverage its equity base to raise funds from the market as per its mandate.

RVNL has created a permanent cadre through absorption to provide institutional continuity and to reduce the dependence on seeking officers and staff on deputation from Railways. Most of the workforce consists of qualified technical staff with experience in Railways and/or its PSUs. Wherever required, RVNL has also recruited specialists to provide expert guidance in its project implementation.

A comprehensive and appropriate training programme is being implemented to develop competent, suitably skilled and qualified manpower. Efforts are also being made to transfer skills and best practices from other infrastructure sectors and acquiring skills related to execution of Railway projects.

THE MISSION, VISION AND OBJECTIVES OF THE COMPANY AS PER THE MOU ARE MENTIONED BELOW:

Mission

To create state of the art Rail transport infrastructure to meet the growing demand.

Vision

To emerge as the most efficient provider of Rail infrastructure, with a sound financial base and global construction practices, for timely completion of projects.

Objectives

- To undertake and execute successfully project development, financing and implementation of projects relating to infrastructure, especially Rail infrastructure
- To mobilize financial and human resources for project implementation;
- Timely execution of projects with least cost escalation;
- To maintain a cost effective organizational set up;
- To encourage public private participation in Rail related projects managed by RVNL;
- To be an infrastructure Project Execution Company committed to sustainable development and environment friendly construction practices of Rail related projects in the country;
- To acquire, purchase, license, concession or assign Rail infrastructure assets including contractual rights and obligation with the approval of MoR whenever required.

Outlook

As per the MoU between RVNL and Ministry of Railways for the year 2014-15, RVNL is committed to achieve 200 km of Doubling/third line and 180 km of Railway Electrification during the year.

Concerns

The main concern being faced by RVNL in the implementation of projects is the availability of adequate funds from Ministry of Railways as the requirement of funds projected for 2014-15 would be higher for achieving the MoU turnover target of ₹2500 Crores. Insufficient funds, delays in land acquisition, finalization of plans by users, timely clearance of permissions from other government departments (mainly Ministry of Environment and Forests) and law and order problems and

necessary support from Ministry of Railways are main concern areas in project execution.

Internal Control Systems

Effective internal control systems have been put in place for monitoring the implementation of projects including periodic reviews of the physical and financial progress, evaluation of efficiency of cost control measures based on inputs of both the Technical and Finance Departments

Reviews of the progress and nature of expenditure is regularly conducted by the Finance and Accounts Department and reports thereon are submitted to Management. Budgetary reviews are also conducted. A system of internal audit by an external firm ensures the efficacy of control systems and also submission of comments on the appropriateness of incurrence of expenditure and their accountability by the Company. The reports of the internal auditor are periodically reviewed by Audit Committee of the Board of Directors and implementation of recommendations are monitored. The Annual Accounts of the Company are also subject to scrutiny by the Statutory Auditor appointed by C&AG and Audit by C&AG.

Human Resource Development And Industrial Relations

Rail Vikas Nigam Limited endeavors at enhancing the capabilities of the organization in acquiring, developing, motivating and retaining its human resources in an environment in which team work and cooperation among employees contributes to the growth and well being of individual employees as well as the organization as a whole. Emphasis is laid on employees maintaining work life balance.

To strengthen its position, the Company has formed a nucleus of its own permanent cadre through an Absorption Policy along with a

Recruitment & Promotion Policy as approved by the Board of Directors of RVNL.

Cautionary Statement

Statements in the Management Discussion and Analysis Report describing the Company's strengths, strategies, projection and estimates are forward looking statements and progressive

within the meaning of applicable laws and regulations. Actual results may vary from those expressed or implied, depending upon economic conditions, government policies and other incidental factors. Readers are cautioned and not to place undue reliance on the forward looking statements.

REPORT ON CORPORATE GOVERNANCE

1) The Company's Corporate Governance Philosophy

At RVNL, Corporate Governance is not solely restricted to regulatory or structural remedies. At your Company, it is a culture, which is based on trusteeship, transparency, empowerment, accountability and corporate ethics.

Your Company has always shown commitment towards its Code of Corporate Governance, which is, "To act in accordance with the highest standards of professional integrity, honesty, ethical conduct and to be proficient, professional and profitable by upholding and promoting transparency and accountability."

RVNL has taken initiatives to strengthen the Corporate Governance framework internally by implementing policies viz., Code of Conduct for Board members and Senior Management and Whistle Blower Policy. To attain the set goals and targets, your Company has been guided by the following key values:

- Zeal to attain excellence in performance;
- To act as a team;
- Honesty and justice in dealings;
- Firm obedience to commitments undertaken;
- Timely completion of work;
- Respect for dignity and potential of individuals;
- Devotion and pride towards RVNL.

2) Board of Directors

The Board lays down the Company's policies and procedures and oversees their implementation to ensure attainment of the objectives of the Company. The Board of Directors consists of experienced professionals who constantly endeavour to set goals to align with the

Company's Mission, (i.e. "To create state of the art Rail transport infrastructure to meet the growing demand") and Vision, (i.e. "To emerge as the most efficient provider of Rail infrastructure, with a sound financial base and global construction practices, for timely completion of projects.")

Your Company, being a Government Company, as defined under the Companies Act, 1956, appointment/ nomination of all the Directors is done by President of India through Ministry of Railways. The Articles of Association of your Company provides that the strength of the Board shall not be less than three (3) Directors and not more than twelve (12). These Directors may be either whole-time Directors or part-time Directors.

Composition of the Board:

The present strength of the Board of RVNL comprises of eight (8) Directors. The composition of the Board includes five (5) whole-time Directors including Chairman and Managing Director, two (2) Government Nominees (on behalf of Ministry of Railways) as (part-time) (official) Director, and one (1) part-time (non-official) (Independent) Directors.

The age limit of Chairman and Managing Director and other whole-time Directors is 60 years.

The Chairman and Managing Director and other whole-time Directors are appointed for a period of five years from the date of taking over of charge or till the date of superannuation of the incumbent or till further orders from the Government of India, whichever event occurs earlier.

Government Nominee Directors representing the Ministry of Railways, Government of India, retire from the Board at the discretion of the nominating authority or on their ceasing to be officials of the Ministry of Railways.

Independent Directors are appointed by the Government of India, usually for a tenure of 3 years. The composition of the Board of RVNL during the year, along with Directorships and memberships/ chairmanships in the Committees held by them is reproduced in the table below:

Directors on the Board of RVNL

Sl. No.	Category of Directors	Name of Directors	Number of Directorships/ Chairmanships in public limited companies excluding RVNL *	Total No. of Committee Memberships/ Chairmanships in public limited companies including RVNL#	
				As Chairman	As Member
(a)	Whole-time Directors				
(1)	Chairman and Managing Director	Mr. S.C. Agnihotri	1 {Chairman - HSRCL}	Nil	Nil
(2)	Director (Finance)	Mr. Ashok K. Ganju	1 {Chairman - HSRCL}	Nil	Nil
(3)	Director (Operations)	Mr. Mukul Jain	1 {Chairman - HSRCL}	Nil	Nil
(4)	Director (Personnel)	Ms. Gita Mishra	Nil	Nil	Nil
(5)	Director (Projects)	Mr. Vijay Anand	1 {Chairman - HSRCL}	Nil	Nil
(b)	Part-time (official) Directors				
(6)	Adviser (Projects)/ Railway Board (upto 31.12.2013)	Mr. Pradeep Kumar	1 {Director- CMRL}	Nil	Nil
(7)	Executive Director (Works) Railway Board (From 28.06.2013)	Mr. V. P. Dudeja	3 {Director-Pipavav Rly. Co. Ltd.}{Director-Rail Infra. Structure} {Director-Kutch Railway Co. Ltd.}	Nil	1
(8)	Executive Director (W&P) Railway Board (From 22.01.2014)	Mr. K. K. Aggarwal	3 {Director-BMRCL} {Director-KMRCL} {Director-MRVCL}	Nil	Nil
(9)	(Part-time) (non-official) (Independent) Directors	Dr. K.K. Chaudhuri (upto 14.12.2013)	2 { Director- Manaksia Limited and Sharda Plywood Industries Limited}	1	3
(10)		Prof. (Dr.) S. S. Chatterji (upto 12.5.2014)	1 { Director - IRCON}	Nil	2
(11)		Mr. R.S. Sharma	4 {Director -DFCCIL } {Director-SAIL} {Director-Hinduja Leyland Fin. Ltd.} {Director-Jubilant Energy}	Nil	3

* Does not include Directorships of Foreign Companies, Section 25 Companies and Private Limited Companies.

Membership/Chairmanship in the Audit Committee and Shareholders' Grievance Committee have been considered for counting the number, as prescribed under DPE's Guidelines on Corporate Governance, 2010.

Notes:

- The term "whole time" indicates functional / executive Directors (in the whole time employment of the Company)
- The term "part-time official" indicates the Directors nominated by Government (Ministry of Railways) on the Board of RVNL who are officials of the Ministry of Railways.
- The term "part-time non-official" indicates the Directors who are Independent and do not hold any office in the Government.
- The number of directorships held by Directors of the Company is within the limit stipulated under Companies Act, 1956.
- The Directorships and Memberships/ Chairmanships are based on the latest disclosure received.
- Directors are not per se related to each other and do not have any pecuniary relationship or transaction with the Company.
- None of the Directors are member of more than 10 committees or Chairman of more than 5 committees as laid down in DPE's guidelines on Corporate Governance of May, 2010.
- Full names of the referred companies:
 - HSRC – High Speed Rail Corporation of India Limited;
 - BMRC – Bangalore Metro Rail Corporation Limited,
 - KMRC - Kolkata Metro Rail Corporation Limited
 - MRVCL- Mumbai Rail Vikas Corporation Limited
 - CMRL - Chennai Metro Rail Limited;
 - DFCCIL- Dedicated Freight Corridor Corporation of India Limited
 - SAIL - Steel Authority of India Limited

3) BOARD MEETINGS, COMMITTEE MEETINGS AND PROCEDURES

a. Scheduling and selection of agenda for Board/Committee meetings

- The meetings are convened by giving appropriate advance notice after obtaining the approval of the Chairman of the Board/ Committee. Detailed agenda notes, along with other explanatory statements, are circulated in advance among the members for focused discussion and effective decision- making during the meeting. When urgent issues need to be addressed, meetings are called at shorter notice or resolutions are passed by circulation, which are put up in the next meeting of the Board of Directors for information.
- Wherever it is not practical to attach a document to the agenda item, being confidential in nature, the same is tabled at the meeting with approval of Chairman of the Board/Committee
- In special and exceptional circumstances, additional or supplementary items are placed on table during the meeting
- The agenda papers are prepared by the concerned officials, sponsored by the concerned Functional Director and approved by the Chairman and Managing Director.
- Duly approved Agenda papers are circulated amongst the members of the Board / Committee by the Company Secretary or the convener of the Committee.
- The meetings are usually held at the Company's registered office.
- The members of the Board have complete access to all information of the Company. The Board is also, free to recommend any issue that it may consider important for inclusion in the agenda.

- Presentations are made to the Board/ Committee covering Finance, Operations, Human Resources, Joint Venture operations, whenever required.

b. Recording of minutes of the Board/ Committee meeting

Minutes of the proceedings of each Board/ Committee meetings are duly recorded. Draft minutes are circulated amongst all members of the Board/ Committee for their suggestions and comments. The comments received by the members are incorporated in the minutes, which are finally approved by the Chairman of the Board/Committee. The finalized minutes are entered in the Minutes Book. The minutes of the Board meeting are confirmed in the next meeting. Minutes of the meetings of the committees are included in the agenda of the Board meeting for information of the Directors.

c. Compliance of laws

RVNL endeavours that all provisions of laws, rules and guidelines applicable to it are complied with. To ensure the same, a duly

signed Statutory Compliance Certificate is obtained from all the Departments at Corporate Office level and all the Project Implementing Units which is consolidated by Company Secretary and put up to Board of Directors with the signature of Chairman and Managing Director on an annual basis.

d. Number of Board meetings

As per the guidelines on Corporate Governance released by Department of Public Enterprises in 2010, the Board meetings of RVNL are held within an interval of not more than 3 months.

During 1st April, 2013 to 31st March, 2014, the Company held six Board meetings to transact business with one meeting in the quarter ending June 2013, two meetings in quarter ending September 2013, two meetings in quarter ending December 2013 and one meeting in quarter ending March 2014.

In all cases of absence of a Director, Leave of Absence was granted under clause (g) of sub-section (1) of section 283 of the Companies Act, 1956.

Details of the dates of the meetings of Board of Directors of RVNL for the year under review are mentioned below:

60 th meeting of Board of Directors	16 th April, 2013
61 st meeting of Board of Directors	3 rd July, 2013
62 nd meeting of Board of Directors	18 th September, 2013
63 rd meeting of Board of Directors	26 th November, 2013
64 th meeting of Board of Directors	12 th December, 2013
65 th meeting of Board of Directors	10 th March, 2014

e. Attendance in Board meetings and last AGM

The details of attendance of each Director in the Board meetings held during 2013-14 and in the last AGM are mentioned below:

Sl. No.	Name & Status of Directors	No. of Board meetings held		Last AGM attended
		Held (during their respective tenure)	Attended	
1.	Mr. S.C. Agnihotri , Chairman and Managing Director	6	6	Yes
2.	Mr. Pradeep Kumar, Advisor (Projects), Railway Board/ Director (official) (upto 31.12.2013)	5	5	Yes
3.	Mr. Ved Prakash Dudeja, ED (Works), Railway Board/ Director (official) (from 28.06.2013 onwards)	5	1	Yes
4.	Mr. K.K. Aggarwal, ED (W&P), Railway Board/ Director (official) (from 22.01.2014 onwards)	1	1	No
5.	Ms. Gita Mishra, Director (Personnel)	6	5	Yes
6.	Mr. Ashok K. Ganju, Director (Finance)	6	6	Yes
7.	Mr. Mukul Jain, Director (Operations)	6	6	Yes
8.	Mr. Vijay Anand, Director (Projects)	6	6	Yes
9.	Dr. K.K. Chaudhuri, Part-time (non-official) Director (upto 14.12.2013)	5	5	Yes
10.	Prof. (Dr)S.S. Chatterji Part-time (non-official) Director (upto 12.05.2014)	6	6	Yes
11.	Mr. R. S. Sharma Part-time (non-official) Director	6	5	Yes

f. Disclosures by Directors

As per the disclosures made by Directors under section 299 of Companies Act, 1956, no relationship exists between the directors inter-se. The Government Nominee Directors are officials of Ministry of Railways and thus related to the promoter.

Since, the entire paid-up share capital of RVNL is being held by Central Government (Ministry of Railways), section 255 to 257 of

the Companies Act, 1956, which require not less than 2/3rd of the Directors as persons whose office is liable to determination by retirement of directors by rotation at a general meeting, are exempted to the Company vide Notification no. GSR. 906, dated 30-07-1981 of Department of Company Affairs.

The Company has not issued any prospectus or Letter of Offer.

b. Brief resume of Directors appointed during /after the closure of the financial year

Mr. V. P. Dudeja, ED (Works), Railway Board as (part-time) (official) Director w.e.f. 28.06.2013

Mr. V. P. Dudeja, an IRSE officer and Post Graduate in Structures (Civil Engg.) with 26 years diversified professional experience in Indian Railways and Corporate environment. He has executed a large number of Railway Construction projects of New Lines, Gauge Conversion, Doubling and Delhi Metro. He is presently monitoring all Railway construction projects of Indian Railways.

Mr. K.K. Aggarwal, ED (W&P), Railway Board as (part-time) (official) Director w.e.f. 22.01.2014

Mr. K. K. Aggarwal, IRSE officer of 1986 batch, is presently working in Ministry of Railways as Executive Director, Works Planning in Ministry of Railways wherein he is handling the issues related to Suburban Transport, Traffic Facilities and Metro Rail Projects. He is B.Tech (Civil) from I.I.T./Roorkee and M.Tech from I.I.T/ Delhi. During his 25 years of career in Railways, he has served in various capacities including Sr DEN/ Moradabad, Dy Chief Engineer/ Construction/ Chandigarh and Director/ Public Sector Units in Ministry of Railways. He has also served as Chief Project Manager/ Delhi in Rail Vikas Nigam Limited from 2007 to 2012. In this capacity, he has completed the work of commissioning of 3rd Line in Aligarh- Ghaziabad and Palwal- Bhuteshwar section of Indian Railways.

He has participated in various trainings in India and abroad and has represented Indian Railways as a part of some delegations abroad.

4) COMMITTEES OF BOARD:

The Company has formed the following committees of Board of Directors of RVNL:

- (i) Audit Committee;
- (ii) Remuneration Committee;
- (iii) Investment Committee;
- (iv) CSR & Sustainability Development Committee;
- (v) Research & Development Committee;

(i) AUDIT COMMITTEE

(a) Scope of the Committee :

The Committee acts in accordance with the Terms of Reference as per Section 292A of Companies Act, 1956 and Guidelines of Corporate Governance laid down by Department of Public Enterprises in May, 2010. The scope of the Committee is:

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956;
 - Changes, if any, in accounting policies and practices and reasons for the same;

- Major accounting entries involving estimates based on the exercise of judgment by management;
- Significant adjustments made in the financial statements arising out of audit findings;
- Compliance with legal requirements relating to financial statements;
- Disclosure of any related party transactions; and
- Qualifications in the draft audit report.

- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- Reviewing, with the management, performance of internal auditors and adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- Discussion with internal auditors and/or auditors any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the internal auditors/ auditors/ agencies into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of

non-payment of declared dividends) and creditors.

- To review the functioning of the Whistle Blower Mechanism.
- To review the follow up action on the audit observations of the C&AG audit.
- To review the follow up action taken on the recommendations of Committee on Public Undertaking (COPU) of the Parliament.
- Provide an open avenue of communication between the statutory auditor, internal auditor and the Board of Directors.
- Review all related party transactions in the company. For this purpose, the Audit Committee may designate a member who shall be responsible for reviewing related party transactions.
- Review with the statutory auditor the co-ordination of audit efforts to assure completeness of coverage, reduction of redundant efforts, and the effective use of all audit resources.
- Consider and review the following with the Statutory auditor and the management:
 - The adequacy of internal controls including computerized information system controls and security, and
 - Related findings and recommendations of the Statutory Auditor and Internal Auditor, together with the management response.
- Consider and review the following with the management, internal auditors and the Statutory auditor:
 - Significant findings during the year, including the status of previous audit recommendations
 - Any difficulties encountered during audit work including any restrictions on the activities or access to required information.

- Carrying out functions pursuant to provisions of section 292A of the Companies Act.

As on 31st March 2014, the Committee had the following composition:

Name of the Director	Status
Dr. S.S. Chatterji, Part-time non-official (Independent) Director	Chairman
Mr. R.S. Sharma, Part-time non-official (Independent) Director	Member
Mr. Mukul Jain, Director (Operations)/ RVNL	Member
Mr. V.P. Dudeja, ED (Works), Railway Board	Member

(b) Composition of the Committee

The Company has in place an Audit Committee of the Board of Directors pursuant to Section 292A of the Companies Act, 1956 and the Guidelines on Corporate Governance issued by the Department of Public Enterprises in May, 2010. The Committee is reconstituted as and when there has been change in the Independent or part time Directors of the Company.

Director (Finance) is a permanent invitee for the meetings of the Audit Committee.

The meetings are also attended by senior officials of F&A Department, head/ representative of the Internal Auditor and Statutory Auditors as Special Invitees.

(c) Meetings and Attendance of the Committee:

In accordance with the guidelines released by Department of Public Enterprises on Corporate Governance, the meetings of Audit Committee were held in an interval of not more than four months. The Committee met four times during the financial year 2013-14, i.e. on 22nd May 2013, 3rd July 2013, 22nd October, 2013 and 17th February, 2014. The details of the attendance of each member are mentioned below:

Name of the Member with Status	Meetings held during their respective tenure	Attendance
Dr. K. K. Chaudhuri, Chairman (upto 14.12.2013)	3	3
Dr. S. S. Chatterji, Member	4	4
Mr. R. S. Sharma, Member	4	4
Mr. Mukul Jain, Member	1	1
Mr. V.P. Dudeja, Member	1	1

Company Secretary is the Secretary to the Committee.

REMUNERATION COMMITTEE

Scope of the Committee:

The Committee has been constituted pursuant to clause 5.1 of the guidelines on Corporate Governance issued by Department of Public Enterprises, to decide the annual bonus/PRP pay pool and policy for its distribution as per the recommendations of 2nd IDA Pay Revision Committee.

Composition of the Committee:

In accordance with the DPE's guidelines on Corporate Governance released in May 2010, the Committee was constituted with an Independent Director as Chairman.

Composition of the Committee for 2013-14 was as follows:

Name of the Director	Status
Dr. K.K. Chaudhuri, Part-time non-official (Independent) Director	Chairman
Dr. S.S. Chatterji, Part-time non-official (Independent) Director	Member
Mr. Mukul Jain, Director (Operations)/ RVNL	Member
Mr. Ashok K. Ganju, Director (Finance), RVNL (without right to vote)	Member

Mr. S. C. Agnihotri, Chairman and Managing Director and Ms. Gita Mishra, Director Personnel are permanent invitees for the meetings of the Committee.

Mr. Ajay Kumar, GGM (HR) is the Secretary to the Committee.

Meetings and Attendance during the year:

Two meetings of the Committee were held during the financial year 2013-14 and it was attended by all the members.

Details of remuneration paid to Directors of RVNL during 2013-14

- Part-time official (Government nominee) Directors

The part-time official (Government nominee) Directors on the Board of the Company do not draw any remuneration. They only draw regular remuneration from the Government of India (Ministry of Railways) as Government officials.

- Sitting fee to Part-time non-official independent Directors

The part-time non-official (Independent) Directors on the Board of the Company are paid a sitting fee of ₹12000/- for attending Board/Committee meeting.

S. No	Name of the Director	Sitting Fees		Total
		Board Meeting	Committee Meetings	
1.	Dr. K. K. Chaudhuri	60000	96000	156000
2.	Dr. S. S. Chatterji	72000	96000	168000
3.	Mr. R.S. Sharma	60000	120000	180000
	Total	192000	312000	504000

Remuneration of whole-time Directors for financial year 2013-14

S. No.	Name of Directors	Salary	Lease/Licence Fees)	Per-quisites	Performance Related Pay/ Ex-Gratia Payment *	Retirement Benefit (EPF or FSC)	Bonus/ Ex-gratia	Stock options	Total
1.	Sh. S.C.Agnihotri Chairman and Managing Director	2499280	750000	142227	4205820	240699	--	--	7838026
2.	Sh. Ashok K.Ganju Director(Finance)	2110494	600000	96003	2357987	209604	--	--	5374088
3.	Smt. Gita Mishra Director (Personnel)	2395305	100000	138279	2951190	564684	--	--	6149458
4.	Sh. Mukul Jain Director (Operations)	2275436	600000	130348	2809050	214327	--	--	6029161
5.	Sh. Vijay Anand Director (Projects)	2104950	--	105290	2710500	209052	--	--	5129792
	Total	1138546	52050000	612147	15034547	1438366	--	--	30520525

Notes:

1. Gratuity and other pensionary benefits of working Directors have not been included.
2. Payment on account of PRP to Sh. S.C.Agnihotri, Sh. Ashok K. Ganju, Smt. Gita Mishra, Sh. Mukul Jain and Sh. Vijay Anand pertains to Financial Year 2012-13.

INVESTMENT COMMITTEE

Scope of the Committee

In accordance with DPE guidelines, the Investment Committee of RVNL has been constituted to take investment decisions for short-term deployment of surplus funds as per financial delegation(s) of power for this purpose. The decision taken by the Committee is put up to the Board of Directors of RVNL regularly for information.

Composition of Committee

The Committee consists of Managing Director, Director Finance and Director (Operations). Ms. Meenu Dang, GM (F) is Member Secretary to the Committee.

Meetings and attendance of the Committee

The meetings of the committee are held generally on weekly basis or as and when required, and are attended by all the members.

COMMITTEE ON RESEARCH & DEVELOPMENT

Scope of the Committee

The Committee has been constituted by the Board of Directors of RVNL in accordance with the guidelines of Department of Public Enterprises (DPE) on 24.10.2011. The Committee has been constituted to monitor the progress of implementation of Research & Development and system improvement initiatives in RVNL.

Composition of Committee: The Committee has been formed with the following composition:

Name of the Director	Status
Mr. R. S. Sharma, Part-time non-official (Independent) Director	Chairman
Mr. Vijay Anand, Director Project	Member
Mrs. Gita Mishra, Director Personnel	Member
Mr. Ashok K Ganju, Director Finance	Member
Mr. Mukul Jain, Director (Operations)	Member

Mr. S.K. Dhiman, ED/Projects is Secretary to the Committee.

Meetings and attendance of the Committee

During the financial year 2013-14, the Committee had four meetings on 26.6.2013, 18.9.2013, 26.11.2013 and 25.3.2014. The details of attendance are mentioned below:

Name of the Member with Status	Meetings held during their respective tenure	Attendance
Mr. R. S. Sharma, Chairman	4	3
Mr. Vijay Anand, Director Project	4	4
Mrs. Gita Mishra, Director Personnel	4	4
Mr. Ashok K Ganju, Director Finance	4	3
Mr. Mukul Jain, Director (Operations)	4	4

Committee on CSR and Sustainability

As on date of report, the RVNL's Board level Committee on CSR and Sustainability has the following composition:

Name of the Director	Status
Dr. S. S. Chatterji, Independent Director	Chairman
Mrs Gita Mishra , Director (Personnel)	Member & Convener
Mr. Vijay Anand , Director Projects	Member
Mr. Ashok K Ganju Director Finance	Member

Shareholders' Grievance Committee

The Company has not constituted a Shareholders Grievance Committee as the entire-paid up share capital is held by Ministry of Railways and its nominees.

General Body Meetings

The details relating to date, time, venue and the Special Resolutions passed at the last three Annual

General Meetings of the Company are placed below:

Year	AGM	Date	Time	Venue	Special Resolution passed
2012-13	10th	18.09.2013	1200 hrs	Committee Room, Rail Bhawan	No
2011-12	9th	21.09.2012	1600 hrs.	Committee Room, Rail Bhawan	No
2010-11	8th	16.09.2011	1200 hrs.	Committee Room, Rail Bhawan	Yes. A special resolution was passed for alteration of Articles of Association of RVNL under section 31 of Companies Act to reflect the increase in sitting fee to part-time (non-official) Independent Directors of RVNL.

Annual General Meeting of current year

Date : 10th September, 2014

Time : 1600 hrs

Venue : Committee Room, Rail Bhawan,
New Delhi-110001.

SUBSIDIARY COMPANY

High Speed Rail Corporation of India Limited is a 100% wholly owned subsidiary company of RVNL. Chapter 6 of the guidelines issued by Department of Public Enterprises in May 2010 on Corporate Governance cover only those subsidiaries, whose turnover or net worth is not less than 20% of the turnover/net worth of the Holding Company. Since, the turnover/net worth of HSRCIL did not exceed 20% of the turnover or net worth of RVNL (Holding company) during 2013-14, HSRCIL is not a 'subsidiary' under the above-mentioned DPE's guidelines. Therefore, provisions relating to subsidiary companies are not applicable to RVNL. However, the minutes of the Board meetings of HSRCIL, subsidiary of RVNL are invariably placed before the Board of Directors of RVNL.

DISCLOSURES

- The Company has not entered into any

significant related party transactions with the Directors or their relatives (Disclosure made by Directors individually pursuant to section 299 of Companies Act) having potential interest with the Company at large.

- The Company has not been imposed a penalty by any statutory authority owing to non-compliance under any law, during the last three years.
- The Company has complied with the guidelines on Corporate Governance issued by Department of Public Enterprises (DPE) released in May 2010. RVNL has been including a Report on Corporate Governance and Management Discussion and Analysis Report in its Directors Report since 2007-08. The compliance to these Guidelines was also reflected in the Chairman's speech delivered at the last Annual General Meeting of the Company held on 18.9.2013.
- The Company has not received any Presidential directive during the financial year 2013-14.
- All items of expenditure debited in the Books

of Accounts of RVNL are for the purpose of project execution entrusted to RVNL and are related to project expenditure.

- There are no personal expenses incurred for the Board of Directors except which are as per terms of appointment as contractual obligations.
- Details of Administrative and office expenses as a percentage of total expenses vis-à-vis financial expenses – During the year, Ministry of Railways has rationalised the revenue stream of RVNL. The principles of allocation of administrative expenses in RVNL are approved by the Audit Committee. The percentage of administrative expenses to total expenses was 3.48 in 2013-14.
- Your Company has filed the report on Corporate Governance with the Ministry of Railways and Department of Public Enterprises within the stipulated time.
- The Company has set up a Risk Management Committee under the chairmanship of a Functional Director. The Committee meets on a quarterly basis and the recommendations of the Committee are put up to Board of Directors at regular intervals.

CEO/CFO CERTIFICATION

The certificate duly signed by Mr. S.C. Agnihotri, Chairman and Managing Director {CEO} and Mr. Ashok K. Ganju, Director (Finance) {CFO}, as presented to Board of Directors, is annexed as "Annexure B-1" to the report.

CODE OF BUSINESS CONDUCT AND ETHICS

The Code of Business Conduct and Ethics as prepared in accordance with the guidelines on Corporate Governance released by Department of Public Enterprises is posted on the website of the Company, www.rvnl.org.

The Compliance of the Code of Conduct has been affirmed on the basis of confirmation received from all the Board members and senior management personnel for the financial year 2013-14. A declaration to this effect, duly signed by the Chairman and Managing Director is placed at "Annexure B-2" and forms part of this report.

RATING ON CORPORATE GOVERNANCE BY DEPARTMENT OF PUBLIC ENTERPRISES

Department of Public Enterprises has rated RVNL as "Excellent" under the category of Corporate Governance during 2012-13. On the basis of self evaluation of achievement of sector specific targets in the MoU, it is expected that RVNL will achieve an "Excellent" rating for 2013-14 also.

MEANS OF COMMUNICATION

The audited annual financial results and Annual Report are displayed on RVNL's website, www.rvnl.org. Tenders of various departments, details of tenders/contracts awarded, physical and financial Plan of RVNL along with other official news releases are also uploaded on the website of RVNL.

The policies and plans framed under Corporate Governance, viz., Code of Business Conduct and Whistle Blower Policy are placed on the Company's website. The information uploaded on the website of RVNL is updated from time to time according to the information provided. A Hindi Version of the website is also available.

SHAREHOLDERS' INFORMATION

- The Company's Financial Year is from 1st April to 31st March.
- Payment of Dividend: Dividend when declared is paid within 5 days of declaration.
- Distribution of shareholding

Category	No. of Shares held	% of shareholding
Central Government (Ministry of Railways) in the name of President of India and its nominees	2085020100	100
Total	2085020100	100

Transfer of shares is normally technical in nature from one Government nominee shareholder to another upon change in incumbency, as the entire paid-up share capital of the Company is held by Government of India (Ministry of Railways). To affect the transfer, Company Secretary has been authorized and no transfer is pending.

4. Plant locations/Operating units

RVNL does not have plant locations or operating units but has its Project Implementing Units in more than fifteen states across the Country. A list of the units has been mentioned in the Report.

5. Information to Shareholders

Apart from the Annual Reports which are sent to shareholders before the Annual General Meeting, the periodical information(s) on the physical and financial progress of the Company are regularly submitted to Ministry of Railways, the sole shareholder of RVNL.

6. Audit Qualifications

The Company has been putting all efforts towards ensuring a regime of unqualified financial statements and there have been no significant qualifications.

7. Training of Board Members

In this regard, pursuant to clause 3.7 of the guidelines released by Department of Public Enterprises on Corporate Governance, the

Company has framed a Training Policy for Board of Directors of RVNL, duly approved by the Board of Directors. The Policy is also posted on the Company's website, www.rvnl.org.

RVNL also takes initiatives to train its Board members about RVNL's profile, business parameters, etc. All the relevant issues and significant developments related to the working of RVNL are imparted to part-time Directors {(official) and (non-official), as the case may be} by the management of RVNL from time to time. The documents related to the Company including Annual Reports, Memorandum and Articles of Association, MoU between RVNL and Ministry of Railways etc are provided to them as per the requirement.

Director(s) are nominated on training programmes organized by DPE & SCOPE from time to time.

8. Whistle Blower Policy

RVNL, being a Government Company under Ministry of Railways, is covered by the Chief Vigilance Commission (CVC) and as per CVC guidelines, a mechanism is established for all its employees and clients to report on any unethical behaviour, actual or suspected fraud to the CVO or the Chairman and Managing Director directly. However, to encourage best Corporate Governance practices within the Company, a Whistle-

blower Policy of RVNL has been prepared and after approval of the Board of Directors, is placed on the Company's website, www.rvnl.org.

No employee has been denied access to the Audit Committee of the Board of Directors.

COMPLIANCE CERTIFICATE

A Certificate obtained from a Practicing Company Secretary regarding compliance of the conditions of Corporate Governance in accordance with the guidelines issued by Department of Public Enterprises has been included as "[Annexure B-3](#)" to the Report.

Annexure "B-1"

DECLARATION BY CHAIRMAN AND MANAGING DIRECTOR REGARDING COMPLIANCE WITH THE CODE OF CONDUCT BY BOARD MEMBERS AND SENIOR MANAGEMENT FOR THE FINANCIAL YEAR 2013-14

I, S.C. Agnihotri, Chairman and Managing Director, Rail Vikas Nigam Limited, do hereby declare that all the members of the Board of Directors and the Senior Management team of the Company have affirmed their compliance with the Code of Conduct and key values of the Company during 2013-14.

Place: New Delhi

Date: 18.06.2014

Sd/-
(S.C.Agnihotri)
Chairman and Managing Director

Annexure "B-2"

CHAIRMAN AND MANAGING DIRECTOR AND FINANCE HEAD CERTIFICATION

We have reviewed financial statements and the cash flow statement for the financial year 2013-14 and to the best of our knowledge and belief:

- i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- iii) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are illegal or violative of the Company's code of conduct.
- iv) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting. We have disclosed, to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls of which we are aware and the steps we have taken or propose to take or rectify these deficiencies.
- v) We have discussed with the auditors and the Audit Committee
 - (a) Significant changes in internal control over financial reporting during the year.
 - (b) Significant changes in accounting policies during the year, and that the same have been disclosed in the notes to the financial statements; and
- vi) There was no instance of significant fraud of which we are not aware nor there has been involvement of management or an employee having significant role in the Company's internal control system over financial reporting.

Sd/-
S.C. Agnihotri
Chairman and Managing Director

Sd/-
Ashok K. Ganju
Director Finance

Place: New Delhi
Date: 07.07.2014

Annexure "C"

CORPORATE SOCIAL RESPONSIBILITY (CSR) REPORT

CSR AND SUSTAINABILITY POLICY

In accordance with the revised guidelines and directives issued by Department of Public Enterprises (DPE) in January 2013, RVNL has formulated its CSR and Sustainability Policy duly approved by the Board of Directors (BoD) of RVNL in January 2013.

AIMS & OBJECTIVES

CSR and Sustainability activities are being implemented to meet the following broad objectives underlined in the Policy:

- 1) Implementation in project mode
- 2) Focus on periphery of project areas of RVNL
- 3) Education & health being thrust areas
- 4) Inclusive growth of society with emphasis on development of weaker sections of society
- 5) In the backward districts of the country
- 6) Realization of UN Millennium Development Goals

STRATEGIC PARTNERS

RVNL has already entered into a long term MoU on 17.11.2011 with Tata Institute of Social Sciences (TISS), nominated as a National CSR Hub by DPE, to provide necessary support in implementation of CSR activities in RVNL. RVNL is utilizing the services of specialized external agencies, NCSR Hub (TISS) and MoEF empanelled NGOs, Ramakrishna Mission etc for baseline surveys, needs assessment studies, preparation of project reports, implementation, monitoring, evaluation, audit and social impact assessment studies apart from involvement of the field level Committees for close monitoring, evaluation and feedback.

REPORTING & DISCLOSURES

A comprehensive report on CSR & Sustainability activities of RVNL has been made in the Annual Report of RVNL for the year 2013-14. Also, with effect from 15.04.2013, a separate head of "CSR & Sustainability" has been created on RVNL's website and all information related to CSR & Sustainability is being uploaded on the website on regular basis.

ORGANIZATIONAL STRUCTURE

As per the approved CSR and Sustainability Policy, RVNL has put in place a three tier organizational structure to steer the CSR and Sustainability agenda of RVNL:

- 1) Tier-I, Board Level Committee, is headed by Independent Director.
- 2) Tier-II, Corporate Level Committee, is headed by Executive Director (Mech), the Nodal Officer for CSR and Sustainability.
- 3) Tier-III, PIU Level Committees, at the field level, is headed by respective Chief Project Manager of Project Implementation Units.

BOARD LEVEL COMMITTEE

The Board Level Committee comprises of the following members (Reference Item No 89/13 of 64th Meeting of BoD of RVNL):

- (a) Prof. (Dr.) S. S. Chatterji, Independent Director, Chairman
- (b) Mr. Ashok K. Ganju, Director Finance, Member
- (c) Mr. Vijay Anand, Director Projects, Member
- (d) Mrs. Gita Mishra, Director Personnel, Member

- (e) Mr. V. P. Dudeja, Part Time Official Director, Member

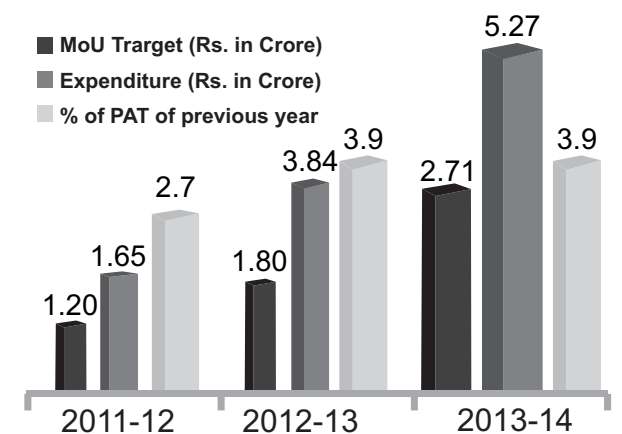
COMMITTEE MEETINGS

During the year 2013-14, the Board Level Committee held four meetings on 16.04.2013, 03.07.2013, 26.11.2013 and 30.01.2014. The minutes of these meetings have been uploaded on RVNL's website.

BUDGET & EXPENDITURE

During the year 2013-14, ₹5.27 Crore has been spent on CSR & Sustainability activities, which is about 3.9% of PAT of ₹135.55 Crore for the year 2012-13 whereas the MoU target for 2013-14 is 2% of PAT, i.e., ₹2.71 Crore. As approved by BoD of RVNL, funds @3% of PAT of previous year, has been provided in the non-lapsable 'CSR & Sustainability Fund' during the current year, which is the maximum allocation vis-à-vis DPE's guidelines of 2% to 3% for PAT above ₹100 Crore. Out of a total CSR & Sustainability expenditure of ₹5.27 Crore for the year 2013-14, 78% expenditure is on projects and balance 22% expenditure is due to professional charges made to NCSR Hub (TISS) and a contribution of ₹1 Crore made to the Chief Minister's Relief Fund, Uttarakhand in view of unprecedented scale of devastation which had occurred in Uttarakhand.

	2011-2012	2012-2013	2013-2014
MoU Target (₹ in Crore)	1.20	1.80	2.71
Expenditure (₹ in Crore)	1.65	3.84	5.27
% of PAT of previous year	2.7	3.9	3.9



CSR & SUSTAINABILITY PROJECTS

Status on the various CSR & Sustainability projects being implemented during the year 2013-14 is briefly discussed hereunder.

1. The CSR project for providing hostel facilities for tribal boys in the backward District of Narayanpur in the state of Chhattisgarh has been successfully completed in March 2014 as per schedule. The hostel was inaugurated by His Excellency Governor of Chhattisgarh on 15th April 2014. The project has been implemented by the Ramakrishna Mission Ashrama, Narainpur at a total project cost of ₹3.8 Crore in two years (2012-14). ₹1.9 Crore was spent in 2012-13 and ₹1.86 Crore in 2013-14. The implementation of the project has been monitored by SEED, which is a NCSR Hub (TISS) empanelled NGO.

The CSR project is in the vicinity of Dallirajhara Raoghat new line construction project of RVNL being executed by CPM/ Bilaspur. The CSR project was sanctioned by the RVNL CSR Committee on 06.03.2012 and the project commenced on 01.04.2012. The project report was prepared by SEED and approval of NCSR Hub (TISS) was received on 29.02.2012. Implementing and monitoring agencies were appointed on 25.03.2012 (date of signing of MoU).

The CSR project will provide much needed residential hostel facilities to about 300 tribal boys from Abujhmarh area. Abujhmarh means the unknown highland and is inhabited by one of the primitive tribes called Madhia who have been very recently categorized as a "particularly vulnerable tribal group". This inaccessible area of about 4,000 sq km, a tangled knot of hills and thick forests in Narainpur District of Chhattisgarh, is also dubbed as a liberated zone where only the Maoist writ runs and remains almost out of bounds for the Indian state.

Thus, as envisaged in the Need Assessment Survey Report by TISS, the hostel facilities will

provide access to quality and value education to these tribal boys and thus, provide a sound platform for mainstreaming of these children and facilitate in meeting the Millennium Development Goals for achieving universal primary education.

EXTRACT OF NEEDS ASSESSMENT SURVEY REPORT BY NCSR HUB (TISS)

"The NCSR Hub team found that it is extremely important to support the activity of the Ramakrishna Ashrama, Narainpur where the intervention has multiplier effect. Role of RVNL can be important here for a longer support to the Ashrama. RVNL can also if finds possible can play the anchor within PSEs to create awareness about the Narainpur and Ashrama which the company is doing. RVNL has a unique opportunity to support the Ashrama in Narainpur. It should thus take an active interest in the socio economic development of Narainpur through the activities of Ramakrishna Ashrama as well as through their own CSR team. This can act as a guiding example of quality CSR intervention by the PSEs in the neediest areas of the country".

2. The CSR project for education & development of under privileged differently abled children is being implemented in the backward District of South 24 Paraganas in the state of West Bengal. The CSR project is being implemented by the Institute for the Handicapped and Backward People (IHBP), Kolkata for a total cost of ₹82 lakhs for a period of three years (2012-15). ₹22.5 lakhs was spent in 2012-13 and ₹27.2 lakhs in 2013-14. ₹32 lakhs has been allocated for 2014-15. IHBP, which is a NCSR Hub (TISS) empanelled NGO, is dedicated to the cause of education and development of underprivileged differently abled children. Project monitoring is being done by Tier-III Kolkata PIU CSR Committee. **On 3rd December 2013, the international day of persons with disabilities, the implementing agency was given the state award in the category of outstanding institution working in the field of disability by His Excellency Governor of West Bengal.**

The CSR project is in the vicinity of Joka-BBD Bagh new metro line construction project of RVNL being executed by CPM(M)/ Kolkata. The project was sanctioned by the RVNL CSR Committee on 06.03.2012 and the project commenced on 01.04.2012. The project report was prepared by IHBP and approval of NCSR Hub (TISS) was received on 29.02.2012. The implementing agency, IHBP, was appointed on 28.03.2012 (date of signing of MoU).

One hundred under privileged differently abled children having three types of disabilities, namely, 55 hearing impaired children (21 boys & 34 girls), 28 mentally challenged children (17 boys & 11 girls) and 17 children with cerebral palsy (14 boys & 3 girls) have been covered in the project. Education and development of these children are being done under the close supervision of well qualified and trained teachers with student to teacher ratio of 10:1 for hearing impaired, 6:1 for mentally challenged, 3:1 for cerebral palsy and dedicated support staff. Children have been provided with school uniform, books, notebooks, educational kits, medical aid, nutritious and quality meal. From the feedback obtained from parents, it is seen that parents are satisfied with the progress of the children and these children have immensely benefited with overall improvement in education, awareness and comprehension.

EXTRACT OF MID-TERM SOCIAL AUDIT REPORT OF NCSR HUB (TISS) FEBRUARY 2014

"Under this CSR initiative of RVNL, IHBP is giving quality service towards the differently abled children and society in general. This type of CSR initiative is special in nature as compared to other type of programs because RVNL is directly associated in sponsoring the complete education, training and health support to 100 differently abled children in a special school. RVNL is a very cooperating and supporting partner in this CSR project through close monitoring, periodical visits, interactions and follow up. In view of the very positive feedback and

response received from the stakeholders, the audit team is of the opinion that RVNL should continue this CSR project for the betterment of the underprivileged differently abled children in the backward district and should continue this project for its sustainability on the long run".

3. The CSR project for providing **educational support to under privileged children & health support** is being implemented in the backward District of South 24 Paraganas in the state of West Bengal and covers a population of about 85,000 people comprising 20% SC, 15% ST and 56% minority community in three Gram Panchayats of Bhangar Block comprising 52 villages. The CSR project is being implemented by Ramakrishna Math, Naora for a total project cost of ₹149 lakhs for a period of three years (2012-15) ₹18.2 lakhs has been spent in 2012-13 and ₹61.3 lakhs in 2013-14. ₹ 69 lakhs has been allocated for 2013-14. Implementation of the project is monitored by SEED, which is a NCSR Hub empanelled NGO.

The CSR project is in the vicinity of Joka-BBD Bagh new metro line construction project of RVNL being executed by CPM(M)/Kolkata. The project was sanctioned by the RVNL CSR Committee on 22.08.2012 and the project commenced on 01.10.2012. The project report was prepared by SEED and approval of NCSR Hub (TISS) was received on 19.06.2012. Implementing and monitoring agencies were appointed on 27.08.2012 (date of signing of MoU).

Health support is provided by a team of qualified doctors and medical staff and covers periodic health check up at ten centers along with free medicine, pathological tests & homeopathy treatment at Naora center, mobile medical service and health awareness camps. During the year 2013-14, 13443 patients were treated. Three hundred fifty under privileged children are given free coaching classes, physical training, sports, yoga training etc for 6 days in a week for overall

development of the children at 3 centers. These children have been provided with uniform, school bags, books, notebooks, nutritious meal etc. From the feedback obtained from parents, it is seen that parents are extremely satisfied with the overall development of the children. Needy people from the villages have immensely benefited from the health support provided to them.

EXTRACT OF MID-TERM SOCIAL AUDIT REPORT OF NCSR HUB (TISS) FEBRUARY 2014

"At present RKM, Naora is imparting quality education for overall development and growth of 300 children belonging to underprivileged/ backward/ SC/ ST communities in the backward district, identified by Planning Commission (GoI) under CSR initiative of RVNL. Due to overwhelming positive response from the community, the number of children has steadily increased to 400. As suggested in the recommendations of the previous report, RKM has started new programmes, such as, computer literacy and spoken English classes. In the current study both these programmes have been found working and providing benefits to the beneficiaries. The teachers taking the tuition classes follow the same course pattern as followed in the school. Almost all the students have reported that the coaching classes have been very useful for the children to understand the subject and perform well. The nutritious food which is provided to the children is prepared by a group of local women. With this it can be concluded that the community is also involved in the process.

It cannot be denied that the services Math provides will go a long way in contributing to better health conditions in this area. For these long deprived communities, the health camps are a boon, as the nearest private hospitals are very far away. It has made these people come out of their houses and recognize the importance of a doctor's diagnosis. When the NCSR Hub Team visited the clinics and

interacted with the people, it was found that the mobile clinics are functioning well and are providing health services to the people. Qualified Doctors and paramedical assistants/nurses are looking after all these health centers. There is a great zeal and enthusiasm amongst the deprived and underprivileged people towards the CSR project. The audit team noted that RVNL has been a very co-operating and supporting partner in this CSR project through close monitoring, periodical visits, and interactions and follow up. In view of very positive feedback and impact the program has generated among the stakeholders, the audit team is of the opinion that RVNL should continue this CSR project for the betterment of the underprivileged children and people in the backward district and should continue this project for its sustainability on the long run".

4. The sustainability project for providing **solar home lighting system** has been successfully implemented in the backward district of South 24 Parganas in the state of West Bengal in five hundred households covering 13 villages in Bhangar-I and Canning-II blocks with 2W+2W LED lamps for two room households and 3W LED lamps for single room households. The project has been implemented by TERI for a total cost of ₹39.33 lakhs. Ramakrishna Math, Naora is the monitoring agency and sustainability partner for this project. Out of the project cost, an amount of ₹6 lakhs has been paid to Ramakrishna Math, Naora as sustainability fund.

The sustainability project is in the vicinity of Joka-BBD Bagh new metro line construction project of RVNL being executed by CPM (M)/Kolkata. The project was sanctioned by the Board Level Committee on 03.07.2013 and the project commenced on 01.04.2013. The project report was prepared by TERI. Implementing and monitoring agencies were appointed on 30.07.2013 (date of signing of MoU). The selection of households

covered under the project has been made by TERI and Ramakrishna Math, Naora based on two criteria, i.e., non electrified area and for those who are sending their children to school so as to ensure that the project has the desired impact on the lives of the poor people.

EXTRACT OF MID-TERM SOCIAL AUDIT REPORT OF NCSR HUB (TISS) FEBRUARY 2014

"Solar home lighting systems has been successfully installed by TERI in 500 households belonging to the unprivileged and weaker sections of society in Bhangar Block & Canning-I Block in the Backward District of South 24 Parganas, West Bengal under CSR & Sustainability project of RVNL. It is heartening to note that solar home lighting system has replaced kerosene oil used for lighting. The records for the maintenance and usage of the Solar Lights in the houses have been maintained well by the representatives of the RKM. The local youths have been well trained to look after the maintenance and deal with the basic problems with regard to the solar lights. Most of the households agreed that the solar light have been very useful for them and is a helpful intervention. This project has proved to be a great boon to school going children who used to study under kerosene lamps. In view of positive impact and demand the stakeholders, the audit team is of the opinion that RVNL should identify more such households and continue the project in the year 2014-15".

5. The CSR project for providing health support facilities to the under privileged people from the backward districts in the state of Uttarakhand is being implemented by Ramakrishna Mission Sevashrama, Kankhal for a total project cost of ₹5 Crore for a period of three years (2013-16). ₹50 lakhs has been spent in 2013-14. ₹2.25 Crore has been allocated for 2014-15 and ₹2.25 Crore in 2015-16. Project monitoring is being done by Tier-III Rishikesh PIU CSR Committee.

The CSR project is in the vicinity of Rishikesh

Karnaprayag new line construction project of RVNL being executed by CPM/ Rishikesh. The CSR project was sanctioned by the Board Level Committee on 26.11.2013 based on project report prepared by NCSR Hub (TISS) and the project commenced on 25.12.2013. Implementing agency was appointed on 20.12.2013 (date of signing of MoU).

Ramakrishna Mission Sevashrama Hospital, Kankhal is a 150 bedded multi-specialty charitable hospital founded in 1901 to cater medical need of this region. Due to non-availability of hospital/ medical facilities, the under privileged people from backward Districts of Pauri Garhwal, Tehri Garwal, Chamoli, Champawat and Pithoragarh are availing the privilege of medical facilities of this hospital in addition to the people of Haridwar District. The CSR project envisages augmentation of health support facilities at its hospital, Kankhal in order to meet the increasing patient load. This project will involve construction of 4th and 5th floors in the existing OPD Building. The proposed 4th floor will have fully equipped operation theatres complex and 5th floor will have fully furnished 50 bedded

post operative care ward. This augmentation will increase the capacity of hospital from 150 to 200 beds and also facilitate in handling additional surgeries. As per the proposed plan, the post operative care unit will resolve the issue of transferring surgical cases to adjacent building.

EXTRACT OF PROJECT REPORT BY NCSR HUB (TISS)

"Supporting the proposed CSR & Sustainability project will greatly increase the efficiency of the hospital and this, in turn, will help the under privileged section of the society in the backward districts of Uttarakhand to avail quality health services at affordable cost".

6. The sustainability project for plantation of 13,727 trees near project sites has been completed at three project sites: 2,700 trees at Luni (Jodhpur) by CPM/Jodhpur; 3,000 trees at Cherlopalle (Chennai) by CPM/Chennai & 8,027 trees at Kantabanji (Raipur) by CPM/Raipur. The project was sanctioned by the Board Level Committee on 03.07.2013 based on the baseline survey and project report prepared by M/s EQMS, New Delhi, a MoEF empanelled organization and the project commenced on 01.04.2013.

VINOD KUMAR & CO.

Company Secretaries

CS Vinod Kumar

M. Com, FCS, LL.B.

#343, Ajay Park, Street No. 10-11, Naya Bazar, Najafgarh, New Delhi 110043

Cell No. : 09212477250, 8800497844

vkaneja2001@gmail.com, fcsvinod@gmail.com

PNB Current Account 0120002100742799, IFRS CODE : PUNB0152200

CERTIFICATE OF COMPLIANCE

**WITH THE CONDITIONS OF CORPORATE GOVERNANCE IN ACCORDANCE WITH GUIDELINES
ON CORPORATE GOVERNANCE ISSUED BY DEPARTMENT OF PUBLIC ENTERPRISES**

To,
The Members of
Rail Vikas Nigam Limited
New Delhi

The certificate is in respect of the compliance of the conditions of corporate governance as issued by the Department of Public Enterprises on 14th May, 2010, RAIL VIKAS NIGAM LIMITED, a Government Company under section 617 of the Companies Act 1956, for the year ended 31st March, 2014, as stipulated in the Company's code on corporate governance.

We have studied the Report on Corporate Governance of the said Company as approved by its Board of Directors. We have also examined the relevant records and documents maintained by the Company and furnished to us for our review in this regard.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of procedures and implementation thereof adopted by the Company for ensuring the compliance of the condition of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

We comment that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

In our opinion and to the best of our information and on the basis of our review and according to the information and explanations given to us, we certify that the Company has complied with the mandatory requirements of Corporate Governance as stipulated in Company's code of corporate governance in all material respects.

**FOR VINOD KUMAR & CO.
COMPANY SECRETARIES**

Place : New Delhi
Dated : 06.05.2014

Sd/-
CS VINOD KUMAR
(CP 5740)

Balance Sheet as at 31st March, 2014

Particulars	Notes	Balances as at 31.03.2014		Balances as at 31.03.2013	
		Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
I. EQUITY AND LIABILITIES					
1. Shareholders' Funds					
(a) Share Capital	3	20,85,02,01,000		20,85,02,01,000	
(b) Reserves and Surplus	4	4,52,94,46,169	25,37,96,47,169	3,32,58,56,296	24,17,60,57,296
2. Share Applications Money Pending Allotment					
3. Non-current Liabilities	5				
(a) Long-Term Borrowings		19,53,15,00,002		16,77,40,00,002	
(b) Other Long Term Liabilities		437,47,77,714		4,46,53,06,032	
(c) Long Term Provisions		3,55,87,891	23,94,18,65,607	2,34,22,078	21,26,27,28,112
4. Current Liabilities	6				
(a) Short term Borrowings		72,64,82,49,872		61,71,86,56,046	
(b) Trade Payables		1,71,34,36,611		1,57,36,16,163	
(c) Other Current Liabilities		7,48,44,27,152		4,69,12,50,401	
(d) Short Term Provisions		59,70,05,065	82,44,31,18,700	64,80,55,226	68,63,15,77,836
Total			1,31,76,46,31,476		1,14,07,03,63,244
II ASSETS					
1. Non-Current Assets					
(a) Fixed Assets	7				
(i) Tangible Assets		6,93,67,843		7,67,77,104	
(ii) Intangible Assets		81,896		7,93,752	
(iii) Capitals Work in progress		1,28,52,369		-	
(iv) Intangible Assets under development		75,27,894		-	
(b) Non-current Investment	8	4,86,76,73,250		4,14,24,54,500	
(c) Long Term Loans and Advances	9	4,44,64,79,216		4,53,10,67,734	
(d) Other Non Current Assets	10	6,43,97,22,974	15,84,37,05,442	-	8,75,10,93,090
2. Current Assets					
(a) Project-Work-in-Progress	11	92,76,90,40,121		88,71,05,14,912	
(b) Trade Receivables	12	62,52,44,095		2,59,72,63,123	
(c) Cash and Bank Balances	13	12,28,84,93,300		6,28,63,43,939	
(d) Short Term Loans and Advances	14	2,58,04,26,951		1,34,44,81,203	
(e) Advances for Project work	15	7,09,61,38,411		6,38,06,66,977	
(f) Other Current Assets	16	56,15,83,156	1,15,92,09,26,034	-	1,05,31,92,70,154
Total			1,31,76,46,31,476		1,14,07,03,63,244
General Information	1				
Summary of Significant Accounting Policies	2				

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

For Kumar Chopra & Associates
Chartered Accountants
Firm Registration Number : 000131N

Sd/-
Sunil Jain
Partner
M. NO. 080990

Place : New Delhi
Date : 15.07.2014

The notes 1 to 37 form an integral part of the Financial Statements

FOR AND ON BEHALF OF THE BOARD

Sd/-
S.C. Agnihotri
Chairman and Managing Director

Sd/-
Ashok k. Ganju
Director Finance

Sd/-
Kalpana Dubey
Company Secretary

Statement of Profit and Loss for the Year
Ended 31st March, 2014

Particulars	Notes	Figure for the Year Ended 31.03.2014		Figure for the Year Ended 31.03.2013	
		Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
I Revenue from Operations (Turnover)	17	24,92,36,61,338		21,16,85,29,464	
II Other Income	18	1,05,10,76,409		88,10,91,909	
III Total Revenue (I + II)		25,97,47,37,747		22,04,96,21,373	
IV Expenses :					
Expenses on Operations	19	23,10,22,61,029		19,49,03,68,321	
Employees Benefits Expenses	20	57,40,64,470		60,54,30,670	
Other Expenses	21	22,98,29,785		17,71,62,950	
Other Expenses as per DPE Guidelines	22	5,75,39,436		6,30,60,362	
Total Expenses		23,96,36,94,720		20,33,60,22,303	
V Profit Before Depreciation and Tax (III-IV)		2,01,10,43,028		1,71,35,99,070	
VI Depreciation and Amortisation Expense	7	5,93,21,473		3,89,79,335	
VII Profits Before Tax (V-VI)		1,95,17,21,555		1,67,46,19,735	
VIII Tax Expenses:					
(1) Income Tax					
(a) Current Tax		37,56,26,969		31,25,17,718	
(b) Earlier Years		18,84,713		65,89,175	
(2) Deferred Tax		-	37,75,11,682	-	31,91,06,893
IX Profits (Loss) for the year (VII-VIII)		1,57,42,09,873		1,35,55,12,842	
X Earnings per Equity Share Basic		0.76		0.65	

This is the Statement of Profits and Loss referred to in our report of even date

The notes 1 to 37 form an integral part of the Financial Statements

For Kumar Chopra & Associates
Chartered Accountants
Firm Registration Number : 000131N

FOR AND ON BEHALF OF THE BOARD

Sd/-
Sunil Jain
Partner
M. NO. 080990

Sd/-
S.C. Agnihotri
Chairman and Managing Director

Sd/-
Ashok k. Ganju
Director Finance

Sd/-
Kalpana Dubey
Company Secretary

Place : New Delhi
Date : 15.07.2014

Cash Flow Statement for the year Ended 31st March, 2014

S. No.	Particulars	Figures for the Period ended 31.03.2014		Figures for the Period ended 31.03.2013	
		Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
1. (a)	Cash Flow From Operating Activities				
	Net Profit Before Taxation and Extraordinary items	1,95,17,21,555		1,67,46,19,735	
	Add : Adjustment for :				
	Depreciation	5,93,21,473		3,89,79,335	
	Other Income	(86,86,45,186)		(75,03,39,422)	
	Dividends Received	17,50,00,000		(12,50,00,000)	
	Preliminary Expenses written off	-		-	
	Operating Profit Before Working Capital Changes	96,73,97,842		83,82,59,648	
	(b) Adjustments for Changes in Working Capital Adjustment for (Increase) Decrease in operating Assets				
	Trade Receivables	1,97,20,19,028		(1,25,13,25,138)	
	Short Term Loans and Advances	(1,23,59,45,748)		79,24,69,405	
	Long Term Loans and Advances	8,45,88,518		(1,09,03,19,217)	
	Other Current Assets	(5,33,55,79,799)		(21,56,63,17,142)	
	Other Non-Current Assets	(6,43,97,22,974)		-	
		(10,95,46,40,975)		(23,11,54,92,092)	
	(c) Adjustments for (Increase) Decrease in Operating Liabilities				
	Trade Payables	13,98,20,448		(26,87,23,037)	
	Other Currents Liabilities	2,78,34,43,251		1,02,05,40,202	
	Other Long term Liabilities	(9,05,28,318)		1,08,14,77,182	
	Short Term Provisions	(22,34,77,130)		20,56,74,783	
	Long Term Provisions	1,21,65,813		79,06,124	
		2,62,14,24,064		2,04,68,75,254	
		(7,36,58,19,069)		(20,23,03,57,190)	
	Cash Generated from Operations				
	Direct Taxes Paid/ Received (Net of TDS)	(25,00,84,713)		(31,91,06,893)	
	Cash Flow from Operating Activities (A)	(7,61,59,03,782)	(7,61,59,03,782)	(20,54,94,64,083)	(20,54,94,64,083)
2.	Cash from Investment Activities :-				
	Capital Expenditure on Fixed Assets Including Capitals Advances	(7,23,28,619)		(6,82,32,890)	
	Proceeds from sale of Fixed Assets	7,48,000		-	
	Bank Balances not considered as Cash and Cash Equivalents	-		2,91,00,00,000	
	Current Investment not considered as Cash and Cash Equivalent :				
	Purchased				
	Purchase of Long Term Investment :				
	Joint Venture	(72,52,18,750)		(18,82,04,500)	
	Interest Income (Revenue)				
	Others	86,86,45,186		75,03,39,422	
	Dividends Received				
	Joint Venture	17,50,00,000		12,50,00,000	
	Net Cash Generation from / (used in) investing Activities(B)	24,68,45,817	24,68,45,817	3,52,89,02,032	3,52,89,02,032

S. No.	Particulars	Figures for the Period ended 31.03.2014		Figures for the Period ended 31.03.2013	
		Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
3.	Cash Flow From Financing Activities :-				
	Proceeds from issuance of share capitals (including share application money)				
	Proceeds from Long Term Borrowings	4,40,00,00,000		1,04,00,00,000	
	Repayments of Long Term Borrowings	(1,64,25,00,000)		(1,55,91,66,667)	
	Proceeds from Short Term Borrowings	24,61,52,66,668		21,92,75,00,000	
	Repayments of Short Term Borrowings	(13,68,56,72,842)		(1,25,08,33,333)	
	Dividend and Tax thereon	(31,58,86,500)		(31,38,00,750)	
	Utilisation of Reserve			1,64,50,987	
	Net Cash Generated from / (used in) Financing Activities	13,37,12,07,326	13,37,12,07,326	19,86,01,50,237	19,86,01,50,237
	Net increase/ (Decrease) in Cash & Cash Equivalent		6,00,21,49,361		2,83,95,88,187
	Cash & Cash Equivalent at the beginning of the year		6,28,63,43,939		3,44,67,55,752
	Cash & Cash Equivalent at the March 31, 2014		12,28,84,93,300		6,28,63,43,939
	Cash and Cash Equivalents				
	Cash and Cheques in Hand	68,59,17,140		11,05,400	
	Balance with Scheduled Banks				
	On Current Account	1,58,25,76,160		68,27,38,539	
	On Term Deposit Account	10,02,00,00,000		5,60,25,00,000	

Notes:

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

Previous year's figures have been regrouped and re-arranged, wherever necessary.

This is the Cash Flow Statement referred to in our report of even date.

For Kumar Chopra & Associates
Chartered Accountants
Firm Registration Number : 000131N

Sd/-
Sunil Jain
Partner
M. NO. 080990

Place : New Delhi
Date : 15.07.2014

FOR AND ON BEHALF OF THE BOARD

Sd/-
S.C. Agnihotri
Chairman and Managing Director

Sd/-
Ashok k. Ganju
Director Finance

Sd/-
Kalpana Dubey
Company Secretary

1. GENERAL INFORMATION

Rail Vikas Nigam Limited (RVNL), a fully owned Public Sector Undertaking under the Ministry of Railways (MoR), Government of India was incorporated under the Companies Act, 1956 on 24th January, 2003 with an authorised share capital of ₹3000 crore. The objectives of the Company include:

- Fast track implementation of rail infrastructure projects
- Raising extra budgetary resources for project execution.

The Company is implementing various types of Rail infrastructure projects assigned by MoR including doubling (including 3rd/4th lines), gauge conversion, new lines, railway electrification, major bridges, workshops, Production Units and extension of the Kolkata Metro Rail System.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statement of Rail Vikas Nigam Limited (RVNL) have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules 2006 (as amended) and the relevant provisions of the Companies Act, 1956 read with the general circular 15/2013 dated 13.09.2013 of MCA in respect of Sec 133 of the Companies Act, 2013. These financial statements have been drawn up in accordance with the going-concern principle on accrual basis and on a historical cost basis. However certain escalation and other claims by customers, which are not ascertainable / acknowledged are not taken into account. The significant accounting policies adopted by the company are given below.

2.2 Use of Estimates

Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize.

2.3. Cash Flow Statement

The Cash Flow Statement is prepared by the indirect method set out in Accounting Standard "3" on "Cash Flow Statements" and presents the cash flows by operating, investing and financing activities of the Company. Cash and bank balance that have insignificant risk of change in value, which have durations up to three months, are included in the Company's cash and cash equivalents in the cash flow statement.

2.4 Extraordinary and Exceptional Items

Income or Expenses that arise from events or transactions, that are clearly distinct from the ordinary activities of the Company, are classified as Extraordinary items. Specific disclosure of such events/ transactions is made in the financial statements. Similarly, any external event beyond the control of the company, significantly impacting income or expense, is also treated as an extraordinary item and disclosed as such,

On certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company, is such that its disclosure improves an understanding of the performance of the Company. Such income or expense is classified as an exceptional item and accordingly disclosed in the Notes to Accounts.

2.5 Tangible Fixed Assets

Tangible Fixed Assets are stated at cost less accumulated depreciation and accumulated impairment in value. Such cost includes acquisition cost inclusive of inward freight, duties and taxes

and incidental expenses related to acquisition. The expenses also include borrowing cost attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

2.6 Intangible Assets

Intangible assets comprise of license fees, other implementation costs for system software and other application software acquired for in-house use. The costs are capitalized in the year in which the relevant software is implemented for use. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes, and any directly attributable expenditure on making the asset ready for its intended use.

2.7 Depreciation

Depreciation on individual assets acquired for ₹ 5000/- or less is depreciated at the rate of 100% in the year of purchase itself.

Depreciation is provided on pro-rata basis on the straight-line method over the estimated useful lives of the assets determined as follows;

Furniture and Fixture	23.75%
Computers	31.67%
Office Equipments (Excluding Mobile Phones)	19.00%
Mobile Phones	47.50%

Leasehold improvements are amortized over the period of lease from the year in which such improvements are capitalized or over useful life as computed under schedule XIV whichever is less.

Capitalized software costs are amortized @33.33% on pro rata basis except where the estimated useful life is less than three years.

2.8 Impairment of Assets

All assets other than inventories, investments other than interest in Jointly Controlled Entities (JCEs) are reviewed for impairment, whenever

events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets, whose carrying amount value exceeds their recoverable amount, are written down to the recoverable amount.

2.9 Investments

Long-term investments, including interests in incorporated Jointly Controlled Entities (JCEs), are carried at cost, after providing for any diminution, other than temporary, in value of such investments. Short-term investments are carried at lower of cost or market value. The determination of carrying amount of such investments is done on the basis of specific identification.

2.10 Inventories

- Project Work-in-Progress is valued at the contract rates and construction material at site is stated at cost. Payments made to Zonal Railways for acquiring land included in project Work-in-Progress is stated at cost.
- Projects completed and handed over to Railways for operations are being transferred from Project Work in Progress to the Railways. IRFC funded projects are shown as "Lease Receivable" under the heads Non-current/ Current assets in Compliance with AS 19.
- Projects are treated as completed where at least 95% of the latest anticipated cost has been incurred till the end of year.

2.11 Revenue Recognition

Revenue is recognized based on the nature of activity, when consideration can be reasonably measured and there exists reasonable certainty of its recovery. Revenue from construction/ project related activity is recognized as follows:

- Projects executed for Ministry of Railways (MOR): Revenue from project execution is determined by adding aggregate cost

plus margin agreed with MOR and any subsequent clarifications received in this respect.

- Deposit works (cost plus contract) related to JCEs (Jointly Controlled Entities) in the form of Special Purpose Vehicles and others): Contract revenue is determined by adding the aggregate cost plus proportionate margin (Direction & General Charges) based on fixed percentage as agreed with the customer
- In case of IRFC funded projects, interest component on instalments received from Ministry of Railway's in netted against the interest payable on IRFC borrowings.
- Claims are accounted as income in the year of acceptance by client or evidence of acceptance received.
- Interest on investment is accounted on accrual basis, inclusive of related tax deducted at source.
- Other items of income are accounted as and when the right to receive arises.

2.12 Employee Benefits

a) Short Term Employee Benefits

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

b) Long Term Employee Benefits

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

c) Post Employment Benefits

- 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.
- Defined contribution plans: The Company makes defined contribution to the RVNL Medical and Welfare Trust in respect of RVNL Medical and Welfare Scheme. The contribution paid/payable under the schemes is recognized during the period in which the employee renders the related service
- 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.
- Retirement benefits of the 'staff on deputation' have been accounted for on the basis of the guidelines of the Ministry of Railways.

2.13 Foreign Currency Transactions

Transactions in foreign currency are accounted for at the exchange rate prevailing on the date of transactions. Gains / Losses arising out of settlement are charged / credited to the profit and loss account.

2.14 Borrowing Cost

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of cost of such assets till such time as the assets is ready for its intended use. A qualifying assets is an asset that necessarily requires a substantial period of time to get ready for its intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred.

2.15 Taxes on Income

Tax on income for the current year is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961, and based on the expected outcome of the assessment/appeals.

Minimum Alternative Tax is recognized as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the company.

Deferred tax is recognized annually on timing differences between the accounting income and the taxable income for the year and quantified using the tax rates and laws substantially enacted as on the balance sheet date.

2.16 Lease Rentals

Lease rental in respect of operating lease is charged to project work in progress under Statement of the Profit and Loss.

For Kumar Chopra & Associates
Chartered Accountants
Firm Registration Number : 000131N

Sd/-
Sunil Jain
Partner
M. NO. 080990

Sd/-
S.C. Agnihotri
Chairman and Managing Director

Sd/-
Ashok k. Ganju
Director Finance

Sd/-
Kalpana Dubey
Company Secretary

2.17 Financial Lease

In case of financial lease substantially all the risks and rewards incidental to legal ownership are transferred and assets given on finance lease are capitalized at the normal sale price/contracted price and treated as sales.

2.18 Provisions and Contingencies

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure of a contingent liability is made where there is a possible obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made. Contingent assets are not recognized. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

2.19 Earnings Per Share

In determining earnings per share, the Company considers the Net Profit after Tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year. The dilutive earnings per share is not computed as there is no dilution involved during the year.

FOR AND ON BEHALF OF THE BOARD

Sl. No.	Particulars	As at March 31, 2014		As at March 31, 2013	
		Rupees(₹)	Rupees(₹)	Rupees(₹)	Rupees(₹)
3	Share Capitals				
(a)	Authorised :				
	3,00,00,00,000 Equity Shares of ₹10 Each		30,00,00,00,000		30,00,00,00,000
(b)	Issued :				
	2,08,50,20,100 Equity Shares of ₹10 Each fully paid up		20,85,02,01,000		20,85,02,01,000
(c)	Subscribed & fully paid up				
	2,08,50,20,100 Equity shares of ₹10 fully paid up (100% Shareholding with MoR)		20,85,02,01,000		20,85,02,01,000
	Total		20,85,02,01,000		20,85,02,01,000
(d)	Reconciliation of number of shares :				
	Equity Shares:	No. of Shares	Amount (₹)	No. of Shares	Amount(₹)
	Balance at the beginning of the year	2,08,50,20,100	20,85,02,01,000	2,08,50,20,100	20,85,02,01,000
	Addition during the year				
	Balance at the End of the year	2,08,50,20,100	20,85,02,01,000	2,08,50,20,100	20,85,02,01,000
(e)	Details of Shares held by each Shareholder Holding more than 5% Shares:				
		As at March 31, 2014		As at March 31, 2013	
		No. of Shares held	% holding	No. of Shares held	% holding
	Ministry of Railways(MoR)	2,08,50,20,100	100	2,08,50,20,100	100
1.	Rights, Preferences and Restrictions attaching to Share				
	Equity Shares : The Company has one class of Equity Shares having at par value of ₹10 per share. Each shareholder is eligible for one vote per share held. In the event of Liquidation, equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts in proportion to their shareholding.				
4.	Reserves and Surplus				
		As at March 31, 2014		As at March 31, 2013	
		Rupees (₹)	Rupees (₹)	Rupees (₹)	Rupees (₹)
(a)	General Reserve				
	As per last Balance Sheet	51,00,00,000		41,00,00,000	
	Addition during the year	10,00,00,000		10,00,00,000	
			61,00,00,000		51,00,00,000
(b)	Statement of Profit & Loss				
	As per last Balance Sheet	2,78,33,25,677		1,81,79,06,436	
	Addition during the year:				
	Profit after Tax	1,57,42,09,873		1,35,55,12,842	
	Add: Transfer from CSR and Sustainability fund	5,27,12,644		3,83,68,305	
	Add Transfer from CSR Fund (for Previous Year)	-		1,64,50,987	
	Less: Transfer to CSR and Sustainability Fund	(4,06,65,385)		(3,44,34,219)	
	Add: Transfer from Research & Development Fund	83,50,189		82,41,250	

Sl. No.	As at March 31, 2014		As at March 31, 2013	
	Rupees(₹)	Rupees(₹)	Rupees(₹)	Rupees(₹)
Less : Transfer to Research & Development Fund	(67,77,564)		(49,19,174)	
Less : Transfer to General Reserve	(10,00,00,000)		(10,00,00,000)	
Less : Proposed Dividends (₹ 0.15 per Equity Share)	(31,50,00,000)		(27,00,00,000)	
Less : Additional Tax on Dividend	(5,56,20,000)		(4,38,00,750)	
Net Addition during the Year	1,11,72,09,757	3,90,05,35,434	96,54,19,241	2,78,33,25,677
(c) Corporate Social Responsibility and Sustainability Fund				
As per last Balance Sheet	3,09,57,994		3,48,92,080	
Add : Transfer from statement of Profit and Loss	4,06,65,385		3,44,34,219	
Less : Transfer from statement of Profit and Loss	(5,27,12,644)		(3,83,68,305)	
		1,89,10,735		3,09,57,994
(d) Research & Development Fund				
As per Last Balance Sheet	15,72,625		48,94,701	
Add : Transfer from Statement of Profit and Loss	67,77,564		49,19,174	
Less : Transfer to Statement of Profit and Loss	(83,50,189)	(0)	(82,41,250)	15,72,625
		4,52,94,46,169		3,32,58,56,296

- (1) As per DPE's guidelines Corporate Social Responsibility Fund and sustainability Fund has been created @ 3% of PAT of Previous year, as a philosophy wherein organization serve the interest of Society by taking responsibility for the impact of their activities on customers, employees, shareholders, communities and the environment in all aspects of their operations. From current year Corporate Social Responsibility Fund and Sustainability Fund has been merged.
- (2) As per DPE's guidelines Research & Development Fund has been created @0.5% of PAT of Previous year. The rationale behind it is the changed business environment, highly competitive markets, the rapid pace of change in technology, stringent quality control criteria heightened expectation and demands of customers lack of transfer of technology and know how from competitors, etc.
- (5) **Non Current Liabilities**

Sl. No.	As at March 31, 2014		As at March 31, 2013	
	Rupees(₹)	Rupees(₹)	Rupees(₹)	Rupees(₹)
(a) Long Term borrowings				
Indian Railway Finance Corporation				
Unsecured:				
Opening Balance	16,77,40,00,002		1,729,31,66,669	
Addition during the year	4,40,00,00,000		1,04,00,00,000	
Less : Repayment to be made within 12 Months	(1,64,25,00,000)	19,53,15,00,002	(1,55,91,66,667)	16,77,40,00,002
Total		19,53,15,00,002		16,77,40,00,002

Terms of Repayment :

- (1) There is a moratorium period of 3years for each year's loan. During the said moratorium period no amount on account of interest and principal shall be payable. The interest shall be charged on yearly basis and repayment of loan shall be once in a year (for a period of 12 years) after the completion of moratorium period. Ministry of Railway would make available to RVNL the required funds thereafter, to enable them to do the debt servicing. The debt servicing will pass through RVNL books.
- (2) The Company has cumulatively borrowed funds aggregating to ₹26,22,90,00,001 (up to Previous year ₹21,82,90,00,001) from Indian Railway Finance Corporation (IRFC). After cumulative repayment of Principal of

₹5,05,49,99,999 (up to Previous Year ₹3,49,58,33,331), the net borrowing is ₹21,17,40,00,002 (up to Previous Year ₹18,33,31,66,669), which includes current liability i.e. repayable in next twelve months ₹1,64,25,00,000 (Previous Year ₹1,55,91,66,667). The interest liability has been assessed on the amount disbursed in financial year 2013-14 at the rate of 9.38% (rates applicable for the amount disbursed in the year 2012-13 is 9.20%). The interest accrued but not due on the IRFC loan amount has been shown in the Balance Sheet as recoverable from MOR under Current Assets Non Current assets (for the interest non recoverable in next 12 Months) and the interest payable but not due under the Current Liabilities and Non Current Liabilities (for the interest not payable in next 12 Months) payable to IRFC

Sl. No.	As at March 31, 2014		As at March 31, 2013	
	Rupees(₹)	Rupees(₹)	Rupees(₹)	Rupees(₹)
(b) Other Non-Current Liabilities				
Interest accrued but not due (IRFC)				
Opening Balance	446,53,06,032		338,38,28,850	
Add : Interest Accrued during the year	215,06,01,514		207,13,83,363	
Less : Repayment to be within 12 months	(2,24,11,29,832)	4,37,47,77,714	(98,99,06,181)	446,53,06,032
Total		4,37,47,77,714		446,53,06,032

(c) Long Term Provisions
Provision for Retirement Benefits

Opening Balance	2,34,22,078		1,55,15,954	
Add: Addition during the Year	1,52,64,441		78,65,353	
Add: Transfer from due within 12 months	-		40,771	
Less: Transfer to due within next 12 months	(30,98,628)	3,55,87,891	-	2,34,22,078
Total		3,55,87,891		2,34,22,078

1. Employee Benefits

(a) The majority of the officers / staff employed in RVNL are on deputation from Indian Railways. RVNL is paying Foreign Service Contribution to the Indian Railways towards retirement benefits.

(b) For RVNL Employees

The disclosure required under Accounting Standard-15 "Employees Benefit" in respect of defined benefit plan is:

Reconciliation of opening and closing balances of the present value of the defined benefit obligation

Particulars	Leave Encashment (₹)		Gratuity (₹)	
	2013-14	2012-13	2013-14	2012-13
Opening Balance	1,45,85,880	96,23,861	99,32,796	71,08,204
Interest Cost	13,12,729	7,93,969	8,93,952	5,86,427
Current Service Cost	75,35,894	27,63,983	38,14,291	37,43,750
Benefit Paid	-2,66,645	-78,742	-2,62,505	-
Actuarial (Gain/ Loss) on Obligation	32,64,437	-31,70,272	-15,56,862	31,47,499
Closing Balance	2,64,32,295	99,32,799	1,28,21,672	1,45,85,880

Gratuity Benefit is payable to employees on retirement or resignation or death. The amount of gratuity payable is based on past service and salary at time of exit as per Payment of Gratuity Act, 1972

Leave Encashment is payable to employees on retirement. The amount of Leave Encashment payable is based on past service and salary at time of retirement.

There are no Investment held against the provision for gratuity and leave encashment.

ACTUARIAL ASSUMPTIONS:	2013-14	2012-13
Method Of Valuation :	Project Unit Credit Method	Project Unit Credit Method
Discount Rate	9.00%	8.25%
Salary Escalation Rate	7.00%	7.00%
Retirement Age:	60 Years	60 Years
Withdrawal Rate:	3% at younger ages and reducing to 1% at older ages according to graduated scale.	3% at younger ages and reducing to 1% at older ages according to graduated scale.
Mortality Rate	India Assured Lives Mortality (2006-08)	India Assured Lives Mortality (2006-08)

Sl. Particulars No.	As at March 31, 2014		As at March 31, 2013	
	Rupees(₹)	Rupees(₹)	Rupees(₹)	Rupees(₹)

6. Current Liabilities
(a) Short Term Borrowings
(i) Indian Railways Finance Corporation
Unsecured:

Opening Balance	1,55,91,66,667		1,25,08,33,333	
Add: Addition during the Year	1,64,25,00,000		1,55,91,66,667	
Less: Repayment during the Year	(1,55,91,66,667)	1,64,25,00,000	(1,25,08,33,333)	1,55,91,66,667

1. Funds received by the company from MoR are utilized for executing projects assigned by MoR. After physical completion of a project, the assets are to be transferred to the concerned Zonal Railway who would add the value of assets in their Block Account.

2. For IRFC Loan, Please refer to the foot-note under Terms of Repayment in Note No. 5

(ii) Project Advance Capital
Ministry of Railways
Unsecured:

Opening Balance	31,87,86,46,389		18,57,21,46,389	
Addition during the Year	17,53,92,00,000		13,30,65,00,000	
Less: Projects Transferred during the Year	7,81,30,43,580	41,60,48,02,809	-	31,87,86,46,389

(iii) Project Advance (Capital Fund)
Ministry of Railways
Unsecured:

Opening Balance	12,90,11,09,659		12,90,11,09,659	
Addition during the Year	-		-	
Less: Projects Transferred during the Year	4,31,34,62,595	8,58,76,47,064	-	12,90,11,09,659

(iv) Advance from MoR IRFC loan Repayment
Unsecured:

Opening Balance	349,58,33,331		224,49,99,998	
Addition during the Year	155,91,66,668		125,08,33,333	
Less: Projects Transferred during the Year		5,05,49,99,999		3,49,58,33,331

Sl. Particulars No.	As at March 31, 2014		As at March 31, 2013	
	Rupees(₹)	Rupees(₹)	Rupees(₹)	Rupees(₹)
(v) Misc. Advance Capital (Metro project)				
Unsecured:				
Opening Balance	8,25,50,00,000		2,75,50,00,000	
Addition during the Year	340,00,00,000		550,00,00,000	
Less : Projects Transferred during the Year		1165,50,00,000	-	825,50,00,000
(vi) Project Advance Capital Bond				
Opening Balance	321,79,00,000		321,79,00,000	
Addition during the Year	-		-	
Less: Projects Transferred during the Year		321,79,00,000		321,79,00,000
(vii) Project Advance Safety Fund				
Opening Balance	39,00,00,000		10,00,00,000	
Addition during the Year	1,54,00,000		29,00,00,000	
Less: Projects Transferred during the Year	-	40,54,00,000	-	39,00,00,000
(viii) Development Fund - 3				
Opening Balance	2,10,00,000		-	
Addition during the Year	45,90,00,000		2,10,00,000	
Less: Projects Transferred during the Year	-	48,00,00,000		2,10,00,000
		7264,82,49,872		6171,86,56,046
(b) Trade Payable				
Micro Small & Medium Enterprises		-		-
Others		171,34,36,611		157,36,16,163
		171,34,36,611		157,36,16,163
c) Other current liabilities				
Earnest Money & Performance Security Deposit	213,33,99,174		1,26,48,89,235	
Sundry Creditors	6,91,36,212		6,61,04,221	
Misc. Deposit	61,19,38,891		40,94,82,058	
Duties & Taxes	13,67,17,660		17,34,89,835	
Book Overdraft	5,42,05,095		3,91,22,068	
Retention Money	33,04,59,411		27,31,76,698	
Advance received from Customers against Deposit Works	188,62,13,102		1,42,06,60,901	
Interest Accrued but not due on Loan: (IRFC)				
Opening Balance	98,99,06,181		185,07,07,903	
Add: Addition during the Year	224,11,29,832		98,99,06,181	
Less: Payment during the Year	(1,05,86,72,524)	2,17,23,63,489	(1,85,07,07,903)	98,99,06,181
Other Liabilities		8,52,07,271		2,82,52,997
Expenses Payable		47,86,847		2,61,66,207
		7,48,44,27,152		4,69,12,50,401

1. Book overdue is due to Cheques issued but not cleared in Bank

2. *Includes encashed Bank Guarantee against performance security

Sl. No.	Particulars	As at March 31, 2014		As at March 31, 2013	
		Rupees(₹)	Rupees(₹)	Rupees(₹)	Rupees(₹)
(d)	Short-term provision				
(i)	Provision for Taxation				
	Opening Balance	11,02,17,718		12,02,00,268	
	Add: Addition during the Year	12,74,26,969		11,02,17,718	
	Less: Adjustment during the Year	(11,02,17,718)	12,74,26,969	(12,02,00,268)	11,02,17,718
(ii)	Dividend Payable				
	Opening Balance	27,00,00,000		20,00,00,000	
	Add: Addition during the Year	31,50,00,000		27,00,00,000	
	Less: Adjustment during the Year	(27,00,00,000)	31,50,00,000	(20,00,00,000)	27,00,00,000
(iii)	Provision for Foreign Service Contribution				
	Opening Balance	5,61,12,699		4,05,94,924	
	Add: Addition during the Year	2,00,00,000		2,76,70,000	
	Less: Adjustment during the Year	(1,51,29,824)	6,09,82,875	(1,21,52,225)	5,61,12,699
(iv)	Provision for PRP/PLI				
	Opening Balance	13,28,28,211		8,03,69,140	
	Add: Addition during the Year	6,15,00,000		8,37,30,987	
	Less: Adjustment during the Year	(11,91,99,066)	7,51,29,145	(3,12,71,916)	13,28,28,211
(v)	Provision for Retirement Benefit				
	Opening Balance	10,96,598		12,16,111	
	Add: Transfer from/to long term Provisions	30,98,628		(40,771)	
	Less: Adjustment during the Year	(5,29,150)	36,66,076	(78,742)	10,96,598
(vi)	Provision for LTC				
	Opening Balance	6,00,000		-	
	Add: Addition during the Year	12,40,370		6,00,000	
	Less: Adjustment during the Year	(6,40,370)	12,00,000	-	6,00,000
(vii)	RVNL Welfare Scheme				
	Opening Balance	5,00,00,000		-	
	Less: Adjustment during the Year	(5,00,00,000)	-	5,00,00,000	5,00,00,000
(viii)	RVNL Medical / Scheme				
	Opening Balance	2,72,00,000			
	Add: Addition during the Year	1,36,00,000		2,72,00,000	
	Less: Adjustment during the Year	(2,72,00,000)	1,36,00,000		2,72,00,000
			<u>59,70,05,065</u>		<u>64,80,55,226</u>

Foot Note for 6(d) (i)
Income Tax :

- Provision for Income Tax has been made as Tax computed under the Income Tax Act
- In Compliance with provisions of Accounting Standards and based on general prudence, the company has not recognised the Deferred Tax assets as there is no reasonable certainty of their realisation

Foot Note for 6(d) (vii) & (viii)
RVNL Medical and welfare Scheme

The Company had established an irrevocable trust for providing medical and welfare assistance to superannuated employees of the company and their spouses as enumerated in the scheme framed for this purpose and also to provide financial assistance in case of death and harness or those employees who become totally physically incapacitated rendering them unfit for job of any kind in RVNL. Company has contributed one time contribution of ₹5,00,00,000 during the Year 2012-13. Further during the year company has contributed ₹1,36,00,000 (₹2,72,00,000) in the RVNL Medical Scheme RVNL. Medical and Welfare Trust has a combined fund of ₹9,08,00,000 as on 31.03.2014 (₹7,72,00,000)

7 Fixed Assets

Block of Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	Cost up to March 31, 2013	Additions during the Year	Deletions/ Adjustments during the year	Cost up to March 31, 2014	Depreciation during the Year	Depreciation on sale/ Adjustments	Up to March 31, 2014	As at March 31, 2014	As at March 31, 2013
A. Tangible Assets									
Lease Hold Improvements	7,63,96,813	88,82,874	-	8,52,79,687	1,49,80,478	-	5,89,61,346	2,63,18,341	3,24,15,945
Furniture and Fixtures	4,64,33,189	1,16,52,436	13,52,736	5,67,32,889	1,12,43,698	11,81,137	4,82,72,917	84,59,972	82,22,833
EDP Assets	7,45,97,568	1,83,15,117	30,04,001	8,99,08,684	1,88,59,385	24,11,604	6,81,68,885	2,17,39,799	2,28,76,464
Office Equipments	5,00,89,774	1,10,89,924	14,44,460	5,97,35,238	1,15,18,051	14,60,456	4,68,85,507	1,28,49,731	1,32,61,862
TOTAL	24,75,17,344	4,99,40,351	58,01,197	29,16,56,498	5,66,01,612	50,53,197	22,22,88,655	6,93,67,843	7,67,77,104
B. Intangible Assets									
Softwares	68,63,183	20,08,005	-	88,71,188	27,19,861	-	87,89,292	81,896	7,93,752
TOTAL	68,63,183	20,08,005	-	88,71,188	27,19,861	-	87,89,292	81,896	7,93,752
C. Capital Work in Progress									
Multi-Functional Complex	-	1,28,52,369	-	1,28,52,369	-	-	-	1,28,52,369	-
TOTAL	-	1,28,52,369	-	1,28,52,369	-	-	-	1,28,52,369	-
D. Intangible Assets under Developments									
Enterprise Resource Planning	-	75,27,894	-	75,27,894	-	-	-	75,27,894	-
TOTAL	-	75,27,894	-	75,27,894	-	-	-	75,27,894	-
TOTAL (A+B+C+D)	25,43,80,527	7,23,28,619	58,01,197	32,09,07,949	5,93,21,473	50,53,197	23,10,77,947	8,98,30,002	7,75,70,856
Previous Year	19,05,25,079	6,89,68,121	51,12,674	25,43,80,526	3,89,79,335	43,77,455	17,68,09,671	7,75,70,856	-

*Company has entered into MOU with RLDA for construction of Multifunctional complex. Project is funded out of its own sources.

Sl. No.	Particulars	As at March 31, 2014		As at March 31, 2013	
		Rupees(₹)	Rupees(₹)	Rupees(₹)	Rupees(₹)
8.	Non - current investment				
	Fully paid up Equity Share in Incorporated Joint Ventures (unquoted - at - cost)				
	Kutch Railways Company Limited 10,00,00,000 Equity Share of ₹10 Each fully paid up & 2,50,00,000 Bonus Share of ₹10 Each fully paid up		1,00,00,00,000		1,00,00,00,000
	Haridaspur Paradip Railways Company Limited, 25,000 Equity Share of ₹10 Each fully paid up		2,50,000		2,50,000
	Krishnapatnam Railways Company Limited 8,10,00,000 Equity Share of ₹10 Each fully paid up		81,00,00,000		81,00,00,000
	Bharuch dahej railways Company Limited 5,50,00,000 Equity Share of ₹10 Each fully paid up		55,00,00,000		42,90,00,000
	Angul Sukinda Railways Limited 25,000 Equity Share of ₹10 Each fully paid up & 18,89,75,000 Partly paid up Equity Shares of ₹10 Each		80,71,73,250		57,09,54,500
	Fully paid up Equity Share in Subsidiary Company (unquoted - at - cost) (Out of Company's Fund)				
	High Speed Rail Corporation of India Limited 50,000 Equity Share of ₹10 Each fully paid up		5,00,000		5,00,000
	Share Application Money pending Allotment				
	Haridaspur Paradip Railway Company Limited	1,69,97,50,000		1,33,17,50,000	
			1,69,97,50,000	-	1,33,17,50,000
			4,86,76,73,250		4,14,24,54,500
	As per Share Holder Agreements shares will be allotted, when the full amount of equity has been received by the concerned SPV				
9.	Long Term Loans & Advance				
	(a)Recoverable from Ministry of Railways (Interest Accrued but not due) (unsecured considered good)		4,37,47,77,714		4,46,53,06,032
	(b)Employees Loan & Advances		1,30,45,298		99,16,337
	(c)Security Deposits		5,86,56,204		5,58,45,365
			4,44,64,79,216		4,53,10,67,734
10.	Other Non - Current Assets				
	Lease Receivables		6,43,97,22,974		-
			6,43,97,22,974		-

Sl. No.	Particulars	Opening Balance	Addition from	Project Transferred	As at	As at
		as at 01.04.2013	1/4/2013 to	from 1/04/2013 to	March	March
		Rupees(₹)	Rupees(₹)	Rupees(₹)	Rupees(₹)	Rupees(₹)
11.	Project-Work-in-Progress					
1.	Civil Works					
	Bridges	13,82,21,24,898	5,71,16,90,469	1,42,18,58,605	18,11,19,56,762	13,82,21,24,898
	Civil Works	1,43,50,58,976	51,50,83,642	10,77,56,526	1,84,23,86,092	1,43,50,58,976
	Preliminary Project Expenditure	40,26,48,888	36,67,10,082	4,31,77,911	72,61,81,059	40,26,48,888
	Equipments Plants and Machinery	66,30,97,393	(63,36,47,622)	(14,56,33,425)	17,50,83,196	66,30,97,393
	Formation	7,61,07,08,677	2,38,72,80,168	1,10,15,57,963	8,89,64,30,882	7,61,07,08,677
	Land	96,54,45,619	55,71,22,893	17,82,27,021	1,34,43,41,491	96,54,45,619
	Permanent way	33,49,83,56,778	5,96,49,09,590	10,13,82,06,910	29,32,50,59,458	33,49,83,56,778
	Detailed Design & Engineering (Civil)	4,68,84,49,748	4,82,90,258	11,16,335	9,40,58,421	4,68,84,49,748
	Station Buildings	4,33,65,67,091	1,73,61,23,289	1,03,92,89,675	5,03,34,00,705	4,33,65,67,091
	Total Civil Work (A)	62,78,08,92,817	16,65,35,62,770	13,88,55,57,521	65,54,88,98,066	62,78,08,92,817
2.	S & T Work					
	Detailed Design & Engineering	23,07,36,169	2,85,47,843	1,15,62,328	24,77,21,684	23,07,36,169
	Signaling Arrangement	2,06,55,05,706	1,19,85,56,215	65,18,60,642	2,61,22,01,279	2,06,55,05,706
	Telecommunication Arrangement	8,43,59,491	26,90,000	(42,897)	8,70,92,387	8,43,59,491
	Signaling & Telecom Works	6,68,02,56,700	68,14,37,884	2,40,41,33,312	4,95,75,61,272	6,68,02,56,700
	Total S & T Work (B)	9,06,08,58,066	1,91,12,31,941	3,06,75,13,385	7,90,45,76,622	9,06,08,58,066
3.	Electrical Works					
	General Electrification	2,90,48,41,576	1,29,73,26,763	57,47,08,413	3,62,74,59,927	2,90,48,41,576
	Detailed Design & Engineering (Electrical)	77,48,49,342	1,29,23,064	1,44,045	2,05,27,512	77,48,49,342
	Overhead Electric Equipment	7,16,49,80,394	2,55,40,35,148	58,01,68,123	9,13,88,47,418	7,16,49,80,394
	Total Electrical Work (C)	10,07,75,70,463	3,86,42,84,975	1,15,50,20,581	12,78,68,34,857	10,07,75,70,463

Sl. No.	Particulars	Opening Balance as at 01.04.2013 Rupees(₹)	Addition from 1/4/2013 to 3/31/2014 Rupees(₹)	Project Transferred from 1/04/2013 to 3/31/2014 Rupees(₹)	As at March 31,2014 Rupees(₹)	As at March 31,2013 Rupees(₹)
4	Incidental Expenditure during Construction Period					
	Opening Balance	1,92,14,11,517		50,40,57,063	1,41,73,54,454	1,80,41,91,438
	Project related Direct Expenditure					
	Project management Consultancy	-	44,75,62,251	8,10,72,693	36,64,89,558	26,49,67,623
	Direction & General Charges to Railways	-	3,49,33,160	19,97,000	3,29,36,160	2,55,37,728
	Total incidental Expenditure During construction Period	1,92,14,11,517	48,24,95,411	58,71,26,756	1,81,67,80,172	2,09,46,96,789
	Less: Interest on Mobilisation Advance	-	26,53,59,098	34,53,812	26,19,05,286	17,32,85,272
	Net Incidental expenditure Apportioned to Projects in the ratio of spending on individual projects to project expenditure (D)	1,92,14,11,517	21,71,36,313	58,36,72,944	1,55,48,74,886	1,92,14,11,517
5	Others					
	Expenditure Pending Allocation	1,54,36,72,700	(1,13,76,92,008)	33,07,120	40,26,73,572	1,54,36,72,700
	Net Project Execution Income	3,32,68,70,073	1,67,83,58,114	43,31,20,646	4,57,21,07,541	3,32,68,70,073
	Total Others (E)	4,87,05,42,773	54,06,66,106	43,64,27,766	4,97,47,81,113	4,87,05,42,773
	Total Project Work in Progress	88,71,12,75,637	23,18,68,82,106	19,12,81,92,197	92,76,99,65,546	88,71,12,75,637
	Less : Credit from Release Material	7,60,725	3,79,892	3,79,892	7,60,725	7,60,725
	Less : Liquidated damages on Transferred Projects		164,700		164,700	
	Net Project Work in Progress for MoR Projects	88,71,05,14,912	23,18,63,37,514	19,12,78,12,305	92,76,90,40,121	88,71,05,14,912

- Land cost included in Project Work in Progress represents payments made through various Zonal Railways/ concerned authority for the purpose of acquisition of land. The total payment made amounts to ₹134,43,41,491 (previous year ₹96,54,45,619). The land so acquired is in the name of the concerned Zonal Railway
- The Company is executing projects assigned by MoR. Some of the projects were initially transferred to the Company for which work was already in progress and Zonal Railway had incurred expenditure on those projects prior to their transfer to the Company. The expenditure made by the concerned Railways prior to the formation of the Company has not been taken into account.
- In the opinion of the Management, the value of current assets, loans and advances on realization in the ordinary course of business, will not be less than the value at which these have been stated in the Balance Sheet.
- "Interest on mobilization Advance, recovered from the Contractors as per the terms and conditions of the contract, is being credited to the project."
- In Compliance of para 5.1.1 of joint procedure order of MoR dated 17/12/2013 for transfer of completed projects, financial transfers of projects have been carried out in the accounts after handing over / commissioning of the full project to the Zonal Railway and where the expenditure booked against the project at the end of the financial year is at least 95% of the latest anticipated cost of the work.
- Management fees is not calculated on PMC for Financial year 2013-14. Amount of ₹3,77,04,292 has been reversed on account of management fees charged on Project Management Consultancy during Financial Year 2011-12 & 2012-13.

Sl. No.	Particulars	As at March 31, 2014 Rupees(₹)	As at March 31, 2013 Rupees(₹)
12	Trade Receivables		
	(a) More than 6 months Unsecured-Considered good	37,26,07,957	1,78,28,43,987
	(b) Other (less than 6 months) Unsecured-Considered good	25,26,36,138	81,44,19,136
		62,52,44,095	2,59,72,63,123

13. Cash and Bank Balances
Cash and Cash Equivalents

(i) Balances with Bank		
--Current Account	1,58,25,76,160	68,27,38,539
--Fixed Deposits (Maturity less than 3 Months)	6,460,000,000	3,182,500,000
(ii) Cheque-in-Hand	684,938,000	336,029
(iii) Imprest	979,140	769,371
	8,728,493,300	3,866,343,939

Sl. No.	Particulars	As at March 31, 2014 Rupees(₹)	As at March 31, 2013 Rupees(₹)
Other Bank Balances			
(i)	Balances with Bank		
	Term Deposit in Schedule Bank	3,560,000,000	2,420,000,000
		<u>3,560,000,000</u>	<u>2,420,000,000</u>
		<u>12,288,493,300</u>	<u>6,286,343,939</u>
14. Short Term Loan & Advances			
Advance Receivable in Cash or in kind or for value to be (Unsecured, considered good)			
(a)	Recoverable from Ministry of Railway (Interest)	2,172,363,489	989,906,181
(b)	Recoverable from Ministry of Railway (Processing Fees)	-	10,000,000
(c)	Interest accrued on Fixed Deposit	104,750,408	60,389,936
(d)	Interest accrued on Mobilization Advance	42,363,241	25,509,586
(e)	Security Deposit	2,157,375	2,147,703
(f)	Advance Tax and Tax Deducted at Source	213,629,701	214,371,309
(g)	Others	45,162,737	42,156,488
		<u>2,580,426,951</u>	<u>1,344,481,203</u>
15 Advances for Project Work			
(a)	Advances to Zonal Railways	655,851,822	1,040,694,834
(b)	Advances for Sleepers	1,046,173,445	825,303,461
(c)	Mobilisation Advances	3,360,294,756	3,381,317,515
(d)	Other Advances	2,033,818,388	1,133,351,167
		<u>7,096,138,411</u>	<u>6,380,666,977</u>
16 Other Current Assets			
	Lease Receivable	561,583,156	-
		<u>561,583,156</u>	<u>-</u>

S. No.	Particulars	Figures for the Year Ended 31.03.2014 Rupee (₹)		Figures for the Year Ended 31.03.2013 Rupee (₹)	
17. Revenue from Operation:					
(Turnover from Construction Work in Progress Project)					
	From MoR Projects	19,259,177,258		16,159,464,045	
	From MoR Metro Projects	2,972,375,292		2,812,369,124	
	From MoR National Projects	25,159,007		12,862,162	
	From MoR Projects (Executed by Zonal)	929,625,958		61,663,008	
	From Deposit Work -Projects (SPV)	1,356,346,344		1,892,808,861	
	From Deposit Work- Project (Others)	380,977,480	24,923,661,338	229,362,264	21,168,529,464
			<u>24,923,661,338</u>	<u>21,168,529,464</u>	

In accordance with Railway Board's letter No. 2004/W-1/RVNL/15 dated 04.01.2012 RVNL has accounted Consolidated Management fee @ 9.25% in case of Metro Projects, 8.5% in case of Other Plan Heads and 10% in case of National Projects on the expenditure incurred by RVNL on MoR projects. As per the directions of MoR, all expenditure in the nature of consultancies related to Project Management are being charged directly to project D&G charges payable to Railway up to 0.25 % of cost of projects are allocated to the projects on actual funds released to the respective Zonal Railway, Expenditure incurred on D&G (Supervision) are being charged to the Profit & Loss account. The miscellaneous receipts from sale proceeds of Tender and other income has been credited to the P&L account.

18. Other Income

(a)	Interest income				
	- Banks - Gross	75,56,47,315		57,62,52,496	
	- Others - Gross	<u>11,29,97,871</u>	86,86,45,186	<u>17,40,86,926</u>	75,03,39,422
(b)	Dividend income:		17,50,00,000		12,50,00,000
(c)	Misc Income		<u>74,31,223</u>		<u>57,52,487</u>
			<u>105,10,76,409</u>		<u>88,10,91,909</u>

Interest from Others includes interest from Special Purpose Vehicles (SPVs) against balances outstanding

19. Expenses on Operations

(Direct Expenses on Construction and Project related Activity)

-	Incurred on MoR Projects	17,83,47,71,969		14,89,56,35,446	
-	Incurred on MoR Metro Projects	2,72,07,09,649		2,57,42,50,914	
-	incurred on MoR National Projects	2,28,71,824		1,16,92,874	
-	Incurred on Projects (Zonal Railway)	92,96,25,958		6,16,63,008	
-	Incurred on Deposit Work - Projects (SPV)	1,24,39,15,366		1,73,73,34,295	
-	Incurred on Deposit Work - Projects (Others)	35,03,66,263	23,10,22,61,029	20,97,91,783	19,49,03,68,321
			<u>23,10,22,61,029</u>	<u>1949,03,68,321</u>	

- Expenditure on work in Progress against contracts awarded by the Company is recognized on completion of measurement and testing certified by the Engineer.
- Expenditure of execution of projects done by the Zonal Railways on behalf of the Company on MoR projects is accounted for on the basis of statement of estimated expenditure received from respective Zonal Railways and is adjusted allocation-wise as and when the final expenditure statement is received
- The total cost of projects executed for MoR by the Company is ₹132,09,54,23,476 (Previous year ₹1,08,90,36,46,063). Out of this ₹19,46,88,10,029 (Previous Year ₹18,53,91,84,071) worth of projects has been executed by Zonal Railways on behalf of the Company.
- The value of projects commissioned/ completed and put to use by Railways during financial year are ₹19,12,78,12,305 (Previous year ₹Nil). Out of the same, the value of completed projects funded through MOR sources are of ₹12,12,65,06,175 (previous year ₹Nil) and IRFC funded are of ₹7,00,13,06,130 (previous year ₹Nil). The financial

adjustments for MoR projects have been carried out against Project Advance (Capital) and Project Advance (Capital Fund) respectively in the Balance Sheet leading to a reduction in Loan Funds and Project Work in Progress to the tune of ₹1912,78,12,305 (previous year ₹Nil). Further with regard to IRFC funded projects. Project Work in Progress has been reduced by the amount of ₹700,13,06,130 (Previous Year ₹Nil) and corresponding asset as Lease Receivable has been created in accordance with the procedure order finalized by MoR and in accordance with Accounting Standard for lease.

As some minor works may still be required, the expenditure incurred on projects subsequent to the date of financial adjustment will be cleared at the time of drawing the completion reports.

5. With the rationalization of the revenue stream of RVNL the expenses incurred on supervision and monitoring directly allocable to the projects have been reviewed in terms of Railway Board's Letter no. 2004/W-1/RVNL/15 dated 04/01/2012, the pattern of booking of expenditure on Zonal Railways and general accounting practices. The expenditure incurred on this account related to execution of Deposit Works (for SPV and others) have been charged to the Profit and Loss account.

Sl. No.	Particulars	As at March 31, 2014 Rupees(₹)	As at March 31, 2013 Rupees(₹)
20	Employee benefits expense		
(a)	Salaries and Wages	51,65,89,984	49,81,62,899
(b)	Contribution to Provident & Other Funds	2,76,47,731	3,88,09,873
(c)	Staff Welfare Expenses.	2,98,26,755	6,84,57,898
		57,40,64,470	60,54,30,670
21	Other Expenses		
(a)	Power & Fuel	1,37,69,725	1,09,06,046
(b)	Rent	2,48,36,180	2,78,74,819
(c)	Rates & Taxes (excluding Income Tax)	2,000	95,683
(d)	Miscellaneous Expenditure	1,53,62,625	66,95,520
(e)	Payment to Auditors		
(i)	As Auditor	3,70,788	3,93,260
(ii)	For Taxation Matters	1,12,360	1,01,124
(iii)	For Other Services	84,270	73,034
(iv)	For Expenses	1,33,619	72,500
(f)	Advertisement and Business Promotion	2,64,16,173	2,33,99,510
(g)	Project Management Consultancy	4,10,28,282	2,05,33,459
(h)	Printing and Stationery	1,75,01,077	1,40,41,734
(i)	Travelling & Local Conveyance	1,84,95,672	1,77,42,443
(j)	Communication	2,20,29,202	1,64,74,074
(k)	Books & Periodicals	1,48,680	4,83,789
(l)	Prior Period Items	57,17,794	19,88,704
(m)	Professional Fees Consultancy	-	-
(n)	Legal and Professional Charges	1,41,67,619	1,15,99,741
(o)	Consultant Fee	1,23,24,761	1,09,60,894
(p)	Other expenses	1,68,48,958	1,32,26,616
(q)	D & G to Zonal Railway	4,80,000	5,00,000
		22,98,29,785	17,71,62,950
22	Other Expenses as per DPE Guidelines		
(a)	CSR Expenses & Sustainability Expenses	5,27,12,644	3,83,68,305
(b)	CSR Expenses (Previous Year)	-	1,64,50,987
(c)	Research & Development Expenses	1,23,54,686	1,10,40,253
	Less: Transferred to Project for R&D	-	(27,99,183)
	Less: Transferred to Capital Working Progress	(75,27,894)	-
		5,75,39,436	6,30,60,362

23. Deposit Works (SPVs and others)

23.1 Works being executed for SPVs and others parties are treated as a Deposit Work. The corresponding current assets and liabilities in respect of such projects have been recognized on the basis of expenditure incurred plus supervision charges as agreed. The advance received is disclosed under Current Liabilities and the amount recoverable on account of project execution under Sundry Debtors.

23.2 Costs incurred on Deposit and SPV Works:

Particulars	Year Ended March 31, 2014 (₹)	Year Ended March 31, 2013 (₹)
Costs incurred for Deposit Works	159,42,81,629	194,71,26,078
Recognized Profit/Loss	14,30,42,195	17,50,45,047
Advance received	188,62,13,102	142,06,60,901
Gross Amount due from Customers	62,52,44,095	259,72,63,123
Cumulative amount of costs incurred	1567,17,09,742	1407,74,28,113
Cumulative amount of recognized Profit/Loss	134,80,66,954	120,50,24,759

24. Micro, Small and Medium

The Company has not received any intimation from "Suppliers" regarding their status under the Micro, Small and medium enterprises Development Act, 2005 and hence disclosures, if any, relating to amounts unpaid as at the year-end together with interest paid/payable as required under the said Act is not ascertainable presently.

25. Expenditure in Foreign Currency

Particulars	Year Ended March 31, 2014 (₹)	Year Ended March 31, 2013 (₹)
Travel expenses	44,22,062	72,47,052
Project Management Consultancy	37,47,331	NIL

26. Contingent Liabilities

Contingent liability in respect of claims not acknowledged as debts by the Company is ₹160,07,75,130 (Previous year ₹516,37,90,000).

27. Capital Commitment

Capital commitment towards share capital in SPVs is ₹133,28,00,000 (Previous year ₹131,90,45,500). Capital commitment towards Multifunctional complex is ₹57,00,000 (Previous year ₹1,86,00,000).

27.1 Other Commitment

Commitment towards Project expenditure is ₹10211,43,00,000 (Previous year ₹7484,76,00,000).

28. Managerial Remuneration

Particulars	Year Ended March 31, 2014 (₹)	Year Ended March 31, 2013 (₹)
Salary & allowances	2,90,82,159	1,93,91,885
Provident fund and other fund	14,38,366	10,65,275

29. Earnings per Share:

The numerators and denominators used to calculate Basic Earnings per Share are:

Particulars	Year Ended March 31, 2014 (₹)	Year Ended March 31, 2013 (₹)
Profit Attributable to the shareholders (₹) (A)	1,57,42,09,873	1,35,55,12,842
Basic average number of Equity Shares at the end of Year (Nos.) (B)	2,08,50,20,100	2,08,50,20,100
Weighted average number of Equity Shares outstanding at the end of Year (Nos.) (C)	2,08,50,20,100	2,08,50,20,100
Nominal value of Equity Shares (₹)	10	10
Basic Earnings per share (₹)(A/C)	0.76	0.65

30. Related Party Disclosures (AS-18) :
30.1 Joint Ventures:

Kutch Railway Company Limited
 Haridaspur Paradip Railway Company Limited
 Krishnapatnam Railway Company Limited
 Bharuch Dahej Railway Company Limited
 Angul Sukinda Railway Limited

30.2 Subsidiary company

High Speed Rail Corporation of India Limited

30.3 Key Management Personnel:

Sh. S.C. Agnihotri : Managing Director
 Sh. Ashok Krishna Ganju: Director Finance
 Ms. Gita Mishra : Director Personnel
 Sh. Mukul Jain : Director Operation
 Sh. Vijay Anand : Director Projects

30.4 Enterprises in which Directors interest exist:

High Speed Rail Corporation of India Limited

30.5 Disclosure of transactions with related parties

Particulars	Transactions		Outstanding Amount**	
	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2014	Year ended March 31, 2013
Remuneration to Key Personnel (30.3) above	*	*	*	
HPRCL				
Share Application Money	36,80,00,000	Nil		
Expenditure towards project	66,32,29,195	14,11,48,992	14,41,84,035	(29,10,79,307)
BDRCL				
Share Application Money	12,10,00,000	Nil		-
Expenditure towards project	14,29,13,124	20,72,19,756	20,37,35,763	36,83,51,941
KPRCL				
Share Application Money		Nil		Nil
Expenditure towards project	14,31,00,301	1,11,35,28,013	29,13,52,371	2,20,92,01,212
ASRL				
Share Application Money	23,62,18,750	18,82,04,500		Nil
Expenditure towards project	29,50,72,746	43,09,12,100	-1,49,06,070	1,84,73,911
High Speed Rail Corporation of India Limited				
Share Capital	-	5,00,000		Nil
Payment towards expenses of company	34,83,919	12,36,059	47,19,978	12,36,059

*See note No. 28

**These represents amounts recoverable on accounts of expenditure incurred on various projects of Joint Ventures and Misc Expenses of Subsidiary .

31. Disclosure in respect of joint Venture/Subsidiary

Name of Joint Venture	Partner(s) Country of Origin	Proportion of Ownership Interest as at March 31, 2014	Proportion of Ownership Interest as at March 31, 2013
Kutch Railway Company Limited	Rail Vikas Nigam Limited, India	50%	50%
	Kandla Port trust, india	26%	26%
	Mundra Port SEZ	20%	20%
	Government of Gujarat, India	4%	4%
Haridaspur Paradip Railway Company Limited (HPRCL)	Rail Vikas Nigam Limited, India	33.33%	48.43%
	IDCO (Govt. of Odisha)	0.35%	0.66%
	Essel Mining and Industries Ltd. India	5.88%	10.91%
	Paradeep Port Trust	10.00%	10.00%
	Rungia Mines Ltd.	5.88%	10.91%
	Jindal Steel & Power Ltd.	0.98%	1.82%
	Steel Authority of India Limited	0.98%	1.82%
	POSCO India Limited	5.40%	10.00%
	MSPL Ltd	2.94%	5.45%
	OMC	14.70%	-
	Govt. of Odisha	19.60%	-
Krishnapatnam railway company Limited (KRCL)	Rail Vikas Nigam Limited, India	30%	30%
	Krishnapatnam Port Corporation Limited, India	30%	30%
	Bramhany Industries Limited	12%	12%
	National Mineral Development Corporation	15%	15%
Bharuch Dahej Railway Company Limited (BDRCL)	Government of Andhra Pradesh	13%	13%
	Rail Vikas Nigam Limited, India	33.33%	26.00%
	Adani Petronet (Dahej) Port Private Limited, India	10.50%	10.50%
	Gujarat Maritime Board, India	10.82%	10.82%
	Dahej SEZ Limited India	6.06%	6.06%
	GNFC	8.20%	8.20%
	Hindalco Industries Limited India	8.20%	8.20%
Jindal Rail Infrastructure Limited India	6.06%	6.06%	
Angul Sukinda Railway Limited (ASRL)	Guj. Industrial Dev. Corp. Ltd.	10.82%	10.82%
	Equity Gap	6.00%	13.33%
	Rail Vikas Nigam Limited, India	40.18%	45%
	Jindal Steel & Power Ltd. India	22.32%	25%
	Bhushan Steel and Power Ltd. Govt. of Odisha	-	20%
High Speed Rail Corporation of India Limited	Govt. of Odisha	23.21%	
	OMC	13.39%	
	IDCO (Govt. of Odisha)	0.90%	10%
	Rail Vikas Nigam Limited, India	100%	100%

Details of the aggregate amounts of the assets liabilities, income and expenditure related to the interest in the joint controlled Entities are as under.

a. Kutch Railways Company Limited

	As at March 31, 2014	As at March 31, 2013
	(Provisional)	(Audited)
	(in ₹)	(in ₹)
Assets Excluding preliminary expenditure	5,19,52,50,000	4,36,82,00,000
Liabilities	8,60,50,00,000	1,92,15,50,000
Income	2,59,75,00,000	2,61,38,00,000
Expenditure	1,99,19,00,000	1,67,46,50,000

Contingent Liabilities : ₹Nil (Previous year ₹Nil)
Capital Commitment : ₹Nil (Previous year ₹16.50)

b. Haridaspur Paradip Railways Company Limited

	As at March 31, 2014	As at March 31, 2013
	(Provisional)	(Audited)
	(in ₹)	(in ₹)
Assets Excluding preliminary expenditure	1,52,58,90,419	1,33,26,91,885
Liabilities	10,62,845	8,66,885
Income	1,24,34,592	1,00,99,104
Expenditure	41,22,018	33,15,033

Contingent Liabilities : ₹Nil (Previous year ₹Nil)
Capital Commitment : ₹Nil (Previous year ₹9,75,94,00,000)

c. Krishnapatnam Railway Company Limited

	As at March 31, 2014	As at March 31, 2013
	(Provisional)	(Audited)
	(in ₹)	(in ₹)
Assets Excluding preliminary expenditure	1,47,93,24,325	1,44,46,17,813
Liabilities	71,12,23,799	67,47,06,586
Income	11,09,30,591	9,61,14,638
Expenditure	11,27,09,576	13,55,56,661

Capital Commitment : ₹8,68,04,00,000 (Previous year ₹8,84,18,00,000)

Contingent Liabilities : ₹Nil (Previous year ₹Nil)

d. Bharuch Dahej Railway Company Limited

	As at March 31, 2014	As at March 31, 2013
	(Provisional)	(Audited)
	(in ₹)	(in ₹)
Assets Excluding preliminary expenditure	1,46,56,65,049	1,11,11,99,534
Liabilities	95,43,29,931	73,76,81,894
Income	26,18,80,825	14,94,71,616
Expenditure	23,66,99,189	17,76,11,271

Contingent Liabilities : ₹Nil (Previous year ₹16,77,00,000)
Capital Commitment : ₹Nil (Previous year ₹8,03,00,000)

e. Angul Sukinda Railway Limited

	As at March 31, 2014	As at March 31, 2013
	(Provisional)	(Audited)
	(in ₹)	(in ₹)
Assets Excluding preliminary expenditure	99,56,88,945	45,65,89,944
Liabilities	23,90,21,126	90,63,110
Income	1,54,97,765	48,61,336
Expenditure	11,94,608	7,24,521

Contingent Liabilities : ₹Nil (Previous year ₹NIL)
Capital Commitment : ₹10,93,30,00,000 (Previous year ₹7,38,56,00,000)

f. High Speed Rail Corporation of India Limited

	As at March 31, 2014	As at March 31, 2013
	(Provisional)	(Audited)
	(in ₹)	(in ₹)
Assets Excluding preliminary expenditure	3,37,75,698	11,82,295
Liabilities	3,68,55,985	14,27,513
Income	8,877	8,135
Expenditure	28,43,946	7,53,353

Contingent Liabilities : ₹Nil
Capital Commitment : ₹Nil

32. Business Segments

As the business activity of the company falls within a single segment viz construction of Railway project in the domestic market, the disclosure requirement of AS-17 on Segment Reporting issued by the Institute of Chartered Accountants of India (ICAI) is not applicable.

33. Lease Rentals

33.1 The Company's leasing arrangements in respect of offices and residential premises are in the nature of operating lease. The rent is being charged on rates agreed to between HUDCO and RVNL based on letter of offer received from HUDCO and agreed to by RVNL. The formal lease agreement between the company and HUDCO for lease of corporate office. New Delhi has not been executed and is under approval of Ministry of Urban Development.

33.2 Financial Lease

The value of assets given on lease is reflected against contra liability payable to IRFC towards loan on completed projects as appearing in note 5, which is liquidated progressively through loan repayment to IRFC being arranged by MoR.

Future Minimum lease payment of gross investment in the lease are as follow.

	31 st March 2014
Not later than one year	56,15,83,156
Later than one year and not later than five years	3,10,85,96,197
Later than five years	3,33,11,26,777

34. Operating Cycle

Operating Cycle of the company is based on time required from initiation of the project to the completion of the project. The period required for completion varies from project to project. In general duration is more than 12 months up to 60 months. Keeping in view the project cycle of more than 12 months, all assets and liabilities relating to projects have been classified accordingly as current and non current.

35. Current/Non Current classification are based on the period from 01-04-2013 to 31.03.2014 (i.e. Liability/ Assets to be paid / Recoverable upto 31.12.2014 are shown under current liability /current assets respectively according liability/assets to be paid/recoverable after 31.12.2012 are shown under non current liability/non current assets respectively.

36. During the year company implemented procedure order no.2011/AC-II/1/6/RVNL dated 17.12.2013 for transfer of completed projects. In compliance with the said order, company transferred projects worth ₹19,12,78,12,305/- (Previous year ₹NIL)

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

For Kumar Chopra & Associates
Chartered Accountants
Firm Registration Number : 000131N

FOR AND ON BEHALF OF THE BOARD

Sd/-
Sunil Jain
Partner
M. NO. 080990

Sd/-
S.C. Agnihotri
Chairman and Managing Director

Sd/-
Ashok k. Ganju
Director Finance

Sd/-
Kalpana Dubey
Company Secretary

Place: New Delhi
Date: 15.07.2014



KUMAR CHOPRA & ASSOCIATES
Chartered Accountants

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41627363
Fax : +91-11-26328533
E-mail : kca_delhi@yahoo.co.in
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INDEPENDENT AUDITORS' REPORT

To,
The Members of
Rail Vikas Nigam Limited

1. Report on the Financial Statements

We have audited the accompanying financial statements of Rail Vikas Nigam Limited ("the Company") which comprise the Balance Sheet as at 31st March 2014, and the Statement of Profit Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with general circular 15/2013 dated 13th Sep. 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act 2013 and in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of

expressing an opinion on the effectiveness of the Company's Internal Control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

4. Opinion

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

- in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- in the case of the Statement of Profit and Loss, of the **PROFIT** for the year ended on that date; and
- In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

5. Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the order.
- As required by section 227(3) of the Act, we report that:
 - we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - 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;
 - The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 read with general circular 15/2013 dated 13th Sep. 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act 2013;
 - In terms of Department of Company Affairs GSR 829 (E) dated 21st October 2003, Government Companies are exempt from applicability of provisions of Section 274 (1) (g) of the Companies Act, 1956.

For Kumar Chopra & Associates
Chartered Accountants
FRN : 000131N

Sd/-
Sunil Jain
Partner
M. NO. 080990

Place : New Delhi
Date : 15.07.2014



KUMAR CHOPRA & ASSOCIATES
Chartered Accountants

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41627363
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ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 5(1) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date on the accounts of **Rail Vikas Nigam Limited** for the Year ended **31st March, 2014**)

- The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - The fixed assets have been physically verified by the management during the year at reasonable interval. No material discrepancies were noticed on such verification.
 - No fixed assets have been disposed off during the year which could have affected the company as a going concern.
- The inventories have been physically verified during the year at reasonable intervals by the management.
 - The procedures of physical verification of inventories followed by management are reasonable and adequate in relation to the size of the company and nature of its business.
 - Company is maintaining proper records of inventories and no material discrepancies were noticed on verification between the physical stocks and book records.
- The company has not granted any loans secured or unsecured to companies, firms or other parties required to be listed in the register maintained u/s 301 of the Companies Act, 1956.
 - The company has not taken any loans secured or unsecured from companies, firms or other parties required to be listed in the register maintained u/s 301 of the Companies Act, 1956.
- In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business with regard to purchases of inventories and fixed assets and for sale of goods (Projects). During the course of audit, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in internal control system of the company.
- According to the information and explanation given to us, the company has not made any transactions of purchase of goods and materials and sale of goods, materials or services which are required to be entered in the register maintained under section 301 of the Companies Act, 1956, exceeding the value of ₹5 lacs in respect of each party during the year.
- According to the information and explanation given to us, the company has not accepted any deposits during the year from the public within the meaning of Section 58A.

7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the cost records maintained by the company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under section 209(l)(d) of the Companies Act, 1956, and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
9. a) According to the information and explanations given to us and the records of the company examined by us, in our opinion the company is generally regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees' state Insurance, Income Tax, Sales Tax, custom duty and other statutory dues applicable to it. According to the information and explanation given to us, no undisputed amount payable in respect of aforesaid statutory dues were outstanding as at 31st March, 2014 for a period of more than six months from the date they become payable.
- b) According to the information and explanations given to us, there are no dues of sales tax, custom duty, wealth tax, service tax, excise duty and cess which have not been deposited on account of any dispute. Disputed income tax demand is as under:

Assessment	Nature:	Amount:	Forum: Appeal
year 2010-11	Regular assessment u/s 143(3)	Rs. 47 Lacs (Approx.)	filed before Hon'ble ITAT

10. Provisions of paragraph 4 (x) of 'the Order' regarding accumulated losses are not applicable to the company.
11. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution or bank.
12. The company has not granted any loans and advances on the basis of any security by way of pledge of shares and other securities.
13. Provisions of paragraph 4(xiii) of 'the Order' regarding Chit Fund are not applicable to the company.
14. In our opinion and according to the information and explanations given to us, the company is not a dealer or trader in securities. In respect of its investments consisting of Equity shares, the company has made proper records of the transaction in respect thereof. All the investments have been held by the company in its own name.
15. As per the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.

16. According to information and explanation given to us, company has applied the term loan for the purpose it was obtained.
17. As per the information and explanation given to us, the funds raised on short term basis have not been utilized for long term investment.
18. According to the information and explanations given to us, the company has not made preferential allotment of shares to parties covered in the register maintained under section 301 of the Act.
19. Provisions of paragraph 4(xix) of 'the Order' in respect of debentures are not applicable to the company.
20. Provisions of clause of paragraph (xx) of 'the Order' regarding end use of money raised by public issue are not applicable to the company.
21. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of audit.

FOR KUMAR CHOPRA & ASSOCIATES
Chartered Accountants
FRN : 000131N

Place : New Delhi
Date : 15.07.2014

Sd/-
Sunil Jain
Partner
M. NO. 080990

STATEMENT PURSUANT TO SEC 212 OF THE COMPANIES ACT, 1956

HIGH SPEED RAIL CORPORATION OF INDIA LIMITED

1. High Speed Rail Corporation of India Limited is a 100% wholly owned Subsidiary of Rail Vikas Nigam Limited. The Company was incorporated under the provisions of the Companies Act 1956 on July 25, 2012 with the object of carrying business related to planning, designing, development, construction, manufacturing, assembling, fabricating, processing, installing, maintenance, operation, and financing of railway infrastructure and related logistic support systems, including rolling stock, of all types in India and abroad of High Speed Rail Projects and other rail based traffic, as may be approved by Government of India or Rail Vikas Nigam limited or any other such Competent authority.
2. The accounts of the company for the year 01st April 2013 to 31st March 2014 have been audited by the auditors and form part of the Annual Report of the holding Company (Rail Vikas Nigam Limited).
3. The net aggregate of losses of Subsidiary companies, so far as it concerns the members of Rail Vikas Nigam Limited, not dealt with in the accounts of RVNL for the year ended 31st March 2014 are ₹28,50,029/- on the basis of the audited balance sheet of HSRC

For and on behalf of Board of Directors

Sd/-
S.C. Agnihotri
Chairman and Managing Director

Sd/-
Ashok K Ganju
Director Finance

Sd/-
Kalpana Dubey
Company Secretary

Place : New Delhi

Date : 15.07.2014

Confidential



भारत सरकार

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

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

No. PDA/RC/PSU/32-35/RVNL/ 2014-15/532

Dated: 03.09.2014

To

The Chairman and Managing Director,
Rail Vikas Nigam Limited,
1st Floor, August Kranti Bhavan,
Bhikaji Cama Place, R.K.Puram,
New Delhi-110 066

Subject: Comments of the Comptroller And Auditor General of India under Section 619 (4) of the Companies Act, 1956 on the accounts of Rail Vikas Nigam Limited for the year ended 31st March 2014

Sir,

The comments of the Comptroller And Auditor General of India under Section 619 (4) of the Companies Act, 1956 on the accounts of Rail Vikas Nigam Limited for the year ended 31st March 2014 are enclosed. The comments may be placed before the Annual General Meeting along with accounts of the Company in compliance with the provisions of Section 619 (5) of the companies Act, 1956. Six copies of the printed Annual Report and Accounts of the company may please be sent to this office at the earliest.

Receipt of the letter may please be acknowledged.

Yours faithfully,

Encl: As above.

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

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF RAIL VIKAS NIGAM LIMITED FOR THE YEAR ENDED 31st MARCH 2014

The preparation of financial statements of Rail Vikas Nigam Limited, for the year ended 31st March 2014 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 is responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 15/7/14.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 619 (3) (b) of the Companies Act, 1956 of the financial statements of Rail Vikas Nigam Limited for the year ended 31st March 2014. This supplementary audit has been carried out independently without access

to the working papers of the statutory auditors and is limited primarily to inquiries on the Statutory Auditor and company personnel and a selective examination of the Accounting Records. Based on my supplementary audit, I would like to highlight the following significant matters under section 619 (4) of the Companies Act, 1956 which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related Audit Report.

Comments on Disclosure

Accounting Policy No. 2.11 (b)

The Company is accounting for the contract revenue relating to work done by Special Purpose Vehicle (SPV)-M/s Angul Sukinda Railway Ltd engaged by the company for undertaking work obtained from Ministry of Railways (MOR) without any formal construction agreement. As the company is contravening its own Accounting Policy in this regard, the same should have been disclosed.

Place: New Delhi
Date: 4.09.2014

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

Management's reply to comments of the Comptroller and Auditor General of India under Section 619(4) of the Companies Act, 1956, on the Accounts of Rail Vikas Nigam Limited for the year ended 31st March 2014.

S.No.	Comments of C&AG	Management's Reply
1.	<p>Accounting Policy No. 2.11 (b)</p> <p>The Company is accounting for the contract revenue relating to work done by Special Purpose Vehicle (SPV)- M/s Angul Sukinda Railway Limited engaged by the Company for undertaking work obtained from Ministry of Railways (MoR) without any formal construction agreement. As the Company is contravening its own Accounting Policy in this regard, the same should have been disclosed.</p>	<p>Angul Sukinda Railway Limited (ASRL), is a Special Purpose Vehicle (SPV) promoted by RVNL for construction of the project line. As is the practice for all SPVs in which RVNL has a stake, the construction work has been entrusted to RVNL. The construction work is being undertaken by RVNL as per the terms and conditions of the Model Construction Agreement for execution of SPV projects issued by Ministry of Railways and revenue recognized accordingly. The Construction Agreement has been approved by the Board of Directors of RVNL and is under consideration by the Board of Directors of M/s Angul Sukinda Railway Limited for finalization and signing.</p>

For and on behalf of Board of Directors

Place : New Delhi
Dated : 08.09.2014

Sd/-
S.C. Agnihotri
Chairman and Managing Director

High Speed Rail Corporation Of India Limited

(A Wholly owned Subsidiary of Rail Vikas Nigam Limited)

DIRECTORS' REPORT

DISTINGUISHED SHAREHOLDERS,

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

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

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

BUSINESS PERFORMANCE

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

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

FINANCIAL PERFORMANCE

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

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

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

CAPITAL STRUCTURE

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

DIVIDEND

Since the Company has not yet started its commercial activities, the Company has not declared any dividend for the year 2013-14

FIXED DEPOSITS

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

RESERVES

As the Company is yet to commence its operational activities and has not earned any income or profit, the Company has not transferred any amount to General Reserves.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

The provisions of conservation of energy, technology absorption are not applicable to the Company, during the year under review.

PARTICULARS OF EMPLOYEES UNDER SECTION 217 (2A)

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

BUY-BACK OF SHARES UNDER SECTION 217 (2B)

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

PRESIDENTIAL DIRECTIVE

No Presidential Directive was received during the year.

INTEGRAL REPORTS

"Management Discussion and Analysis Report" and "Corporate Governance Report" form an

integral part of this Director's Report, which are placed at Annexure-I & II

BOARD OF DIRECTORS

The Board of Directors consists of four (4) part-time Director nominated by the Holding Company, Rail Vikas Nigam Limited. The Board met four (4) times during the year for transacting business.

The following Directors held office during the year:

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed and that there are no material departure from the same.
- The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the Profit or Loss of the Company for that period.
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- The Directors have prepared the annual accounts on a going concern basis.

AUDITORS

The Comptroller & Auditor General of India appointed M/s ASAP & Associates, Chartered Accountants as Company's Statutory Auditors for the year 2013-14. The Board would like to place

Management Discussion And Analysis

on record their sincere thanks for the valuable services rendered by Statutory Auditors.

COMMENTS COMPTROLLER & AUDITOR GENERAL OF INDIA

The Comptroller & Auditor General of India has undertaken supplementary audit on the accounts of the Company for the year ended 31st March, 2014 under Section 619 of the

Companies Act, 1956. The comments of the C & AG on the Annual Accounts of the Company for the year ended 31st March, 2014 shall also form part of this report.

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

For and on behalf of Board of Directors

Sd/-
Mukul Jain
Director

Sd/-
Ashok K. Ganju
Director

Place : New Delhi
Dated : 15.07.2014

AN OVERVIEW

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

OBJECTIVES

The main objects of the company are to enter into and carry on all business related to High Speed Rail Projects and any other rail-based traffic, as may be approved by the Government of India or Rail Vikas Nigam Limited (RVNL) or any other Authority specifically created for this purpose from time to time.

FINANCIAL PERFORMANCE

The company has not recorded any operating turnover during the year, as the Company is yet to start its commercial activities. The Company, however, earned an interest on deposits amounting to ₹8,877/-.

STRENGTHS

The Company has been established as a wholly owned subsidiary of RVNL which has a large pool of technical manpower with a diversity of skills and vast experience of execution of rail related infrastructure projects in the country and developing innovative financial models for project financing. RVNL also has a vast experience of the contracting process and have introduced many new concepts such as multi-packaging etc.

RISKS AND CONCERNS

High Speed Rail projects are highly capital intensive. The implementation of these projects will depend on specific policy directives of the Government of India. Innovative source of funding will have to be rapped for High Speed projects including bilateral and multilateral funding, Foreign Direct Investment, Public Private Partnership, etc.

INTERNAL CONTROL SYSTEMS

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

HUMAN RESOURCES

The Company has no personnel on its rolls. At present, all activities of the Company are being managed by personnel of RVNL as additional responsibilities/duties.

Annexure - II

Report On Corporate Governance

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

2. INCORPORATION

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

3. BOARD OF DIRECTORS

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

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

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

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

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

3.1 Brief Resume of Directors

a. Mr. S. C Agnihotri, Part-time Chairman (since incorporation i.e. 25.07.2012)

Mr. Satish Agnihotri has assumed the charge of Chairman & Managing Director of Rail Vikas Nigam Limited (RVNL) on 05.03.2013. Prior to this, he was appointed as Managing Director, RVNL. Mr. Satish Agnihotri, M.E. (Structures) and B.E. (Civil) from IIT, Roorkee, joined the Indian Railway Service of Engineers in 1984. Before joining as Managing Director of RVNL on 27.01.2010 he was working as Director (Projects) of the company w.e.f 4th July 2007. Before 4th July 2007, he headed the Metro Project Directorate of Ministry of Railways dealing with upcoming metro lines in metropolitan cities. While working as OSD to Member Engineering, he was involved in laying down the policies, standards, planning, implementation and monitoring of infrastructure projects all over Indian Railways. As Executive Director (Corporate Coordination) & OSD/ Chairman Railway Board, he was engaged in substantive decision making in the Ministry of Railways. In his career, spanning over 24 years, he worked on important projects including construction of a double line bridge over river Ganga, doubling of tracks, major yard remodelings, etc. He worked on the Rajdhani Route of Allahabad Division, the most prestigious track on Indian Railways, as Maintenance Engineer progressively as Assistant Engineer, Divisional & Senior Divisional Engineer. He was largely responsible for raising the speed potential of Rajdhani route from 130 to 160/180 KMPH by upgrading the track geometry and strengthening of track. He was also deputed to Japan for undergoing training in Tunnel and Tunneling organized by Japan International Corporation Agency (JICA). Through UNDP, he was deputed to Germany, France and Austria for extensive training on maintenance of high

speed track and upkeep of track machines. While working as Executive Director/Track Machine, he visited Germany, France, Italy and Russia as the team leader for development of high output track machines. Along with Chairman, Railway Board, he attended the Conference of Chief Executives of world railways in Japan, organized by UIC.

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

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

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

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

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

containerization, logistics, SCM and other management subjects.

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

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

He while working as Chief Project Manager in Delhi Metro Rail Corporation and subsequently as Director (Projects) in Delhi Metro Rail Corporation, has planned, designed, constructed and Commissioned various Corridors of Delhi Metro Projects on Phase-I and Phase-II including Connaught Place - Dwarka, Shadhara - Dilshad

Garden, Delhi University - Jahangirpuri, Inderlok - Mundka, Inderprastha - Noida, Yamuna Bank - Anand Vihar and Central Secretariat -Badarpur.

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

Mr. Ashok K Ganju, has taken over as Director (Finance) of Rail Vikas Nigam Limited on 12th September, 2011. After completing B.A. (Hons.) History, M.A. Sociology from Delhi University, he joined the Indian Railways Accounts Service (1981 Exam). He has worked in various capacities in the Railways in the Division, Workshop, Production Unit, EDP Centre, Traffic Accounts and Construction Offices etc. Prior to joining as Director (Finance), he worked as ED/Finance in RVNL from 31st August, 2007. He has also been on deputation with Centre for Railway Information Systems (CRIS) and on Central Deputation to the Ministry of Social Justice and Empowerment, Ministry of Consumer Affairs and Food & Public Distribution. He attended the 30th APPPA Course at the IIPA where he was awarded an M.Phil in Public Administration.

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

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

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

4. Remuneration of Directors

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

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

5. Code of Conduct

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

6. Committees of the Board of Directors

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

7. Annual General Meeting of Current Year

The Annual General meeting of the Company was held on Friday, 05th September 2014 at 11:00 hrs at its registered office of the company, in accordance with the provisions of section 166 of the Companies Act .

8. Means of Communication

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

High Speed Rail Corporation of India Limited
Balance Sheet As At 31.03.2014

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

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

For ASAP & Associates
Chartered Accountants
FRN: 005713N

For and on behalf of Board of Directors

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

Sd/-
Ashok K Ganju
Director

Sd/-
Mukul Jain
Director

Place: New Delhi
Date: 15.07.2014

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

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

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

For ASAP & Associates
Chartered Accountants
FRN: 005713N

For and on behalf of Board of Directors

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

Sd/-
Ashok K Ganju
Director

Sd/-
Mukul Jain
Director

Place: New Delhi
Date: 15.07.2014

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

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

- The above Cash flow statement has been prepared under the indirect method set out in AS-3 issued by the institute of Chartered Accountants of India.
- This is the Cash Flow Statement referred to in our report of even date.

For ASAP & Associates
Chartered Accountants
FRN: 005713N

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

Place: New Delhi
Date: 15.07.2014

For and on behalf of Board of Directors

Sd/-
Ashok K Ganju
Director

Sd/-
Mukul Jain
Director

High Speed Rail Corporation of India Limited

Notes to the financial statements

1. General information

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

2 Summary of significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 1956. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current — non-current classification of assets and liabilities.

2.2 Use of Estimate

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the

years presented. Actual results could differ from those estimates.

2.3 Revenue Recognition

- Interest: Interest income on Fixed Deposits with bank's is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- Other items of income are accounted for as and when the right to receive is established.

2.4 Provisions and contingencies

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

2.5 Cash Flow Statement

The Cash Flow Statement is prepared by the Indirect Method set out in "Accounting Standard 3" on "Cash Flow Statements" and presents the Cash Flows from Operating, Investing and Financing activities of the Company.

2.6 Earning Per Share

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

2.7 Preliminary / Share issue expenses

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

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

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

3. Share Capital

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

3.1 Reconciliation of number of Shares

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

3.2

The Company is a 100% Wholly Owned Subsidiary of Rail Vikas Nigam Limited (along with 6 Nominees of Holding company). Rail Vikas Nigam Limited holds 49994 shares & its Nominee holds 6 shares. Face value of share is ₹10 each.

3.3

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

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

Particulars	As at 31 March 2014	
	No. of Shares held	% of Holding
Rail Vikas Nigam Limited (along with 6 Nominees)- Holding Company (50,000 shares fully paid up @₹10/- per share)	₹50,000	100%
Total	₹50,000	100%

4. Reserves & Surplus

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

5. Other Long Term Liabilities

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

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

6. Other Current Liabilities

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

High Speed Rail Corporation of India Limited

7 Fixed Assets

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

8. Long Term Loans And Advances

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

9. Cash and Cash Equivalent

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

10. Other Income

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

11. Other Expenses

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

12. There are no reported Micro, Small and Medium enterprises as defined in the "The Micro, Small & Medium Enterprises Development Act 2006" to whom the company owes dues.
13. **Other Disclosures**
Expenditure in Foreign Currency- Nil
14. **Related Party Disclosures**
- 14.1 **Related Parties & Nature of Relationship**

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

14.2 **Disclosure of transaction with related parties**

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

15. Previous year's figures have been regrouped and rearranged, wherever necessary to make comparable with those of the current year.
These are the notes referred to in Balance Sheet, Statement of Profit & Loss and our report of even date.

For ASAP & Associates
Chartered Accountants
FRN:005713N

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

Place : New Delhi
Date : 15.07.2014

For the behalf of Board of Directors

Sd/-
Ashok K. Ganju
Director

Sd/-
Mukul Jain
Director



ASAP & ASSOCIATES
Chartered Accountants

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

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

INDEPENDENT AUDITOR'S REPORT

To,

The Members of
HIGH SPEED RAIL CORPORATION OF INDIA LIMITED

Report on the Financial Statement

We have audited the accompanying financial statements of **HIGH SPEED RAIL CORPORATION OF INDIA LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31st, 2014 and the Statement of Profit and Loss and Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control

relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31st, 2014 ;
- b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date.
- c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirement

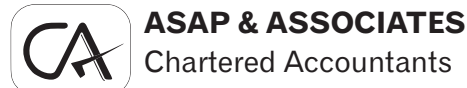
1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from the examination of those books;
 - c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) in terms of Department of Company Affairs GSR 829 (E) dated 21st October 2003, Government Companies are exempt from applicability of provisions of section 274 (1)(g) of the Companies Act 1956.

- f) since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

Place : New Delhi
Date : 15.07.2014

For ASAP & Associates
Chartered Accountants
FRN:005713N

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



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

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

High Speed Rail Corporation Of India Limited

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

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

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

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

For ASAP & Associates
Chartered Accountants
FRN:005713N

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

Place : New Delhi
Date : 15.07.2014



भारत सरकार

Confidential

भारतीय लेखा परीक्षा एवं लेखा विभाग
प्रधान निदेशक लेखा परीक्षक, रेलवे- वाणिज्यक का कार्यालय काफमो, भारतीय रेल,
तिलक ब्रिज, नई दिल्ली-110002
INDIAN AUDIT AND ACCOUNTS DEPARTMENT OFFICE OF THE
PRINCIPAL DIRECTOR OF AUDIT,
RLY-COMMERCIAL, COFMOW, INDIAN RAILWAYS,
TILAK BRIDGE, NEW DELHI- 110002

No.PDA/RC/32-51/HSRC/A/cs/13-14/523

Dated: 03.09.2014

To

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

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

Sir,

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

The receipt of the letter may kindly be acknowledged.

Yours faithfully,

Encl: As above.

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

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF HIGH SPEED RAIL CORPORATION OF INDIA LIMITED FOR THE YEAR ENDED 31ST MARCH 2014.

The preparation of financial statements of High Speed Rail Corporation of India Limited for the year ended 31st March 2014 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 is responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 15.07.2014.

I, on the behalf of the Comptroller and Auditor General of India have conducted a supplementary audit under Section 619(3)(b) of the Companies Act, 1956 on the financial statements of High Speed Rail Corporation of India Limited for the year ended 31st March 2014. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's report under Section 619(4) of the Companies Act 1956.

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

Place: New Delhi
Date: 03.09.2014.

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