

BHARUCH DANEJ RAILWAY COMPANY LTD.



ANNUAL REPORT 2015-16

MANAGEMENT TEAM

Board of Directors:

- Smt. Bela Banerjee, Independent Director
- 2. Shri S.P. Chaturvedi, Independent Director
- 3. Smt. D. Thara, Director (Nominee of Government of Gujarat)
- 4 Shri Sajal Mitra, Director (Nominee of Adani Petronet (Dahej) Port Pvt. Ltd.)
- 5. Shri Amit Kumar Singh Director (Nominee of Rail Vikas Nigam Ltd.)
- Shri Vinay Singh, Director (Nominee of Rail Vikas Nigam Ltd.)
- 7. Smt. Chavvi Jha, Director (Nominee of Rail Vikas Nigam Limited)
- 8. Shri Rajendra Kashyap, Managing Director

Company Secretary

Smt. Beena R. Shah

Registered Office:

39-42, 3rd Floor, Indra Palace, H – Block, Connaught Circus, New Delhi-11001

Statutory Auditors:

M/s KMGS & Associates Chartered Accountant Basement, 18, National Park, Lajpat Nagar IV New Delhi, 110024

Bankers:

Canara Bank Parliament Street Branch New Delhi

Hank of India Alkapuri Branch, Vadodara Gujarat

IDFC Bank Ltd 4th Floor, East wing, Sood Tower, Barakhmaba Road New Delhi 110001

Chief Financial Officer

Shri Balkishan Sharma

Corporate Office:

Rubellite Building 3rd Floor, 32 Ajit Nagar Society, Dinesh Mill Road Vadodara – 390007

Secretarial Auditors

CS ANIL ANAND (Company Secretary in Practice) 102, GK House, 1st Floor, 187-A Sant Nagar New Delhi-110065

> Bank of India Malai Mandir Branch New Delhi

HDFC Bank Ltd. 1st Floor, Kailash Building K.G.Marg New Delhi – 110001

Board of Directors



Shri Laj Kumar AM (W)/MoR, Part Time Chairman (Upto 31st May 2016)



Shri Rajendra Kashyap (Managing Director)



Smt. Bela Banerjee Independent Director



Shri S.P. Chaturvedi Independent Director



Shri Amit Kumar Singh Director (From 25-05-2016)



D. Thara Director (From 02-08-2016)



Shri Sajjai Mitra (Director From 26-11-2015)



Chavvi Jha (Director From 25-05-2016)



Shri Vinay Singh Director



5hri Manoj Aggarwal (Director Upto 02-08-2016)



Shri A.K.Rakesh Director (Upto 22-08-2016)



Shri Ashutosh Gangal Director(Upto 25-05-2016)



Shri M.K. Singh Director(upto 01-05-2016)



Capt. A.K.Singh Director(Upto 26-11-2015)



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^{*}will be circulated as available or during the meeting.

NOTICE OF THE 10TH ANNUAL GENERAL MEETING



Registered Office :

39-42, (3rd Floor H Block) Indra Palace, Connaught Circus Inner Circle,

New Delhi - 110 001. -Tel.: 011-43586814/17

el.: 011-43586814/17 Fax: 011-43586813

NOTICE

Notice is hereby given that the Tenth Annual General Meeting of members of Bharuch Dahej Railway Company Limited will be held on Tuesday, the 27th September, 2016 at 1230 hrs at Conference Room, Rail Vikas Nigam Limited at 1st Floor, August Kranti Bhawan, Bhikaji Cama Place, New Delhi 110066 to transact the following business:

A ORDINARY BUSINESS:

I. Approval on Audited Accounts

 To receive, consider and adopt the Audited Balance Sheet as on 31st March, 2016, Profit and loss Account & Cash Flow Statement for the year ended on that date, and the reports of the Board of Directors and Auditors' (both Statutory and Secretarial) thereon and the comments of the Comptroller and Auditor General of India thereon.

II. Reappointment of Retiring Directors

To appoint a Director in the place of Shri Vinay Singh (DIN no.03324677) who is liable to retire by rotation and being eligible offers himself for reappointment.

III Remuneration of Statutory Auditors

3. Remuneration of Statutory Auditors for the year 2016-17
As the Company comes under the purview of S. 139(5) of the Companies Act, 2013, the appointment of auditors is being made by Comptroller & Auditor General of India. Pursuant to this power, CAG has vide letter dated 03.08.2016 has appointed M/s D. Singh & Co., Chartered Accountants as Statutory Auditors for the financial year 2016-17.

Section 142 of the Companies Act, 2013 provides that the remuneration of the auditor of the Company shall be fixed by the Company in general meeting or in such manner as the Company in general meeting may determine.

To consider and if thought fit, to pass with or without modification, the following resolution as Ordinary Resolution:

"RESOLVED THAT the Board of Directors of Bharuch Dahej Railway Company Limited be and are hereby authorized to fix, based on the recommendation to be made by the Audit Committee, the remuneration of the auditors of the Company appointed by the office of the Comptroller & Auditor General of India for audit of accounts of the Company for the year 2016-17."

B SPECIAL BUSINESS:

IV Appointment of Shri Sajal Mittra as Director

4. To consider and if thought fit, to pass with or without modifications, the following resolutions as Ordinary Resolution:

"RESOLVED THAT Shri Sajal Mittra (DIN no. 02625510) (Nominee of Adani Petronet (Dahej) Port Private Limited) who was appointed by the Board of Directors as an Additional Director under section 161(1) of the Companies Act, 2013 and holds his office up to the date of this Annual General Meeting in respect of whom the Company has received a notice under section 160 of the Companies Act, 2013 be and is hereby appointed as Director of the Company, liable to retire by rotation, under the Articles of Association of the Company."

V Appointment of Shri Amit Kumar Singh as Director

To consider and if thought fit, to pass with or without modifications, the following resolutions as Ordinary Resolution:

"RESOLVED THAT Shri Amit Kumar Singh(DIN no. 07524253) (Nominee of Rail Vikas Nigam Limited) who was appointed by the Board of Directors as an Additional Director under section 161(1) of the Companies Act, 2013 and holds his office up to the date of this Annual General Meeting in respect of whom the Company has received a notice under section 160 of the Companies Act, 2013 be and is hereby appointed as Director of the Company, liable to retire by rotation, under the Articles of Association of the Company."

VI Appointment of Smt. Chhavi Jha as Director

6. To consider and if thought fit, to pass with or without modifications, the following resolutions as Ordinary Resolution:

"RESOLVED THAT Smt. Chhavi Jha (DIN no. 07524269) (Nominee of Rail Vikas Nigam Limited) who was appointed by the Board of Directors as an Additional Director under section 161(1) of the Companies Act, 2013 and holds his office up to the date of this Annual General Meeting in respect of whom the Company has received a notice under section 160 of the Companies Act, 2013 be and is hereby appointed as Director of the Company, liable to retire by rotation, under the Articles of Association of the Company."

VII Appointment of Smt. D. Thara as Director

7. To consider and if thought fit, to pass with or without modifications, the following resolutions as Ordinary Resolution:

"RESOLVED THAT Smt. D. Thara (DIN no. 01911714). (Nominee of Gujarat Industrial Development Corporation) who was appointed by the Board of Directors as an Additional Director under section 161(1) of the Companies Act, 2013 and holds his office up to the date of this Annual General Meeting in respect of whom the Company has received a notice under section 160 of the Companies Act, 2013 be and is hereby appointed as Director of the Company, liable to retire by rotation, under the Articles of Association of the Company."

VIII Special Resolution to pass for Borrowing under new Companies Act, 2013

8. To consider and if thought fit, to pass with or without modifications, the following resolutions as Special Resolution:

"RESOLVED THAT in supersession of the all earlier resolutions passed by the Members of the Company at any General Meeting and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, and the Articles of Association of the Company, consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any

Committee of the Board), to borrow any sum or sums of money from time to time at its discretion, for the purpose of the business of the Company, from any one or more Banks, Financial Institutions and other Persons, Firms, Bodies Corporate, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may, at any time, exceed the aggregate of the paid-up share capital of the Company and its free reserves (that is to say reserves not set apart for any specific purpose), subject to such aggregate borrowings not exceeding the amount which is Rs. 250 crores (Rupees Two Hundred and Fifty Crores only) over and above the aggregate of the paid-up share capital of the Company and its free reserves (that is to say reserves not set apart for any specific purpose) and that the Board be and is hereby empowered and authorised to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as it may, in its absolute discretion, think fit."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper, or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution."

IX Special Resolution to pass for Security Creation under new Companies Act, 2013

9 Creation of security on the properties of the Company, both present and future, in favour of lenders:

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Meetings of Board and its Powers) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, and the Articles of Association of the Company and subject to the provisions of the Concession Agreement, consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board) for creation of charge / mortgage / pledge / hypothecation / security in addition to existing charge / mortgage / pledge / hypothecation / security, in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on all or any of the moveable and / or immovable properties, tangible or intangible assets of the Company, both present and future and / or the whole or any part of the undertaking(s) of the Company, as the case may be in favour of the Lender(s), Agent(s) and Trustee(s), for securing the borrowings availed / to be availed by the Company by way of loan(s) (in foreign currency and / or rupee currency) and securities (comprising fully / partly convertible debentures and/or non convertible debentures with or without detachable or nondetachable warrants and / or secured premium notes and / or floating rate notes / bonds or other debt instruments), issued / to be issued by the Company including deferred sales tax loans availed / to be availed by various Units of the Company, from time to time, subject to the limits approved under Section 180(1)(c) of the Act together with interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premia on prepayment, remuneration of the Agent(s) / Trustee(s), premium (if any) on redemption, all other costs, charges and expenses, including any increase as a result of devaluation / revaluation / fluctuation in the rates of exchange and all other monies payable by the Company in terms of the Loan Agreement(s), Debenture Trust Deed(s) or any other document, entered into / to be entered into between the Company and the Lender(s) / Agent(s) / Trustee(s) / State Government(s) / Agency(ies) representing various state government and/or other agencies etc. in respect of the said loans / borrowings / debentures / securities / deferred sales tax loans and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board and the Lender(s) / Agent(s) / Trustee(s) / State Government(s) / Agency(ies), etc."

"RESOLVED FURTHER THAT the securities created/to be created by the Company as aforesaid may rank prior / pari passu / subservient with / to the mortgages and /or charges already created or to be created in future by the Company or in such other manner and ranking as may be thought expedient by the Board and as may be agreed to between the concerned parties.

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to finalise, settle, and execute

such documents / deeds / writings / papers / agreements as may be required and to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgages / charges as aforesaid."

By Order of Board of Directors For Bharuch Dahej Railway Company Limited

Place: New Delhi

Date: 22.08.2016

(Beena R. Shah)

Belate

Company Secretary

Notes:

- A member entitled to attend and vote at the meeting is entitled to appoint a
 proxy to attend and vote at the meeting instead of him/her and the proxy need not
 be a member of the company.
- 2. Pursuant to Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than 50 members holding in aggregate, not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
- 3. The instrument appointing proxy, in order to be effective, must be deposited at the Registered Office of the Company, duly completed and signed at least 48 hours before the commencement of the meeting.
- A proxy form is annexed to this Notice. Proxies submitted on behalf of the companies, etc. Must be supported by an appropriate resolutions/authority, whichever applicable.
- Corporate Members intending to send their authorized representatives to attend the AGM are requested to send a duly certified copy of their Board Resolution authorizing their representatives to attend and vote at the AGM.
- Explanatory Statement as required under Section 102 of the Companies Act,
 2013 for Special Businesses (Item No. 4 to 9) is annexed herewith and forms part of this Notice.

Copies to:

- A. All the shareholders of the company
- B. Statutory auditors of the company
- C. Secretarial auditor of the company
- All directors of the company

EXPLANATORY STATEMENT ON SPECIAL BUSINESS AS REQUIRED UNDER SECTION - 102 OF THE COMPANIES ACT, 2013

Item No. 4

The Board of Directors of the Company had appointed Shri Sajal Mittra (Nominee of Adani Petronet (Dahej) Port Private Limited) as the Additional Director (w.e.f. 26.11.2015) who will hold the office of Director until the date of this Annual General Meeting.

Now the Company has received proposal for appointment of the above Director in this Annual General Meeting under section 160 of the Companies Act, 2013 A copy of which will be available for inspection during the AGM, till the conclusion of the AGM

Pursuant to Section 152(2) of the Companies Act, 2013 the Directors are to be appointed by the General Meeting. His appointment is subject to the approval of the shareholders.

Shri Sajal Mittra (DOB-14.02.1958) is an IRTS officer since 1985. He is Head (Railways) in Adani Ports and Special Economic Zone Limited. He holds Master's degree in Politics (International Relations and Affairs) from Jawaharlal Nehru University, Delhi. He brings with over 30 years of wide experience in planning & execution infrastructure projects, developing multi-modal logistics parks on a pan-India basis and setting up of a midcap, high growth organization from its inception. He has worked in various capacities in Indian Railways. Considering his vast experience, his presence on the Board is of immense value. As per requirement of

the Act, he has given consent to act as Director. Besides, he has submitted disclosures in form MBP-1 and DIR-8 which are available for inspection at the Registered Office. He is also a member in the Nomination and Remuneration Committee. He has attended four Board Meetings held on 11.12.2015, 17.03.2016, 25.05.2016 and 22.08.2016 one meeting of Nomination and Remuneration Committee held on 22.08.2016 till date.

None of the Directors, the Key Managerial Personnel and their relatives except the appointee and his relatives is interested in the proposed resolution.

The Board of Directors recommends passing of the proposed resolution as an Ordinary Resolution.

Your Directors recommend resolution for approval of the shareholders.

Item No. 5

The Board of Directors of the Company has appointed Shri Amit Kumar Singh, DRM Vadodara Division (Nominee of Rail Vikas Nigam Limited) as Additional Director (w.e.f. 25.05.2016) who will hold the office of Director until the date of this Annual General Meeting.

Now the Company has received proposal for appointment of the above Director in this Annual General Meeting under section 160 of the Companies Act, 2013. A Copy will be available for inspection during the AGM, till the conclusion of the AGM.

Pursuant to Section 152(2) of the Companies Act, 2013 the Directors are to be appointed by the General Meeting. His appointment is subject to the approval of the shareholders.

Shri Amit Kumar Singh, (DOB 25.02.1965) is an IRTS officer (1989 batch) working as Divisional Railway Manager, Western Railway, Vadodara since 25th April 2016. Prior to this, he held various positions as Passenger Transportation Manager at Hubli of South Western Railway, Additional Divisional Railway Manager, Vadodara Division of Western Railway, Chief General Manager for Container Corporation of India, North West Region, Deputy Chief Operations Manager, Sr. Divisional Comercial Manager and Sr Divisional Oprations Manager in Western Railway. He has more than 27 years' experience in Railways. Considering his vast experience, his presence on the Board is of immense value. As per requirement of the Act, he has given consent to act as Director. Besides, he has submitted disclosures in form MBP-1 and DIR-8 which are available for inspection at the Registered Office. He is also a member in the Corporate Social Responsibility Committee. He has attended a Board Meetings held on 22.08.2016 and one meeting of CSR held on 22.08.2016 till date.

None of the Directors, the Key Managerial Personnel and their relatives except the appointee is interested in the proposed resolution.

The Board of Directors recommends passing of the proposed resolution as an Ordinary Resolution.

Your Directors recommend resolution for approval of the shareholders.

Item No. 6

The Board of Directors of the Company had appointed Smt. Chhavi Jha, GM(Finance) RVNL (Nominee of Rail Vikas Nigam Limited) as Additional Director (w.e.f. 25.05.2016) who will hold the office of Director until the date of this Annual General Meeting.

Now the Company has received proposal for appointment of the above Director in this Annual General Meeting under section 160 of the Companies Act, 2013. A copy will be available for inspection during the AGM, till the conclusion of the AGM.

Pursuant to Section 152(2) of the Companies Act, 2013 the Directors are to be appointed by the General Meeting. Her appointment is subject to the approval of the shareholders.

Smt. Chhavi Jha, (DOB 21.12.1966) is a General Manager (Finance) Rail Vikas Nigam Limited. She is IRAS officer 1989 batch. She has more than 26 years' experience in Railways. Considering her vast experience, her presence on the Board is of immense value. As per requirement of the Act, she has given consent to act as Director. Besides, she has submitted disclosures in form MBP-1 and DIR-8 which are available for inspection at the Registered Office. She is also a member in the Audit Committee and Corporate Social Responsibility Committee. She has attended a Board Meetings held on 22.08.2016 and one meeting of CSR and one meeting of Audit Committee held on 22.08.2016 till date.

None of the Directors, the Key Managerial Personnel and their relatives except the appointee is interested in the proposed resolution.

The Board of Directors recommends passing of the proposed resolution as an Ordinary Resolution.

Your Directors recommend resolution for approval of the shareholders.

Item No. 7

The Board of Directors of the Company had appointed Smt. D. Thara, IAS (Nominee of Gujarat Industrial Development Corporation Limited) as Additional Director (w.e.f. 02.08.2016) who will hold the office of Director until the date of this Annual General Meeting.

Now the Company has received proposal for appointment of the above Director in this Annual General Meeting under section 160 of the Companies Act, 2013. A copy will be available for inspection during the AGM, till the conclusion of the AGM

Pursuant to Section 152(2) of the Companies Act, 2013 the Directors are to be appointed by the General Meeting. Her appointment is subject to the approval of the shareholders.

Smt. D. Thara, IAS (DOB:-03.07.1971) is Vice Chairman and Managing Director of GIDC. She is a 1995 batch IAS officer. She has 20 years' experience in various departments of Government of Gujarat. Considering her vast experience, her presence on the Board is of immense value. As per requirement of the Act, she has

given consent to act as Director. Besides, she has submitted disclosures in form MBP-1 and DIR-8 which are available for inspection at the Registered Office.

None of the Directors, the Key Managerial Personnel and their relatives except the appointee and his relatives is interested in the proposed resolution.

The Board of Directors recommends passing of the proposed resolution as an Ordinary Resolution.

Your Directors recommend resolution for approval of the shareholders.

Item No. 8 & 9

The Company has availed a term loan of Rs. 230 Crore (now Rs. 204,92 Crore outstanding as on 31.03.2016) from Canara Bank in two parts, one of Rs.200 Crore in October, 2009 and other part of Rs. 30 Crore in October, 2011 for the construction of Gauge Conversion project of Bharuch Dahej Line.

Before availing borrowing, the Company has authorised the Board of Directors upto Rs. 200 Crore over and above it's paid up Capital and free reserves by passing the resolution under section 293(1)(d) of the Companies Act, 1956 on 24.09.2008 in second Annual General Meeting and then later on increased the borrowing power upto Rs. 250 crore by passing another resolution under section 293(1)(d) of the Companies Act, 1956 on 26.04.2011 in the Extraordinary General Meeting.

After notification of Section 180 of the Companies Act, 2013(the Act), the Companies are now required to pass the Special Resolution for providing power of borrowing and security creation inter-alia with other powers of Board under section 180 of the Companies Act, 2013.

Ministry of Corporate Affairs has thereafter issued a circular dated 25.03.2014

indicating that the resolutions passed under section 293 of the Companies Act,

1956 prior to 12.09.2013 with reference to borrowings and/or creation of security

on the assets of the Company will be regarded as sufficient compliance of the

requirement of Section 180 of the Companies Act, 2013 for a period of one year

from the date of notification (01.04.2014) of Section 180 of the Act. Accordingly,

it is appropriate to have fresh resolutions under section 180 of the Act so as to be

incompliance with guidelines of the Ministry of Corporate Affairs. Such revised

resolutions will be useful if and when the Company decides to refinance its

outstanding loan by prepayment to Canara Bank to obtain cost advantage.

Therefore, these resolutions under section 180(1) of the Companies Act, 2013 have

been proposed to authorise borrowing upto Rs. 250 crore (limit has remained same

as in earlier resolution) and creation of security.

None of the Directors, the Key Managerial Personnel and their relatives is

interested in the proposed resolution.

The Board of Directors recommends passing of the proposed resolutions as Special

Resolutions.

Your Directors recommend resolution for approval of the shareholders.

By Order of the Board of Directors For Bharuch Dahej Railway Company Limited,

(Beena R. Shah)

Company Secretary

Place: New Delhi

Date: 22.08.2016

16

Form No. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: U45203DL2006PLC155511 Name of the company: BHARUCH DAHEJ RAILW. Registered office: 39-42, 3rd Floor, Indra Palace, H B Delhi	AY COMPANY LIMITED lock, Middle Circle, Connaught Place, New
Name of the member (s):	
Registered address :	
E-mail Id:	
Folio No/ Client Id :	
DP ID:	
I/We, being the member (s) of shares of the	above named company, hereby appoint
1. Name :	
Address:	
E-mail Id:	
Signature :, or failing him	
2. Name :	
Address:	
E-mail Id:	
Signature: or failing him	
3. Name :	
Address:	
E-mail Id:	
Signature:	
as my/our proxy to attend and vote (on a poll) for n general meeting/ Extraordinary general meeting of t September, 2016 at 1230 hrs. at Conference Room, I Bhikaji Cama Place, New Delhi(place) and at any adj as are indicated below:	Rail Vikas Nigam Ltd. August Kranti Bhawan
Resolution No.	
1	
2	
3	F 64
	Affix
Signed this day of 20	Revenue Stamp
Signature of shareholder	

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

DIRECTORS' REPORT



Registered Office :

39-42, (3rd Floor H Block) Indra Palace, Connaught Circus Inner Circle, New Delhi - 110 001.

Tel.: 011-43586814/17 Fax: 011 - 43586813

DIRECTORS' REPORT

DISTINGUISHED SHAREHOLDERS,

Directors of your Company feel privileged to present the Tenth Annual Report of the Company containing salient features of operations and business of your Company, along with the Audited Annual Accounts for the year ended 31st March, 2016.

FINANCIAL REVIEW

Highlights of Financials of the Company as on 31.03.2016 are as under:

Particular	Amount (in Rs. crore) (31.03.2016)	Amount (in Rs. crore) (31.03.2015)
30 9		
Revenue from Operation	111.37	132.52
Other Income	6.53	2.57
Total Revenue [A]	117.90	135.09
O&M Cost	49.26	46.08
Finance Cost	20.83	24.35
Depreciation	23.44	22.77
Other expenses	2.45	1,97
Total Expenses[B]	95.98	95,17
Profit before Tax [A-B]	21.92	39.92
Taxes including Current Tax and Deferred Tax	12.61	25.21
Profit After Taxes	9.31	_14.71

COMPANY'S OPERATIONS:

You are aware that Bharuch Dahej Railway line became commercially operational from March 2012. Month wise summary of volume of Traffic handled during the Financial Year 2015-16 is as under:

Financial Year 2015-16				
Sr. No.	Month	No. of Rakes	No. of Wagons	Loading in Tonnes
1	April, 15	208	12154	839795
2	May, 15	156	9113	631623.2
3	June, 15	152	8877	614999.2
4	July, 15	100	5831	399755.6
5	August, 15	121	7058	486549
6	September, 15	106	6188	428390.4
7	October, 15	133	7763	538162
8	November, 15	129	7542	522576.8
9	December, 15	175	10227	706243
10	January, 16	96	5603	388883
11	February, 16	115	6701	466153.2
12	March, 16	100	5838	404917.6
	Total	1591	92895	6428048

It may be observed that as compared to the previous year, there has been a reduction of over 40% in the physical output delivered in terms of tonnage carried and rakes moved. The deceleration is attributed mainly to external factors, manifesting in the form of reduction in loading by the major customer of the Company. Such reduction has been occasioned by a combination of factors, which include slowdown in the import of coal in the face of enhanced indigenous production, and usage of domestic coal in the power sector, subdued growth in the national economy having bearing on power production, and levy of a Port Congestion Surcharge by Ministry of Railways on traffic originating at Dahej during the year 2015-16. While your Company did make efforts to attract alternative streams of traffic, the work-in-progress on infrastructural augmentation at Dahej terminal required for such handling took time to complete.

While the macroeconomic scenario continues to be subdued during the current year, efforts of the Company to begin operations at its own terminal at Dahej to cater to requirements of other potential customers have run into some transient roadblocks in the context of interpretation of orders issued by the Ministry of Railways in regard to operation of such non-Government terminals. The matter is being pursued with the Railways for obtaining clarity and we expect to start handling of containerised and other traffic at Dahej terminal shortly. In the meanwhile, Dahej terminal has already started handling liquid cargo. This has been facilitated by laying of a dedicated pipeline between the plant of a customer and Dahej siding, enabling direct pumping into tank wagons. While loading of Liquid Caustic Soda at the terminal has been sporadic and infrequent so far, indications are that this stream will pick up in volumes during the year. With the macroeconomic environment expected to improve, and movement of substantial volumes of non-coal traffic in the offing, we expect the overall physical performance during 2016-17 to match at least the performance during 2015-16, and take a healthy growth trajectory thereafter.

0&M

The Operation & Maintenance (O&M) Agreement to be signed with Western Railway is still awaiting finalization. Pending its finalization, Western Railway has been releasing revenue to BDRCL on a provisional basis. As in the previous year, responsibility of carrying out maintenance of assets on the line remained with BDRCL till December, 2015, under appropriate supervision and inspection by Officers of Western Railway. However, in line with conditions put forth by Commissioner of Railway Safety while according approval for running of passenger services on the line, Western Railway has taken over most of the maintenance activities on the line over the last three months of the year 2015-16. Consequently, the cost of carrying out O&M is expected to rise during the current year. This is attributable to two factors: the unit cost associated with deployment of manpower by BDRCL is considerably lower than average cost associated with a regular Railway employee, and also the numbers deployed by Western Railway could be significantly higher as compared to numbers used by BDRCL. Through elaborate discussion with Western Railway, we have evolved an arrangement whereby only activities that are essentially required to be carried out by Railway employees have been transferred to Western Railway, with the balance remaining the direct responsibility of BDRCL.

PHYSICAL PROGRESS:

The Physical work on the project has been substantially completed. Looking to the relatively low volumes materialising, the Company had decided during the year that the work related to providing two additional lines and a shunting neck at Duhej for handling container and other traffic should be staggered into two phases. Construction of Line no. 5 with electronic-in-motion weighbridge has been completed in phase-1 so as to make the line operational. Residual activities such as top wiring

of the line and carrying out signalling modifications for interlocked working are in progress. Work on construction of line no.6 with a shunting neck will be taken in hand at a later stage, in keeping with the volumes emerging.

The Shareholders may recall that the Company had handled peak traffic of 8-9 loaded rakes per day during 2014-15. A consolidation plan had accordingly been prepared, to be implemented in phases in a need based manner. As an initial step, the Company had decided to split the longest block section of about 16 kilometres between Dahej and Pakhajan by constructing a new station at Sambheti, almost mid-way. The Company has applied for allotment of land (30mtrs × 700mts) to GIDC for this construction activity. On getting confirmation from GIDC, the Company will approach Railways for approval of Engineering, Signalling and other plans for Construction of a 3-line station. However, keeping in view the traffic that is being offered at present, we do not perceive immediate need to undertake this work. The Company would time this work in line with the business offering so that premature investment in additional infrastructure is avoided.

RESERVES AND DIVIDEND

The Profit after Tax for the year 2015-16 is Rs.9.31 Crore. This has resulted in the Company's accumulated profits going up to Rs. 21.04 Crore. Viewed against accumulated losses of Rs. 2.97 crore at the end of 2013-14, and accumulated profits of Rs. 11.74 crore at the end of 2014-15, the trend is considered creditable for your nascent infrastructure Company. However, with a view to meeting the emerging investment needs for capacity augmentation to provide better service to the industries in the region without recourse to additional debt, your Directors seek your indulgence in endorsing their decision of not declaring dividend for the year 2015-16.

CAPITAL STRUCTURE

The Company's Authorized Share Capital is Rs. 165 Crore. The Company's Paid up Share Capital is Rs. 155.11 Crore. The Company has not issued any further Equity Shares during the year.

Future Outlook:-

The drop in traffic offered in recent months notwithstanding, the prognosis for the future is that significant volumes will have to be carried on the line not only on sustained but on a growing basis. While standard strategies like new block stations and doubling etc. have been under consideration,

the Company is also looking at, in consultation with the Ministry of Railways, the feasibility of the line's connectivity with DFCCIL at a suitable point. While this will lead to some reduction in the lead of traffic carried over the line, the trade-off will be in the form of capacity of BDRCL to handle significantly higher volumes without being constrained by the topographical limitations to carry out doubling within the town of Bharuch. Financial arrangements governing, such an option will be considered at the appropriate time. Another option available is to consider realignment of the second line on the portion of the section between Tham and Bharuch as part of doubling away from the town of Bharuch to overcome capacity augmentation constraints within the built up area surrounding the existing alignment within Bharuch town. Preliminary discussion with Bharuch Ankleshwar Urban Development Authority (BAUDA) has been underway, and we propose to request BAUDA to incorporate in their master plan of Bharuch the proposed new Rail alignment parallel to a road connection being envisaged by them. Tentatively, this could take off from a suitable point near Tham station and connect with Mumbai–Vadodara mainline between Chavaj and Nabipur.

During the initial few years of operation of your Company, coal loaded by one major client has been the predominant commodity of transportation. However, there is an increasing expectation amongst various stakeholders in the region for BDRCL to play a larger transportation role in support of the industry. Your management, with active support of Western Railway, has been interacting with representatives of various industries in the area from time to time.

Meanwhile, during the course of interaction with one of the Banks (IDFC Bank), the Company was introduced to an initiative of Government of Gujarat in collaboration with United Nations Industrial Development Organization (UNIDO). They have conceptualised a project in Dahej area in collaboration with various important stakeholders with focus on environmental issues. At their request, the Company has decided to participate in the project, and has signed a Memorandum of Understanding with Gujarat Cleaner Production Centre and Dahej Industrial Association on 02.05.2016 in presence of senior officials of Government of Gujarat and senior UNIDO officials from Geneva and New Delhi. BDRCL's objective in the project implementation would be to extend the cleaner production initiatives to the next stage of logistics of transport, and place the rail transport involving electric traction, as offered by it, in the forefront, it being a lot more environment friendly as compared to road transport being used by most industries in Dahej area at present. This is expected to provide a platform to BDRCL to showcase to the industry members, who will be its partners, its potential to cater to bulk transportation needs of the industry in the area,

and forge collaborations to plan and create logistics to enhance customer base and obtain greater volumes of traffic.

BOARD OF DIRECTORS

During the period since the last Annual General Meeting, the Company received advice from Adani Petronet (Dahej) Port Private Limited(APDPPL) nominating Shri Sajal Mittra as Director on the Board of BDRCL in place of Capt. A. K. Singh, Director APDPPL. Shri Mittra was appointed as Additional Director w.e.f 26.11.2015 and will hold the office till the date of the next Annual General Meeting.

The Company also received nominations of Shri Amit K. Singh and Smt Chhavi Jha as Directors from Rail Vikas Nigam Limited vice Shri Ashutosh Gangal and Shri M. K. Singh respectively. Shri Singh is Divisional Railway Manager, Vadodara and Smt. Chhavi Jha is General Manager in RVNL. They were appointed as Additional Directors w.e.f. 25.05.2016 and will hold the office till the date of the ensuing Annual General Meeting.

The Company also received nomination of Smt. D. Thara, IAS, Vice Chairman and Managing Director, GIDC as Director, from Gujarat Industrial Development Corporation in the place of Shri Manoj Aggarwal. Smt. Thara was appointed as Additional Director w.e.f. 02.08.2016 and will hold the office till the date of the upcoming Annual General Meeting.

The Company is yet to receive nomination from Ministry of Railways and Gujarat Maritime Board vice Shri Laj Kumar, AM(W)/MoR and Shri A. K. Rakesh, VC-CEO/GMB who ceased to be Chairman and Director w.e.f. 31.05.2016 and 22.08.2016 respectively owing to superannuation and transfer from their respective post held by them in their respective organisation.

The Board of Directors appreciates the contribution made by Shri Laj Kumar, Capt. A. K. Singh, Shri Ashutosh Gangal, Shri M. K. Singh, Shri Manoj Aggarwal and Shri A. K. Rakesh who have ceased to be Directors of the Company, during their tenure as Directors in the Company. Their guidance during the difficult macroeconomic environment was indeed most valuable.

The Company has received proposals for appointment of the above Additional Directors namely Shri Sajal Mittra, Shri Amit K. Singh, Smt. Chhavi Jha and Smt. D. Thara, as Directors in the forthcoming Annual General Meeting as required under section 160 of the Companies Act, 2013 with the requisite deposit. The above deposit will be refunded on appointment of the above Directors in the Annual General Meeting of the Company.

At present the Board of Directors of the Company consists of ten Directors (two seats vacant). Out of them, Shri Vinay Singh is liable to retire by rotation and being eligible offer himself for reappointment.

The present composition of Board of Directors is as under:

- 1. Vacant, Chairman
- 2. Smt. Bela Banerjee, Independent Director
- 3. Shri S. P. Chaturvedi, Independent Director
- 4. Smt. D. Thara, Director
- 5. Shri Sajal Mittra, Director
- 6. Shri Amit K. Singh, Director
- 7. Shri Vinay Singh, Director
- 8. Smt. Chhavi Jha, Director
- 9. Shri Rajendra Kashyap, Managing Director
- 10. Vacant, Director (from Gujarat Maritime Board)

Attendance of Directors at Board Meeting:

During the year, the Board of Directors had four meetings on 26.06.2015, 26.08.2015, 11.12.2015 and 17.03.2016.

SI No.	Name of Directors	Date of Board Meetings				
		26.06.2015	20.08.2015	11.12.2015	17.03.2016	
1.	Sh. Laj Kumar, Chairman	Present	Present	Present	Present	
2.	Shri Rajendra Kashyap, MD	Present	Present	Present	Present	
3.	Smt. Bela Banerjee,	Present	Present	Present	Present	

	Independent Director				
4.	Shri S. P. Chaturvedi	Present	Present	Present	Present
5.	Shri Vinay Singh, Director	Present	Present	LOA	Present
6.	Shri M. K. Singh, Director	Present	Present	Present	Present
7.	Shri Ashutosh Gangal, Director	LOA	Present	Present	Present
8.	Shri A. K. Rakesh, Director	LOA	LOA	Present	LOA
9.	Shri Manoj Aggarwal, Director	W.e.f20.08.2015		LOA	LOA
10.	Shri A. K. Singh, Director	w. e. f. 26.06.2015	Present	Ceased w. e.	f. 26.11.2015
11.	Shri Sajal Mittra	w. c. f.	26.11.2015	Present	Present

The Company had following Key Managerial Personnel during the year:

- 1. Shri Rajendra Kashyap, Managing Director, appointed w.e.f. 12.08.2014
- Smt. Beena R. Shah, Company Secretary, since 01.07.2013.
- Shri Balkishan Sharma, Chief Financial Officer, designated w. e. f. 05.09.2014.

Audit Committee:

The Board of Directors has constituted an Audit Committee for ensuring transparency in the financial management of the Company. During the year, the composition of the Audit Committee has undergone some changes with change in the Directors on the Board. As on the date of report, the composition of the Audit Committee is as under:

- 1. Shri S. P. Chaturvedi, Independent Director
- 2. Smt. Bela Banerjee, Independent Director
- 3. Smt. Chhavi Jha, Part Time Director

M/s Sunil K Gupta & Associates, Chartered Accountants have been appointed as Internal Auditors of the Company, and their appointment has been extended for the Financial Year 2016-17. Internal Auditors have been discharging their role of carrying out various assigned functions, including checking adequacy of internal control systems in the organization.

Attendance of Members at Audit Committee Meeting:

During the year, the Audit Committee had three meetings on 26.06.2015, 20.08.2015 and 11.12.2015.

SI No.	Name of Directors	Date of Meetings of Audit Committee			
		26.06.2015	20.08.2015	11,12.2015	
1.	Shri S. P. Chaturvedi, Director	Present	Present	Present	
2.	Smt. Bela Banerjee, Director	Present	Present	Present	
3.	Shri M. K. Singh, Director	Present	Present	Present	

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of the Company in pursuance of Section 134 (5) of the Companies Act, 2013 as amended hereby confirms that:

- in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the

state of affairs of the company at the end of the financial year and of the profit of the company for that period;

- iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv) the Directors have prepared the annual accounts on a going concern basis; and
- v) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDITOR'S REPORT

Auditor's Report is enclosed as part of the Directors' Report. Comments of the Management on the qualifications made by the Auditor in their Report are enclosed as Annexure-A to the Directors' Report.

SECRETARIAL AUDIT REPORT

A copy of Secretarial Audit Report is placed with the Directors' Report for consideration of Shareholders. The Report finds the Secretarial practices in line with the laid down requirements. No qualification has been made by the Secretarial Auditor.

DISCLOSURE OF PARTICULARS RELATING TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

Information under section 134 of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the year ended 31st March, 2016 is given below:

i) Foreign Exchange Earnings and Outgo

The Company has neither earned nor expended any foreign exchange during the financial year 2015-16.

ii) Conservation of Energy and Technology Absorption

The Company is conscious of the need to keep all the cost elements at the barest minimum level including the energy cost. It is also aware of the responsibility to conserve energy in an overall energy deficit scenario in the Country. The Company has made significant investment upfront to construct a Railway line which runs on electric traction, and is significantly more environment friendly than the alternative diesel traction.

THE EXTRACT OF ANNUAL RETURN:

The extract of Annual Return in form MGT-9 enclosed at Annexure B forms a part of Board's report.

STATEMENT ON DECLARATION OF INDEPENDENCE U/S 149 OF THE COMPANIES ACT, 2013:

The Company has received Declaration of Independence pursuant to Section 149 of the Companies Act, 2013 from each of the two Independent Directors namely Smt. Bela Banerjee and Shri S. P. Chaturvedi.

NOMINATION AND REMUNERATION COMMITTEE AND HR ISSUES

The Board of Directors has appointed a Nomination and Remuneration Committee as required under the provisions of the Companies Act, 2013. During the year, the Board of Directors also framed a Nomination and Remuneration Policy. The composition of the Nomination and Remuneration Committee during the year has undergone some changes with changes in the Directors on the Board. As on the date of report, the composition of the Nomination and Remuneration Committee is as under:

- 1. Smt. Bela Banerjee, Independent Director
- 2. Sh. S. P. Chaturvedi, Independent Director
- 3. Sh. Sajal Mittra, Director

During the year, the Committee met once on 30.10.2015 in which all members on that date, namely Smt. Bela Banerjee, Independent Director, Sh. S. P. Chaturvedi, Independent Director and Capt. A. K. Singh, Director, were present. As mentioned earlier, maintenance of the assets on the line has been with the Company since 2012. Apart from a very lean cadre of its own regular employees, the Company has engaged staff on contractual basis for maintaining the engineering and signalling assets.

As on 31-03-2016, the Company had a total of 164 employees. Out of these, 8 are employed on regular basis, and 156 had been engaged on contractual basis. The contractual employees had a mix of 46 retired railway employees, and 110 fresh faces, deployed after suitable training. Besides, the Company had engaged about 148 persons through labour agencies to carry out some of the peripheral activities on outsourced basis. With decision of Western Railway to post about 125 employees for maintenance of the section, the persons deployed through agencies have since been discontinued. Also, services of 23 retired staff have been discontinued. The remaining contractual employees are being used to carry out activities which have been retained with BDRCL in consultation with Western Railway.

REPORTING UNDER THE SECTION 21 OF THE SEXUAL HARASSEMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The following is a summary of sexual harassment complaints received and disposed off during the calendar year.

Number of Complaints received:

NIL

Number of Complaints disposed off:

NIL

PARTICULARS OF LOANS, GUARANTEE OR INVESTMENTS U/S 186

During the year, the Company has neither given loans, nor given any guarantee or security to any person or Body Corporate, nor made any investment pursuant to Section 186 of the Companies Act, 2013

PARTICULARS OF RELATED PARTY TRANSACTIONS

Particulars of related Party Transactions in the prescribed format AOC-2 as enclosed as Annexure-C forms a part of the Directors' Report. A disclosure has been made as footnote in the form AOC-2 about a typographical error in the form AOC-2 forming part of previous Directors' Report for the year ended 31.03.2015 by describing the transaction with Adani Petronet (Dahej) Port Private Limited for erection of In Motion Weigh Bridge as 'not at arm's length' instead of 'at arm's length'.

STATEMENT ON RISK MANAGEMENT

The management of your Company is constantly engaged in the process of identifying risks, assessing risks and developing strategies to manage risks. While a risk management plan and a business impact analysis are important parts of a business, early stages of a business should combine optimal utilization of opportunities with effective risk management. Your Company is in the business of rail transportation. Cost advantages and environmental superiority associated with rail transport make the business of your Company a promising proposition. Thanks to a sound 'due diligence' process preceding the Project, and sustained support of its major customer, the Company succeeded in achieving a breakeven in virtually the second year of its operations.

Your Directors are aware that a business of this size and nature must be subjected to constant review of various risks, and appropriate risk-mitigation measures must be taken from time to time. The major risks perceived for the Company include:

- Issues of control by Indian Railways cost issues;
- Capacity constraints, and roadblocks in capacity enhancement;
- Constraints in financing capacity augmentation;
- Need for diversifying customer base; and
- Possible damage/loss through acts of God.

In the assessment of the management, duly endorsed by your Directors, the risks identified are low to moderate. Indian Railways are a shareholder of the Company through RVNL, and appreciate the importance of keeping costs low for the SPV to succeed. Your Company plans to approach capacity enhancement through diverse interventions in a need based manner, consistent with the trend of offering traffic. Financing the capacity enhancement will need to follow a mix of internal generation and debt. The Company is already gearing up to meet the demand for rail transportation amongst diverse customers. As regards possible impact of acts of God, the Company keeps its assets suitably insured.

In the view of your Directors, BDRCL's approach to risk management is dynamic and proactive, and reviews will be taken from time to time to bring about appropriate interventions.

CORPORATE SOCIAL RESPONSIBILITY

The information to be reported under the head of CSR is annexed as Annexure D forming part of the Board of Directors' Report.

FORMAL ANNUAL EVALUATION BY THE BOARD OF ITS OWN PERFORMANCE:

During the year, the Board of Directors has framed and approved the Performance Evaluation Policy, setting parameters relating to roles, responsibilities and obligations of the Board, effectiveness of its functioning, contribution of Directors at meetings and the functioning of its Committees. The evaluation of performance has been made by the Independent Directors, Nomination and Remuneration Committee and Board of Directors.

The Board of Directors has undertaken an evaluation of its own performance, the performance of its Committees and of all the individual Directors and considered the same as satisfactory.

STATEMENT OF ASSOCIATION:

Bharuch Dahej Railway Company Limited is a joint venture special purpose. Rail Vikas Nigam Limited being shareholder holding 35.46% of paid up share capital is an associated Company.

DETAILS OF FIXED DEPOSIT:

During the year, the Company has neither invited has nor accepted any deposits covering under Chapter V of the Companies Act, 2013.

ADEQUACY OF INTERNAL FINANCIAL CONTROL WITH REFERENCE TO FINANCIAL STATEMENT:

The Company had in place adequate Internal Financial Controls with reference to financial statements during the year under review. A four stage mechanism has been put in place in this regard. Apart from the Finance department of the Company holding direct responsibility in the matter, the Internal Auditor of the Company also examines the systems in place for their adequacy. For 2015-16, the Company had engaged services of a professional outside agency in addition so as to examine the prevailing systems and comment upon their adequacy or otherwise. Finally, the Statutory Auditor of the Company also includes comments on this as part of their Report. Such controls were tested and no reportable material weakness in the design or operation was observed.

DETAILS OF COURT CASES:

Shareholders may recall that the Company had received a show cause notice from Director General of Central Excise Intelligence (DGCEI) Chennai on 03.11.2014 in regard to its alleged liability to pay additional amount of service tax. The Service Tax department had computed service tax based on total apportioned revenue received from the Western Railway. The total service tax liability computed was Rs. 16.33 crore. Interest for delayed payment and penalty charges were indeterminate extras.

The DGCEI had made BDRCL liable to pay service on following grounds:

- 1. BDRCL is allowing the Indian Railways to use the Railway Line for Transport of Goods;
- BDRCL in turn, receives consideration for use of its assets in terms of Apportionment of Revenue; and
- The Services of allowing Indian Railways to use the infrastructure of BDRCL is classifiable under Business Support Services under section 65(104c) read with Section 65(105)(zzzq)of the Finance Act, 1994.

The matter was pursued relentlessly with the Service Tax Department, and the Company received an order dated 25.01.2016 from the Principal Commissioner of Service Tax Delhi, upholding its contention. Consequently, the demand of Service Tax of Rs. 16.33 crore made was dropped. The Department, which had an option to appeal against the order, has actually done so through an appeal in the Customs, Central Excise and Service Tax Appellate Tribunal vide Appeal No. ST/51763/2016-CU(DB) on 09.06.2016 against the order of the Principal Commissioner of Service Tax, Delhi. The Company will defend its position in all earnestness in the Tribunal to obtain a favourable ruling.

During the year, the Company received another Show Cause Notice dated 31.03.2016, demanding payment of Service Tax amounting to Rs. 16,37,96,945 calculated on the revenue of Rs. 132.52 crore in the financial year 2014-15 and was asked to explain its position before the Commissioner of Service Tax Delhi III. This was a systems generated Notice, based on the figures of revenue for 2014-15 advised to the Department by the Company. Since the substantive issues involved are identical in this case with the issues settled in the order dated 25-01-2016 of Principal Commissioner of Service Tax, the Company is optimistic that it would defend its position successfully in the instant case as well.

Your Directors wish to report that the Company had followed a group approach in defending its position against the notice received earlier, alongside other Rail SPVs which had also received similar notices. A common Law firm was engaged to assist the SPVs. While BDRCL managed to obtain a favourable ruling in that case, most other SPVs are still awaiting decision in their respective cases. The matter has therefore acquired an added sensitivity. Along with other SPVs (which have also received the corresponding second notice), the Company has again engaged the same law firm, and is optimistic of a satisfactory finalisation of the matter.

A list of cases involving other labour issues is enclosed as Annexure E.

ACKNOWLEDGEMENTS

Your Directors wish to place on record their appreciation and gratitude to the Ministry of Railways, Rail Vikas Nigam Limited, Government of Gujarat and the shareholders for their continued interest in its business and support to the Company. The Directors would also like to express their deep appreciation and gratitude to the officers of Comptroller and Auditor General, Statutory Auditors, Internal Auditors, Rating Agencies, Banks and others for their valuable guidance, and contribution to the growth and development of the Company in attainment of its aims and goals.

> For and on behalf of the Board of Directors of BHARUCH DAHEJ RAILWAY COMPANY LIMITED

(Rajendra Kashyap)

Place: New Delhi Managing Director Date: 22.08.2016

DIN-00367378

(S. P. Chaturvedi)

Director

DIN-07157294

S.No	Auditors' Qualification	Management Comment
1.	Basis for qualified opinion (a) Reference is drawn to note 7.01 of the financial statements, wherein Western Railway had raised a demand for lease rental amounting to Rs. 77.74 Crore (Previous year- Rs. 65.31 Crore). As per the information available and explanation provided, Rs. 31.96 Crore (previous year- Rs. 31.96 Crore) out of the above demand pertaining to the period June, 2008 to March, 2016 is clearly not payable as per the concession agreement and related policies. The company has accrued for land lease rental amount to Rs. 45.78 Crore (previous year- Rs. 33.35 Crore) commencing from the date of commencement of commercial activities till balance sheet date. Accordingly, the company has disclosed contingent liability of Rs 31.96 Crore. Management has currently requested for deferral of the amount due as provided by the company and is contesting the claim raised for prior period as explained above. As per the management, no further provision is currently required and, additional amount payable, if any, shall be accounted for at that point of time, when such additional liability is crystalized. However, based on constant reminders from Western Railway and no concrete settlement or negotiation in place till date of signing of this report, we are unable to ascertain the additional liability, if any that may eventually crystalize. Consequently we are unable to ascertain the impact, if any, of the above on the financial statements of the company.	In the company's opinion, the annual lease rental payable to Western Railway for Railway land made available for the project should be Re. I per annum from 10th December, 2012. In the opinion of the company, the position taken by Western Railway is not tenable, as it violates the requirements under the Concession Agreement itself. Elaborating, it is the Company's contention that according to the Concession Agreement, the lease rental has to be computed "as per the extant policy of the Ministry of Railways as revised from time to time". The policy contained in Railway Board letter No. 2011/Infra/12/32 dated 10-12-2012, is presently the extant policy in operation and applicable to SPV's under JV model. It envisages a token annual rental of Re. 1 for Railway Land transferred to the SPV for gauge conversion projects. Further, for the period before Date of Commercial Operation, Western Railway has been charging license fee assuming that the land was put to commercial usage. As a matter of fact, during the period when the line was under construction, there was no question of commercial utilization of land as no revenue was accruing to the Company. It is therefore the position of BDRCL that land license fee at commercial rates cannot be charged for the period before commencement of train operations. As regards period from date of commencement of operations to date of new policy (i.e. March 2012 to 9th December 2012), the land use cannot be construed as for commercial purposes. Train operations where major portion of revenue accrues to Indian Railways cannot be treated as a commercial activity attracting license fee at rates reflecting commercial exploitation and justifying 6% annual return on value of land. The matter is under discussion with the Railway Board and the management is making continuous efforts in this regard. Company is confident that actual liability on this account would be settled at a much lower level than the amount demanded by the railway, and the amount of contingent liability provided for needs

b) Reference is drawn to Note No.33 in the Financial Statements explaining the nature of project assets, the accounting policy in this regard followed by the Company as well as the basis of useful life and residual value calculated by the management. Pending clarity in this matter as explained in that note, management has continued to account for the project assets as Fixed Assets in accordance with the accounting policy of the Company in this regard and the Company has followed useful life as prescribed in the Schedule II Part C of the Companies Act, 2013 for those assets as against accounting for of these assets as Intangible assets and amortising the same as per Schedule II Part A and amendment therein vide Circular no.(GSR No. 237 E).

This being a significant matter, with various points of view, management strongly believes that the accounting policy followed by them in this regard is appropriate and reflects fairly the nature of the assets etc. As explained in the note and as explained by management since the outcome of the above mentioned disparity of points of view is currently unascertainable and since management is awaiting the conclusion on this matter as detailed in the note, we are unable to ascertain the impact, if any, of the above on the financial statements.

c) Reference is drawn to note number 34 of financial statements w.r.t extended operations of the company upto chavaj. Based on information and explanation provided, the company has constructed an extended line up to chavaj and have capitalised the cost as part of plant and machinery effective from Feb 2014. As explained to us the company has been in constant discussion with western railways to recover revenue on

In context of Useful life of the Assets of SPVs, a clarification issued by Institute of Chartered Accountants of India (ICAI) to another Rail SPV through Ministry of Corporate Affairs (MCA), suggesting that assets of the SPV should be accounted for in accordance with " Accounting Standard 26-Intangible Assets", treating the same as intangible assets. In the Management's perception, this clarification did not take into account several relevant factors that apply to BDRCL. Accordingly, the company has made a reference to MCA and ICAI, seeking a review. The reference was made after due consultative process with accounting professionals of repute, and the Management is confident that its views will be upheld.

Management's contention is that the Rail Infrastructure created by the SPV are physical assets with definite expected useful lives assigned to each one of them, Further, MOR only determines the tariff at which haulage over the SPV territory shall be paid for to BDRCL. The tariff permissible is identical to the tariff applicable to Indian Railways network.

In the company's opinion, the assets of the company do not truly reflect character of intangible assets as envisaged by the definition, recognition and measurement under AS-26. Response to the Company's letter dated 08 July 2015 to ICAI and MCA is awaited. Pending authorization and taking note of the fact that the clarification to another SPV was not in the nature of a general ruling, management has continued to account for the project assets as Fixed Assets in accordance with the accounting policy of the company in this regard and company has followed useful life as prescribed in the Schedule II part C of the Companies Act 2013.

Originally, this SPV was expected to provide rail connectivity between Dahej and Bharuch only. Later, for operational reasons, the Company was asked by the Railway to construct an extension by way of an additional line parallel to the corresponding segment of Mumbai-New Delhi main line of Western Railway between Bharuch and Chavaj. The new line from Bharuch to Chavaj was accordingly constructed on Railway land by BDRCL. However, the Concession

the use of extended line by them. After prolonged discussions the company and western railways has come to understanding, by which the company has been advised by Western Railway with details of traffic routed and Operation & Maintenance expenditure incurred in this regard for the period Feb 2014 to March 2016. Based on this understanding the company has recognized the revenue amounting to Rs. 22.97 Crore in its accounts for the year ended 31 March 2016.

However based on the audit procedure performed and inquiries made we have been informed that there is no written confirmation on account of Revenue from the western Railways to support the above claim. Accordingly we are unable to ascertain significant uncertainty, if any that exists regarding the amount of the consideration that will be derived from the above claim and extent of recoverability of the same, and hence are also not able to ascertain if the company should recognize the corresponding revenue in accordance with Accounting Standard – 9 "Revenue Recognition". Consequently we are unable to ascertain the impact, if any, of the above uncertainty on the financial statements for the year ended 31st March 2016.

Qualified Opinion

Subject to the matter discussed above under the 'Basis for Qualified Opinion' paragraph, In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Agreement between the Ministry of Railways and BDRCL does not make mention of Chavaj for the simple reason that connectivity with Chavaj was not envisaged at the time the Agreement was drafted and signed. The present position is that the additional connectivity over 5.52km of distance between Bharuch and Chavaj has been provided by BDRCL and made operational from February 2014. For a line constructed at the Railway's instance on Railway land at BDRCL's cost, it is plain commonsense that the apportionment of freight earnings corresponding to movement of traffic on this segment will also be calculated on the same basis i.e. chargeable distance from Dahej to Chavaj.

That the contention of BDRCL is not based on mere surmise and conjecture is amply and unambiguously borne out by the fact that in terms of Western Railway's Advance Rates Notification No. 15 (Goods) of 2012 – Para for Rate Advice 04 of 2012, issued on 20/03/2012, it was clearly and explicitly stated as under:

- 1.0) Railway Board vide their letter No. TCR/1099/2012/03 dated 28/02/2012 (Rates Circular No. 05 of 2012) had accorded sanction of the Central Government to inflate the distance for charge by 50% (Fifty Percent) for the purpose of charging the freight on the Chavaj-Bharuch-Dahej section of Western Railway with effect from 01.03.2012 and will remain in force till further advice.
- The matter was reviewed by Board 2.0)and further vide letter No. TCR/1099/2012/03 dated 29-02-2012 (Corrigendum No. 1 to Ratex Circular No. 05 if 2012), instructions were issued to inflate the distance for charge by 50% (Fifty Percent) in kilometers for the purpose of charging the freight for the portion of the line under the SPV control between Chavaj-Bharuch-Dahej.
- 3.0) The matter has been further reviewed by Board vide letter no. TCR/1099/2012/03 dated 15/03/2012 (Corrigendum No. 2 to Rates Circular No. 05 of 2012), it has been decided that that in case of both Coaching and Goods traffic, either originating or

terminating on the portion of the line under the SPV's control, the distance may be inflated by 50% (Fifty Percent) in kilometers on Chavaj-Bharuch-Dahej section for the purpose of harging fare and freight. These instructions will come into force with immediate effect and will remain in force till further advice.

The three letters of Railway Board were all issued even before the Bharuch-Chavaj segment was commissioned. Quite obviously, there has been and remains a clear commitment on the part of Ministry of Railways and Western Railway to compensate BDRCL for traffic run on the extended section between Bharuch and Chavaj. It is the management's contention that no malafide could possibly be read into the Railway taking time in transferring the amount to BDRCL. The delay is entirely procedural, awaiting amendment in the Concession Agreement. The amendment is in turn getting delayed on account interrelatedness of issues in the O&M Agreement, which are awaiting policy decision of the Railway Board. There cannot be an iota of doubt that the revenue shall ultimately flow to BDRCL, net of O&M costs. Since the release of subject payment is getting delayed merely on account of the above factors, which are in the nature of bureaucratic limitations, we do not find any uncertainty whatsoever in recognizing BDRCL's share in the revenue for traffic moved between Bharuch and Chavaj.

The management wishes to clarify that the Company's share in apportioned revenue and its liability in respect of Operation & Maintenance expenditure relevant to the extended section could only be evaluated based on relevant data about actual routing of freight trains through Chavaj or otherwise, which was available entirely with Western Railway. The details of Traffic routed through Chavaj and Bharuch and O&M expenditure in this regard have been advised/shared by Western Railway with the Company only towards July 2016 end. Accordingly, the Company has accounted for all related O&M costs and the corresponding revenue from the date of operation of extended line between Bharuch and Chavai (5.52 KM) at the first available opportunity in the Profit & Loss Account for the year ended 31st March, 2016. The management wishes to state that

		the concept of 'True and Fair View of Financial Statements' would require the Company to account for the revenue and the corresponding expenditure at the first available opportunity after assessment thereof becomes possible. This is what it has done. Even a most unlikely event of reluctance on the part of the Railway to part with BDRCL's share in revenue could not possibly justify the Company taking a different line. Accordingly, we are of the firm opinion that the Company has recognized the corresponding revenue entirely consistent with Accounting Standard – 9.
S.No	Emphasis of Matter	Management Comment
1.	(a) Without qualifying our opinion, we draw attention to Note no 18 & 20 to the financial statements, The Operation and Maintenance Agreement with the Western Railway that defines among others, right & obligations, the share of Income & Expenses to be apportioned to the Company arising out of the operation of the Bharuch Dahej Samni Railway Line by the Company has not yet been signed although an in principal approval has been received from the Ministry of Railways. The Company has however recognized the operating income and expenses arising out of this arrangement which is yet to be formalized. We further draw attention to Note no.18 & 20 to the financial statement. The Operating Income & Operating Expenses accounted for by the Company are based on provisional figures made available by the Western Railway and the final figures could vary. Our Opinion is not qualified in respect of this matter.	The O & M Agreement is under discussion with the Ministry of Railways. It has not been finalized as there was difference of views with respect to some key elements such as manpower levels, method of computation of Fuel Costs, basis of OHE Maintenance costs, overhead charges, treatment of sidings, apportionment of Terminal costs etc. The Agreement is expected to be finalized shortly.

For and on behalf of the Board of Directors of BHARUCH DAHEJ RAILWAY COMPANY LIMITED

Place: New Delhi Date:22.08.2016 (Rajendra Kashyap) Managing Director DIN-00367378 (S.P. Chaturvedi) Director DIN-07157294

			Annexure-B		
		M NO. M	and the state of t		
	EXTRACT C				
	as on financial y	ear ende	d on 31.03.2016		
Purs	uant to Section 92 (3) of the Comp (Management & Ad		et, 2013 and rule 12(1) of the Company ition) Rules, 2014.		
1	REGISTRATION & OTHER DETAIL	LS:			
-	CIN	U45203	2006PLC155511	1	
ii	Registration Date	15.11.2	006		
iii	Name of the Company		CH DAHEJ RAILWAY COMPANY LIMITED		
iv	Category/Sub-category of the Company	Non Ind	lian Government Company		
v	Address of the Registered office & contact details	Circus,	Brd Floor, Indra Palace, H Block, Connaught Middle, Circle, Connaught Place, New Delhi Pn No. 011-43586815		
vi	Whether listed company	Unliste	ed .		
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	Not App			
11	All the business activities contribut company shall be stated				
SL No	Name & Description of main products/services	NIC Code of the Produc t /servic e	% to total turnover of the company		
1	Freight Rail transport	49120	100		
2					
3					
. 4				į –	
m	PARTICULARS OF HOLDING, SUI	BSIDIAR	Y & ASSOCIATE COMPANIES		
SI No	Name & Address of the Company	CIN/GL	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICA BLE SECTION
			ABSOCIATE	HELD	SECTION
,	NIL		ABSOCIATE	THE CO	SECTION
1 2	NIL		ABSOCIATE	need	SECTION

Category of	Zuncivstvices	DING PATTE	the beginning	VENIORES MICHAEL	make states	f Shares held	A STANSON BY STANSON	the year	% change	
Shareholders	year					CONTRACTOR				
	Demat	Physical	Total	% of Total Shares	Dem at	Physical	Total	% of Total Shares		
A. Promoters										
(1) Indian		0	0	0	. 0	0	0	. 0		
a) Individual/HUF	0	0	0	. 0	0	0	o	0	-	
b) Central Govt.or										
State Govt. (including										
RVNL)	0	90720000	90720000	58.49	0	90720000	90720000	58.49		
c) Bodies Corporates	0	64390000	64390000	41.51	0	64390000	64390000	41.51	- (
d) Bank/FI	0	0	0	0	. 0	0	. 0	- 0	- (
e) Any other	0	0	0	0	0	0	0	0	. (
FUE TOTAL (A) (4)		155110000	155110000	100		155110000	155110000	100		
SUB TOTAL:(A) (1)	U	155110000	155110000	100		155110000	133110000	100		
(2) Foreign										
a) NRI- Individuals	0	0	0	0	0	0	0			
b) Other Individuals	- 0	0	0	. 0	0	0	0			
c) Bodies Corp.	0	0	0	0	.0	0	0			
d) Banks/FI	D	. 0	0	.0	0	0	. 0			
e) Any other	0	. 0	0	- 0	0	0	0			
	0	0	0	. 0	0	0	0			
SUB TOTAL (A) (2)	0	0	D	0	0	0	0	0		
American profile sec	0	0	0	0	0	0	0			
Total Shareholding of Promoter										
(A)= (A)(1)+(A)(2)	0	155110000	155110000	100	0	155110000	155110000	100		
	- 0	0	0	0	. 0	9	0			
B. PUBLIC SHAREHOLDI	0	0	0	- 0	0	- 0	0			
B. PUBLIC SHAKEHOLDII	0	0	0	- 0	0	0	0		-	
(1) Institutions	0	0	0	0	0	0	0			
a) Mutual Funds	0	0	0	0	0	0	-0			
b) Banks/FI	0	0	0	0	0	0	0			
C) Cenntral govt	0	0	0	0	0	0	0			
d) State Govt.	0	0	0	. 0	0	0	0			
e) Venture Capital Fund	0	0	.0	. 0	0	0	.0			
) Insurance Companies	0	0	0	0	0	0	0			
g) FIIS	0	0	0	. 0	0	0	0			
h) Foreign Venture										
Capital Funds	0	0	D	0	0	0	0			
) Others (specify)	0	0	0	0	0	0	0			
	. 0	0	.0	.0	0	0	0			
SUB TOTAL (B)(1):	0	0	0	0	0	0	- 0			
4	.0		. 0	. 0	. 0	-0	0		ti.	

Grand Total (A+B+C)	0	155110000	155110000	100	0	155110000	155110000	100	0
C. Shares held by Custodian for GDRs & ADRs	0	ó	. 0	0	0	0	0	0	0
	0	0	0	0	0	0	0		
Total Public Shareholding (B)= (B)(1)+(B)(2)	D	0	0	o	0	a	o		
	0	0	.0	.0	0	0	0		
SUB TOTAL (B)(2):	.0	0	.0	0	0	0	0		
ty series a paperary)	D	0	0	0	0	0	0		
excess of Rs. 1 lakhs c) Others (specify)	0	0	0	0	0	0	0	_	
ii) Individuals shareholders holding nominal share capital in									
I) Individual shareholders holding nominal share capital upto Rs.1 lakhs	0	o	0	0	0	o	0		
b) Individuals	.0	0	.0	0	0	0	.0		
ii) Overseas	0	0	0	0	0	0	0		
i) Indian	0	0	0	0	0	0	. 0		
a) Bodies corporates	0	0	0	0	o	0	0		

(ii)	SHARE HOLDING OF PRO	MOTERS						
SI No.	Shareholders Name	Shareholding at the begginning of the year			Shareholding at the end of the year			% change in share holding during the year
		NO of shares	The second second second	% of shares pledged encumbe red to total shares	NO of shares	% of total shares of the compan y	% of shares pledged encumbered to total shares	
1	RAIL VIKAS NIGAM LTD	55,000,000	35.46	0	55,000,000	25.86	o o	0
2	ADANI PETRONET (DAHEJ) PORT PRIVATE LIMITED	17,330,000		0	17,330,000	201110	0	0
(iii)	CHANGE IN PROMOTERS	SHAREHOLDIN	IG (SPE	CIFY IF THE	RE IS NO CHAP	(GE)		
SI. No.		Share holding beginning of t	Cumulativ holding do					
		No. of Shares	% of total shares of the comp any		% of total shares of the company			
_	At the beginning of the ye	0	0	0	0			
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonu	0	0	C	0	*		
	s/sweat equity etc)							
	At the end of the year	0	0	0	0			
liv)	Shareholding Pattern of to	op ten Shareho	lders (o	ther than C	Pirecors, Promo	oters & Ho	lders of GDRs	& ADRs)
SI. No		Shareholding a end of the yea	hareholding at the Cumulative nd of the year Shareholdin					

	For Each of the Top 10 Shareholders	No.of shares	% of total shares of the comp any		% of total shares of the company
	At the beginning of the y	0	0	D.	0
1	GUJARAT MARITIME	17,860,000	11.51		
2	DAHEJ SEZ LIMITED	10,000,000	6.45	_	
3	GUJARAT NARMADA VALLEY FERTILISER COMPANY LIMITED	13,530,000	- Address of the Control		
4	HINDALCO INDUSTRIES	13,530,000	8,72		
5	JINDAL RAIL INFRASTRUCTURE LTD.	10,000,000	6.45		
6	GUJARAT INDUSTRIAL DEVELOPMENT CORPORATION	17,860,000	11.51		
	Total Paid up capital	155,110,000	53.37		
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonu	0		lo.	0
	At the end of the year (or on the date of separation, if separated during the year)	Same as at the b of the year	egining	0	0
(v)	Shareholding of Directors	& KMP			
SI. No		Shareholding end of the yea		Cumulativ Sharehold year	e ing during the
	For Each of the Directors & KMP	No.of shares	% of total shares of the comp any	No of shar	% of total shares of the company
	At the beginning of the ye	0	0	0	0
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons	0	0	0	0
	for increase/decrease (e.g. allotment/transfer/bonu s/sweat.equity.etc)				

ingeptean	ess of the Company includ	ing interest outstan	iding/accrue	d but not due	e for payment	
		Secured Loans excluding deposits	Unsecure d Loans	Deposits	Total Indebted ness	
	ess at the beginning nancial year			0		
i) Princip	al Amount	2210243836	0	0	_	
	st due but not paid		0	0		
	st accrued but not due	17522960	0	0		
1107 1111111111			0	0		
Total (i+i	i+iii)		0	0		
ALCO ALCO			0			
Change is	n Indebtedness					
	ne financial year		0	0		
Additions	5	+0		0		
Reductio	n	161000000	0	0		
Net Chan	nge	-161000000	0	0		
	lness at the end of icial year		0	0		
	al Amount	2049243836	0	0		
ii) Interes	st due but not paid		0	0		
iii) Intere	st accrued but not due	2282267	0	. 0		
			0	0		
Total (i+i	i÷iii)		0	0		
VI A.	REMUNERATION OF					
SI.No	Particulars of Re	muneration	Name of t	Hillian market		Total Amount
1	Gross salary			9		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.		Shri Rajendra			

	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961						
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961					28800	0
2	Stock option	0	0	.0	0	0	0
3	Sweat Equity	0	0	0	0	0	0
4	Commission	0	0	0	0	0	.0
	as % of profit	0	0	0	0	0	0
	others (specify)				-	_	
5	Others, please specify				\rightarrow		
	Total (A)				\rightarrow	2358155	_
	Ceiling as per the Act			\neg	\neg		
В.	Remuneration to other o	directors:					
SI.No	Particulars of Remunera	tion	Name of	the Directo		Total Amour	
1	Independent Directors	cion	Name of the Directors			otal Amour	nt.
_	(a) Fee for attending boa	rd	_	_	-	- 4	U
	committee meetings					0	0
	(b) Commission		_	_	_	0	0
	(c) Others, please specify	, +	_	_	\rightarrow	0	0
	Total (1)		_	_	\rightarrow	0	0
2	Other Non Executive Dire	ctors		_	\rightarrow	0	0
	(a) Fee for attending		_	-	\rightarrow	_	~
	board committee meetin	ps				0	o
	(b) Commission	n-			\rightarrow	0	0
	(c) Others, please specify				\rightarrow	0	0
	Total (2)			-	\rightarrow	0	0
	Total (B)=(1+2)				\rightarrow	0	0
	Total Managerial Remun	eration			\rightarrow	0	0
	Overall Cieling as per the				\neg		
C.	REMUNERATION TO KEY	MANAGERIAL	. PERSONNE	L OTHER TH	IAN MI	/MANAGE	R/WTD
SI. No.	Darticulars of Dames	oration	Vente				
31. 140.	Particulars of Remun	eration	Key Ma	anagerial Pe	ersonne	15	Total

1	iross Salary	CEO/MD	Company Secretary	CFO	Total
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	2329355	829660	953012	4112027
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	28800	0	0	28800
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961		0		
2	Stock Option		0	0	
3	Sweat Equity		0	0	
4	Commission		0	0	
	as % of profit		0	0	
	others, specify		0	0	
5	Others, please specify		0	0	
_	Total	2358155	829660	953012	4140827

Туре	Section of the Companies Act	Brief Description	unishment /Compoun ding fees	and the second second	Appeall made if any (give details)
			NIL		
A. COMPANY			a		
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty	_				
Punishment					
Compounding					
C. OTHER OFFIC	ERS IN DEFAU	LT	-		
Penalty					
	_				
Punishment	_				
Compounding					

For and on behalf of the Board of Directors of BHARUCH DAHEJ RAILWAY COMPANY LIMITED

Place: New Delhi Date:22.08.2016

Managing Director

DIN-00367378

Director DIN-07157294

Form No. AOC-2 (Pursuant to clause (h) of sub-section (3)of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties

referred to in sub-section (1) of section 188 of the Companies Act, 2013

S L N	Name(s) of the related party and nature of relationship	Nature of contracts /arrangem ents /transactio ns	Duration of the contracts / arrangement s /transaction s	Salient terms of the contracts or arrangeme nts or transaction s including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:	Arm's length/n ot arm's length*
1	Gujarat Industrial Developmen t Corporation (MD of Corporation is a Director in BDRCL	Application made for acquiring land of 21000 sq.ft. for development of Sambheti Station	Land is still to be allotted. The land would be on long term lease.	The arrangeme nt is still to be entered into	GIDC being govt entity is in business of allotment of land for setting up the industries to enterpreneure. BDRCL has to acquire land from GIDC	The approval of Board was obtained on 26.06.201	Estimated Value of contract is Rs.28350000/- Advance of Rs. 5668/- has been paid with application for land to GIDC.	Arm's length
2	Adani Petronet (Dahej) Port Private Limited (MD of APDPPL was Director of the BDRCL at	Erection of in – motion weigh bridge	Six months	The work is complete.	RVNL, being EPC agency was unable to undertake the work. Hence, APDPPL, being shareholder and major user of line was assigned the work as it has experience of such work.	The approval of Board was obtained on 26.06.201	Estimated cost was Rs. 48.48/= lakh. No advance is paid. However, the actual payment made to Adani towards IMWB till date is Rs. 2400539/	Arm's length

* In previous Directors' Report for the year 2014-15, the transaction with APDPPL which was inadvertently described as

"Not arm's length", is to be taken and read as "Arm's length."

For and on behalf of the Board of Directors of BHARUCH DAHEJ RAILWAY COMPANY LIMITED

Place: New Delhi Date:22.08.2016 (Rajendra Kashyap) Managing Director

DIN-00367378

(S.P. Chattervedi)

Director DIN-07157294

FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT

A brief outline of the company's CSR policy, including overview of projects or programs
proposed to be undertaken and a reference to the web-link to the CSR policy and
projects.-

The Board of Directors in their meeting held on 26.03,2015 approved CSR policy as recommended by the CSR Committee. The Policy has been prepared in accordance with provisions of the Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014. The same is available at the Company's website http://www.bdrail.in/csr.html. The policy contains inter alia the Objectives, framework, focus of areas and key rules and guidelines for incurring CSR expenditure etc. The areas of activities mentioned in the policy are as per Schedule VII of the Companies Act, 2013

2. The Composition of the CSR Committee .:-

The Committee presently consists of the following Directors namely:

- 1. Shri Amit K. Singh, Director
- 2. Smt. Chhavi Jha, Director
- 3. Smt. Bela Banerjee, Independent Director
- 4. Shri Rajendra Kashyap, Managing Director

During the year under review, the Committee met twice on 26.06.2015 and 11.12.2015. The presence of Members is as under:

SI No	Name of Directors	Date of Meeting	s of CSR Committee
		26.06.2015	11.12.2015
1.	Smt. Bela Banerjee, Director	Present	Present
1.	Shri Ashutosh Gangal Director	LOA	Present
3,	Shri M. K. Singh, Director	Present	Present
4.	Shri Rajendra Kashyap, Managing Director	Present	Present

3. Average net profit of the company for last three financial years:

Average profit of the Company for the last three years i.e. 2012-13, 2013-14 and 2014-15 is Rs. 1174.34 lakh.

Prescribed CSR Expenditure (two per cent, of the amount as in item 3 above) during 2015-16 was Rs. 23.49 lakh

5. Details of CSR spent during the financial year

- (a) Total amount to be spent for the financial year; Rs. 2.55 takh
- (b) Amount unspent, if any; Rs. 20.94 lakh
- (c) Manner in which the amount spent during the financial year is detailed below.

S.N o	CSR identifi ed	Sector in which the Project is covered	Projects or program s 1) Local area or other 2) Specify the State and districts where projects or program s were undertak en	Amount outlay (budget) Project or programw ise	Amount spent on project or Program With subtitle (1) Direct Expendi ture (2) Overhea ds	Cumulati ve expendit ure upto Reportin g period	Amount spent: Direct or through implementi ng agency
1.	Mobile Health Unit	Promoti ng Health Care includin g preventi ve health care	Local Area around Bharuch Dahej Railway Line in the state of Gujarat District Bharuch	Rs. 19.44 lakhs p.a.	Rs. 2.55 lakh (1)Direct:Rs. 2.39 lakh (2) Overhead: Rs. 0.16 lakh	Rs. 2.55 lakh	Through implementi ng Agency M/s Deepak Foundation based at Vadodara

Details of Implementing Agency:

Deepak Foundation is a registered Trust under Bombay Public Trust Act, 1950. It is registered on 22.11.1982. It is also registered under Section 12A of the Income Tax Act. It works in the area around the Company's Project of Bharuch Dahej Railway Line. It conducts similar activity for other clients since 2012.

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

- 1. This was the first year for the Company taking up activities under its CSR;
- The amount to be spent on CSR activities for the year 2015-16 got crystallised only after September, 2015 after Annual Accounts for the year 2014-15 were finalised;
- 3. The Company spent some time in looking for appropriate project and executing agency. Earlier efforts to get the work done through Women Welfare Body of Vadodara Division of Western Railway had to be abandoned after it was realised that the mandate of the Body did not permit them to take up activities for non-Railway beneficiaries. Further time was spent in locating a suitable implementing Agency and an appropriate project;
- It was only in December 2015, that the Board approved the project under CSR on recommendations of the CSR Committee;
- After some discussion to sort out a few issues related to a few clauses in the Agreement, the Company entered into the Agreement with M/s Deepak Foundation, in February 2016 only, and the project got under way on 19.02.2016; and
- The project virtually remained operational for a little over one month in the F.Y. 2015-16.
 Hence, only a part of the budgeted amount could be spent under CSR in that financial year.
- The implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

Sd/-

Sd/-

(Rajendra Kashyap) (Managing Director) (Bela Banerjee) (Chairman of CSR Committee)

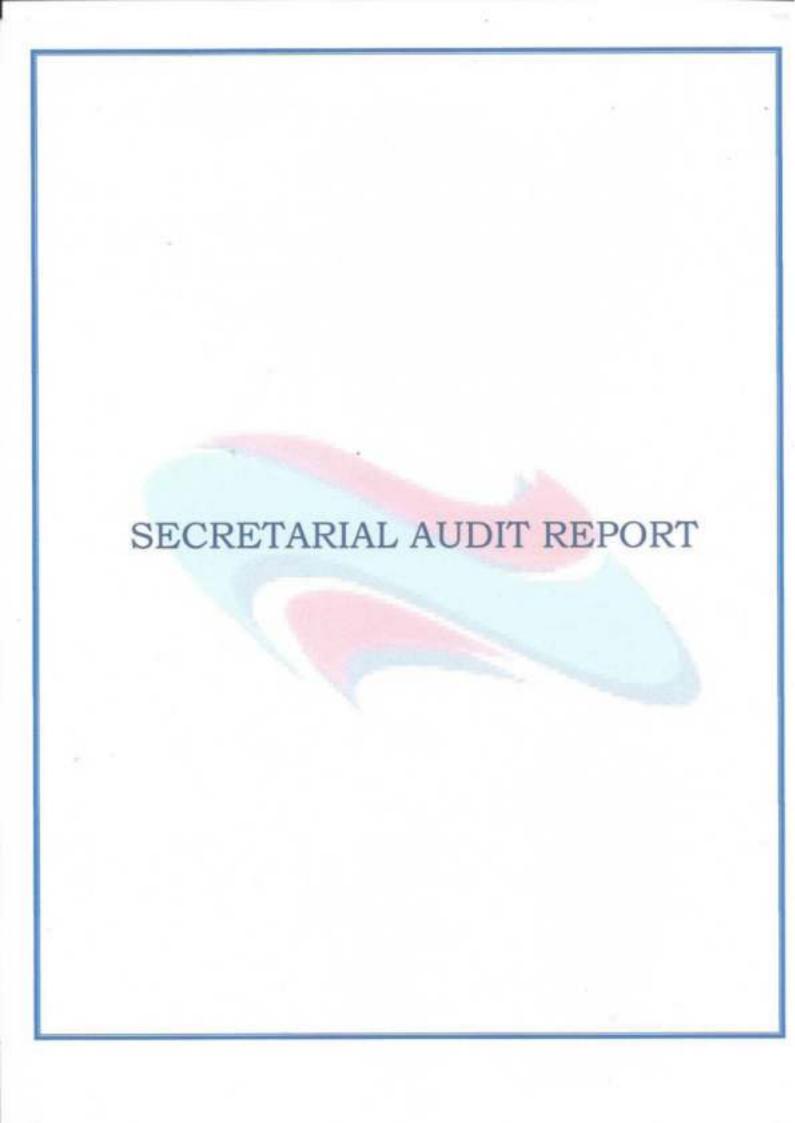
BHARUCH DAHEJ RAILWAY COMPANY LIMITED DETAILS OF COURT CASES

Sr. No.	Case No.	Title of case	Title	Status of the case
1	Labour Court - B	haruch		
	LC/263/13		Santosh Kanubhai vs BI	Reply has been filed before court
	LC/79/14	Re-engagement in service	SOYEB Shekh vd BDR	and further action by court is
	LC/92/14		Moin Khan Vs BDRCL	awaited
2	Recovery Applica	tion before Labour Court		
	29/15	Payment for the period of dis-	Pradeepkumar Chandel vs BDRCL	Objection have been filed before court as our Misc. Application no.
	31/15	continuation to till date	Farukkhan Vs BDRCL	15/2015, 16/2015 are pending before labour court
3	Misc. Application			
	15/2015	Challenging the orders of labour	Pradeepkumar Chandel vs BDRCL	No reply has been filed by opposite party (One applicant of case no.
	16/2015	court BH for taking the staff on duty	Farukkhan Vs BDRCL	15/2015 expired)
4	CAT/ADI			
	OA No. 449/2015	Railway authoruty to absorb the petitioners as employees of Railway	Sarfaraz Diwan & 101 others Vs Union of India (CRB), GM/WR, DRM/BRC, MD/BDRCL & AGM/BDRCL	Written argumnets filed before CAT & nothing to do now. MA 435/15
	MA No. 435/15	who are working in BDRCL	Sarfaraz Diwan & 101 others Vs Union of India (CRB), GM/WR, DRM/BRC, MD/BDRCL & AGM/BDRCL	disposed off
5	High Court of Gu	ijarat - ADI		
	SCA 15200/2015		Jagdish Manilal Vasava vs BDRCL	
	SCA 15201/2015	Challenged the termination and	Shahrukh Khan Vs BDRCL	Affidavit in reply on behalf of
	SCA 15202/2015	award of labour court's orders under Swapnil B. Malviya Vs R	Respondent filed on 14.03.2016 an still nothing comes out. Next date is	
	SCA 15203/2015	India	Ferozkhan Pathan Vs BDRCL	27.06.2016
	SCA 15204/2015 BDRCL Imranali M. Shek Vs BDRCL			

For and on behalf of the Board of Directors of

BHARUCH DAHEJ RAILWAY COMPANY LIMITED

Place: New Delhi Date: 22.08.2016 (Rajendra Kasbyap) Managing Director DIN-00367378 (S.P. Characyedi) Director DIN-07157294



CS ANIL ANAND

(Company Secretary in Practice)

102, G.K. House, 1st Floor, 187-A, Sant Nagar, New Delhi-110065 Ph.: +91-9873925927 E-mail: csanilanand96@gmail.com

To.

The Members,

Bharuch Dahej Railway Company Limited

39-42, 3rd Floor, Indra Palace, II- block

Middle Circle, Connaught Circus,

Connaught Place, New Delhi-110001

Our Secretarial Audit Report of even date is to be read along with this letter.

Management's Responsibility

 It is the responsibility of the management of the company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Secretarial Auditor's responsibility

- 2 Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the company with respect to secretarial compliances.
- 3 We believe that audit evidence and information obtained from the company's management is adequate and appropriate for us to provide a basis for our opinion.
- 4 Wherever require, we have obtained the management's representation about the compliance of laws, rules, and regulation and happening of events etc.

Disclaimer

5 The secretarial audit report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affair of the company.

> CS ANIL ANANI ACS: 10328 CP NO: 11295

Date:

Place: New Delhi

CS ANIL ANAND

(Company Secretary in Practice)

102, G K House, 1st Floor, 187-A, Sant Nagar, New Delhi-110065 Ph.: +91-9873925927 E-mail: csanilanand96@gmail.com

Date:01.07.2016

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014)

To,
The Members,
Bharuch Dahej Railway Company Limited
39-42, 3rd Floor, Indra Palace, Il Block
Middle Circle, Connaught Circus,
Connaught Place, New Delhi-110001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Bharuch Dahej Railway Company Limited (BDRCL) (hercinafter called the company). Secretarial Audit was conducted in a manner that provide us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on 31st March, 2016 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

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

(i) Secretarial Standard issued by Institute of Company Secretaries of India.

During the period under review, the Company has complied with the provisions of the Acts, rules, regulations and guidelines mentioned above:

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors. Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

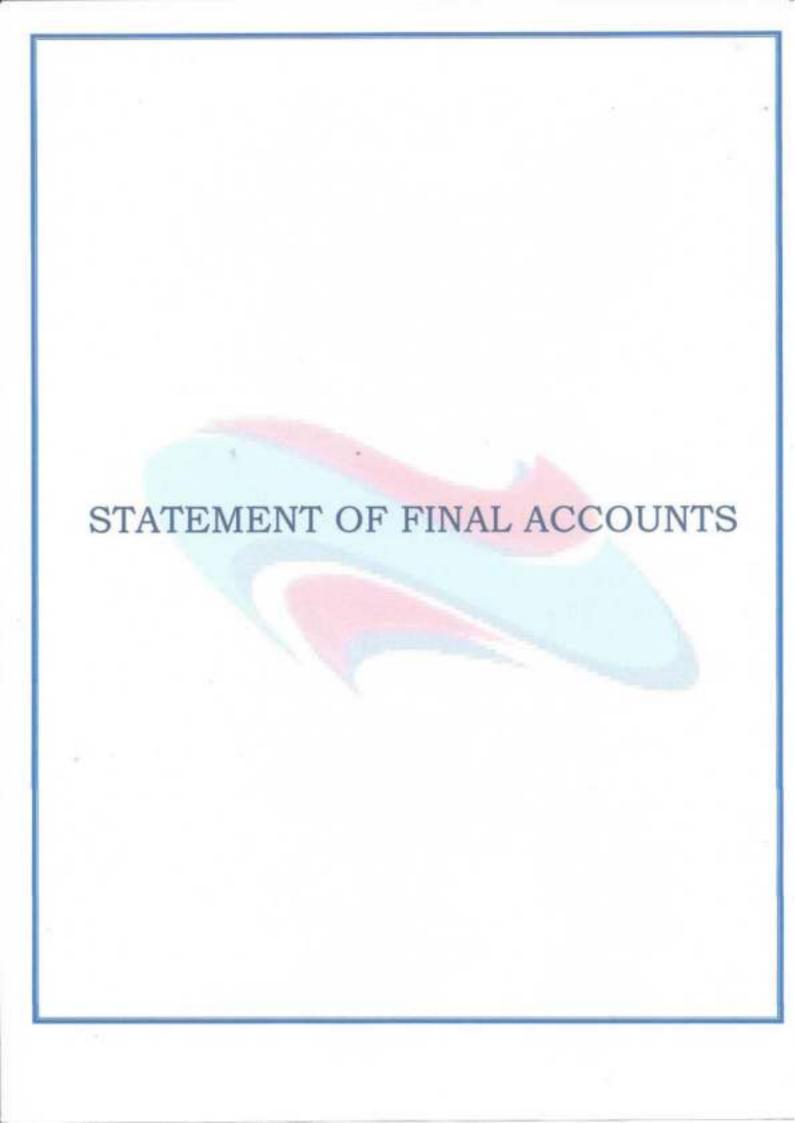
Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meeting duly recorded and signed by the Chairman, the decisions of the Board were unanimously passed and no dissenting views have been recorded.

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

CS Anil Anand ACS: 10328 CP No.:11295

Place:New Delhi Date:



BHARUCH DAHEI RAILWAY COMPANY LIMITED BALANCE SHEET AS AT MARCH 31, 2016

(Amount in ₹)

Particulars	Note No.	As at MARCH 31, 2016	As at MARCH 31, 2015
L EQUITY AND LIABILITIES			
E. EQUIT AND CABILITIES			
1 Shareholders' Funds	_		1 551 100 000
(a) Share Capital	3 4	1,551,100,000 210,441,730	1,551,100,000 117,374,421
(b) Reserve and Surplus		210,441,730	111,374,421
2 Non-Current Liabilities			2 040 242 026
(a) Long-term Borrowings	5	1,888,243,836 210,349,727	2,049,243,836 131,839,037
(b) Deferred Tax Liability (Net)	6 7	547,875,587	365,789,160
(c) Other Long Term Liabilities (d) Long -Term Provision	8	315,199	183,239
(d) Long-Term Provision		3.00,2.00	
3 Current Liabilities	9		
(a) Trade Payable i) Total outstanding dues of micro enterprises and small	9		
enterprises			
ii) Total outstanding dues of creditors other than micro		108,547,431	13,040,218
enterprises and small enterprises			
(b) Other Current Liabilities	10	171,916,976	185,554,469
(c) Short -Term Provision	11	5,235,170	1,809,390
TOTAL		4,694,025,656	4,415,933,770
II. ASSETS			
Non-Current Assets			
1 (a) Fixed Assets	12	12-11-12-12-12-12-12-12-12-12-12-12-12-1	
(i) Tangible Assets	1,000	3,176,519.819	3,387,059,599
(ii) Intangible Assets	100 (00.7)	39,305	130,492
(iii) Capital Work-in-Progress	12.01	21,372,791	886,559
(b) Deferred Tax Assets (Net)	13	3.761.150	19,895,130
(c) Long-term Loans and Advances	13	2,761,158	19,023,134
2 Current Assets			200 200 200
(a) Trade Receivables	14	531,523,118	375,207,001 559,792,839
(b) Cash and Bank Balances	15 16	876,743,965 769,468	2,803,301
(c) Short-term Loans and Advances	17	84,296,032	70,158,849
(d) Other Current Assets	AF		
TOTAL		4,694,025,656	4,415,933,770
Notes forming part of Financial Statements	1-36		
Modes forming part of Financian seatenments	1000		

Summary of Significant Accounting Policies
This is the Balance Sheet referred to in our report of even date.

For KMGS & Associates Chartered Accountages

Lalit Goel Partner

Membership No 091100

Firm Registration No. 004730N

Place: New Delhi Date: 22.08.2016 For and on behalf of Board of Directors of Bharuch Dahej Railway Company Limited

Rajendra Kashyap Managing Director

DIN-00367378

2

Balkishan Sharma Chief Financial Officer S. P. Chaturvedi Director

Director DIN-07157294

Beena, R.Shah Company Secretary

BHARUCH DAHE! RAILWAY COMPANY LIMITED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

(Amount in ₹) Refer For the year ended Particulars For the year ended Note March 31, 2016 March 31, 2015 No. I. Revenue from Operations 18 1,113,689,916 1,325,218,006 II. Other Income 19 65,317,439 25,704,116 III. Total Revenue (I + II) 1,179,007,355 1,350,922,122 IV. Expenses: Operation & Maintenance 20 492,602,603 460,847,910 Employee Benefits 21 12,699,292 11,238,839 Finance cost 22 208,250,401 243,453,302 Depreciation and amortization 12 234,422,323 227,664,093 Other 23 11,814,326 8,509,333 Total expenses 959,788,944 951,713,477 Profit before exceptional, extraordinary items and V. tax (III-IV) 219,218,410 399,208,645 VI. Exceptional items VII. Profit before extraordinary Items and tax (V - VI) 219,218,410 399,208,645 VIII. Extraordinary items IX. Profit before tax (VII- VIII) 219,218,410 399,208,645 X Tax expense: (1) Current Tax 46,882,258 83,675,962 (2) Earlier Year Tax 758,154 376.078 (3) Deferred Tax 06 78,510,690 168,014,908 Profit for the period from continuing operations (VII-XI VIII) 93,067,308 147,141,697 XII Earnings per equity share: 24 (1) Basic 0.60 0.95 (2) Diluted 0.60 0.95 Notes forming part of Financial Statements. 1-36

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

For KMGS & Associates Chartered Accountants

Lalit Goel Partner

Membership No 091100

Firm Registration No. 004730N

Place: New Delhi Date: 22.08.2016

For and on behalf of Board of Directors of Bharuch Dahej Railway Company Limited

Rajendra Kashyap Managing Director

DIN-00367378-

Balkishan Sharma Chief Financial Officer

S. P. Chaturvedi Director

DIN-07157294

Beena, R.Shah Company Secretary

BHARUCH DAHEI RAILWAY COMPANY LIMITED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2016

(Amount in ?)

			(Amount in R
Particulars		For the year ended 31.03.2016	For the year ended 31.03.2015
		54.05.2010	31.03.2013
Cash flow from Operating Activities			
Profit/ (Loss) before tax from continuing operations		219,218,410	399,208,64
Adjustment For:		5.75,510,410	377,200,04
Interest Received		(65,246,226)	(25,093,40
Interest Expense		208,250,401	243,453,30
Depreciation/ amortization on continuing operations		234,422,323	227,664,09
Cash flow from Operating activities before working			
capital changes		596,644,908	845,232,631
Movement in working capital:			
(Decrease)/ Increase in Trade Payable		95,507,213	3,859,900
Decrease/ (Increase) in Other Current Liabilities		(13,637,493)	(181,392,097
Decrease/ (Increase) in Short Term Provisions		2,677	3,315
Decrease/ (Increase) in trade receivables		(156,316,117)	(112,096,773
Decrease/ (Increase) in short term loans and advances		2,033,833	(1,858,892
Decrease/ (Increase) in other current assets		(14,137,183)	(3,536,535
Decrease/ (Increase) in long term loans and advances. (repayment)			VII0.10-0-1000
(Decrease)/Increase in long term Liabilities		17,133,972 182,218,387	(5,657,730
The state of the s		102,210,307	195,346,434
Cash generated from/ (used in) operations		709,450,198	739,900,259
Taxes Paid during the year		44,217,308	84,384,606
Net cash flow from/ (used in) operating activities	А	665,232,890	655,515,653
Cash flows from Investing Activities			
Purchase (Net) of Tangible & Intangible Assets		(23,791,356)	(73,724,626
Project Expense (CWIP)		(20,486,232)	(886,559
ncrease in bank deposits (having original maturity of nore than three months)			44.000.000
nterest Received		(83,766,813)	(51,186,609
Net cash flow from/ (used in) investing activities	В	65,246,226	25,093,409
vocasi now from tused in investing activities	В	(62,798,175)	(100,704,385
Cash flows from Financing Activities			
nterest Paid		(208,250,401)	(243,453,302
Repayment of Long term borrowings		(161,000,000)	(43,000,000
let cash flow from/ (used in) financing activities	с	(369,250,401)	(286,453,302
let increase/ (decrease) in cash and cash equivalents A+B+C)		233,184,313	268,357,966





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70,113,856	338,471,822	Cash and cash equivalents at the beginning of the year
338,471,822	571,656,135	Cash and cash equivalents for the year ended 31st march 2016
		Components of cash and cash equivalents
		Cash on hand
49.000.000	03.056.135	Balances with banks - In current account
47,225,050	91,956,135	In deposit account (having original maturity of less than
291,246,772	479,700,000	three months)
338,471,822	571,656,135	Total cash and cash equivalents
-	571,656,135	Total cash and cash equivalents

Significant Accounting Policies

2

The accompanying notes form an integral part of the Financial Statements

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

As per our Report of even date For KMGS & Associates

Chartered Accountants

Lalit Goel Partner

Membership No 091100

Place: New Delhi

Date: 22.08.2016

Firm Registration No. 004730N

Rajendra Kashyap

For and on behalf of the Board of

Bharuch Dahej Railway Company Limited

Managing Director DIN- 00367378 S. P. Chaturvedi

Director DIN- 07157294

Balkishan Sharma

Chief Financial Officer

Beena R.Shah

Company Secretary

BHARUCH DAHEJ RAILWAY COMPANY LIMITED

Note: 1 General Information

Bharuch Dahej Railway Company Limited was incorporated on November 15, 2006 as a Special Purpose Vehicle for the purpose of executing the Bharuch-Samni- Dahej Gauge Conversion Project for Western Railway. The company is a Joint Venture between Rail Vikas Nigam Limited (RVNL), Gujarat Maritime Board (GMB), Adani Petronet (Dahej) Port Private Limited (APDPPL), Gujarat Narmada Valley Fertilizers Company Limited (GNFC), Dahej SEZ Limited (DSL), Jindal Rail Infrastructure Limited (JRIL), Hindalco Industries Limited (HIL) and Gujarat Industrial Development Corporation (GIDC).

The Company has entered into a Concession Agreement with the Ministry of Railways (MOR), Government of India (Concessioning Authority) [dated 25th June, 2008], in terms of which the MOR (Concessioning Authority) has authorized the company (Concessionaire) to develop, finance, construct, operate and maintain the project railway and to exercise and/or enjoy the right, power, benefits, privileges authorization and entitlements upon its completion. The concession period shall be 30 years of operation or till such time as Net Present Value (NPV) of payback on equity investment becomes 14% which ever is earlier. In case such NPV payback is reached earlier then 30 years, the concession agreement would stand terminated and the project line would be re-possessed by railways.

The Concession agreement referred to above envisages signing of an Operations and Maintenance Agreement (O&M Agreement) by the company with Western Railway for operation of the railway line. In terms of the proposed O&M Agreement, the company is entitled to a share of revenue from operations of the Bharuch-Samni-Dahej railway line. As per communication received from the Western Railway, revenue has been apportioned to the company w.e.f 8th March, 2012, the date of commencement of operations of the Bharuch-Dahej-Samni railway line. Accordingly 7th March 2012 has been treated as the date of completion of the Bharuch-Samni-Dahej Gauge Conversion Project and the company has started to prepare the Profit & Loss Statement w.e.f March 8, 2012.

Later, at the instance of Western Railway the line was extended from Bharuch to Chavaj a distance of 5.52 KM. This additional BG goods line was certified as it safe to run on 20.02.2014 and same was in operational since 27th February 2014 for running of goods train parallel to DN line on Mumbai-Delhi Rajdhani route of Vadodara Division.

Process for signing an O&M Agreement by the Company with Western Railway is underway. In the meantime, the Company is receiving its share of revenue after adjusting cost of Operation & Maintenance based on in principle approval received from the Ministry of Railways.

Note: 2 Significant Accounting Policies

2.01 Basis of preparation

The financial statements of the company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention.

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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 III to the Companies Act, 2013. Based on the nature of products and the time between 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. The Company follows the mercantile system of accounting and recognizes items of income and expenditure on accrual basis.

2.02 Use of Estimates

The Preparation of financial statements in conformity with the generally accepted accounting principles requires the 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 the estimates.

2.03 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 flow link to operating, investing and financing activities of the company. Cash & Cash Equivalents for the purpose of cash flow statement comprises of cash at Bank & in hand Deposits with banks that have durations up to three months, are included in the company's cash and cash equivalents in the cash flow statement.

2.04 Extraordinary

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 extraordinary item and disclosed as such.

2.05 Exceptional Items

Items of income and expense within profit or loss from ordinary activities which are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such items is disclosed separately.

2.06 Prior Period Items

Prior period items which arise in the current period as a result of error or omission in the preparation of financial statements of prior periods are separately disclosed in the current financial statements. However differences in actual income/expenditure arising out of over or under estimation in prior period are not treated as prior period income/expenditure.

2.07 Revenue Recognition

A. <u>Operating Income</u>: The operating income of the company relates to freight as apportioned by Western Railway on accrual basis.

B. <u>Interest Income</u>: Interest income on Fixed Deposits with Bank is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

2.08 Fixed Assets & Depreciation/Amortization

A) <u>Fixed Assets</u>: The fixed assets are stated at carrying amount i.e. subject to deduction of accumulated depreciation. Cost of acquisition includes inward freight, duties, taxes and incidental expenses related to acquisition.

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B) Capital Project Work in Progress:

Expenditure which can be directly identified with the Project undertaken by the company is debited to "Capital Project Work in Progress". The following amounts are reduced from the Capital Work in Progress:

a) Interest earned on the Mobilization Advances given in respect of the project execution

b) Amount received on sale of tender

C) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

(ii) Depreciation on tangible fixed assets

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives provided by Schedule II of Companies Act 2013. Accordingly useful life of assets is taken as follow:

S. No.	Nature of Assets	Estimated Useful life (Years)	
1	Station Building	60	
2	Bridges	30	
3	P-Way	15	
4	Plant and Machinery	15	
5	Formation V -	15	
6	Electronic Data Processing Assets	3	
	Furniture and Fixtures	10	
8	Vehicles	8	

(iii) Amortization of Lease Hold Improvements

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 II whichever is less.

(iv) Amortization of Intangible Assets

Intangible assets are amortized on a straight line basis over the estimated useful economic life in accordance with Schedule II, Part C Para No. 7, accordingly computer softwares are amortised over a period of 1 to 3 Years.

2.09 Borrowing Costs

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

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2.10 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, based on the expected outcome of the assessment/appeals.

Deferred tax is recognized 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.

Deferred tax assets in respect of unabsorbed depreciation/brought forward losses are recognized to the extent there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Other deferred tax assets are recognized and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

2.11 Impairment of Assets

In accordance with Accounting Standard-28 Impairment of Assets (AS-28), the carrying amounts of Company's assets are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated as the higher of the net selling price and the value in use. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. On the basis of review, the management is of the opinion that the economic performance of Fixed Assets of the Company is not worse than expected and therefore there is no impairment of any assets as on the Balance Sheet date.

2.12 Earnings Per Share

In determining earning 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 equity shares outstanding during the year.

In computing dilutive earnings per share the weighted average number of potential equity shares outstanding during the year, that have the effect of diluting the earning per shares of the company, have been considered.

2.13 Material Events

Material events occurring after the Balance Sheet date have been taken into recognizance.

2.14 Employee Benefits

Short Term Employee Benefits

Defined Contribution Plan such as Group Medicialm & Group Personal Accident policy are recognized as an expense and charged to the Profit & Loss Account.

Long Term Employment Benefits

i) Defined Contribution Plans such as Provident Fund are recognized as an expense and charged to the Profit & Loss Account.

ii) Defined benefits plan including the Provision/liabilities towards gratuity and Leave Encashment are identified by the liability made on the basis of Actuarial Valuation at the end of the year and charge to the statement of Profit and Loss Account.







2.15 Provisions, Contingent Liabilities and Contingent Assets

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

- a) The Company has a present obligation as a result of a past event.
- b) Probable outflow of resources embodying economic benefits will be required to settle the obligation; and
- c) The amount of the obligation can be reliably estimated. Reimbursement expected in respect of expenditure required to settle a provision is recognized only when it is virtually certain that the reimbursement will be received. Contingent liability is disclosed in the case of:
- i) Present obligation arising from a past event, when it is not probable that an outflow of resources embodying economic benefit it will be required to settle the obligation;
- ii) A possible obligation, that arises out of past events and the existence of which will be confirmed only by one or more uncertain future events unless the probability of outflow of resources is remote. Contingent assets are neither recognized nor disclosed. However, when realization of income is virtually certain, related asset is recognized.

2.16 Lease Accounting

Finance leases, which effectively transfer to the company substantially all the risks and benefits incidental to ownership of the leased asset, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are recognized as borrowing costs in the statement of profit and loss.

Leases where the lesser effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term unless there is a more systematic basis which is more representative of the time pattern of the lease expenses.

2.17 Segment Reporting

The company is primarily in the business of executing the Bharuch-Dahej Gauge conversion Project on the basis of Build Own Operate & Transfer (BOOT). Further all of the business conducted is within the geographical boundaries of India.

In view of the above, in the opinion of the management and based on the organizational and internal reporting structure, the company's business activities as described above are subject to similar risks and returns. Further, since the business activities undertaken by the company are substantiating within India, in the opinion of the management, the business environment in India is considered to have similar risks and returns. Consequently, the company's business activities primarily represent a single business segment and the company's operations in India represent a single geographical segment.

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Share Capital Particulars	As at 31 March 2016	As at 31 March 2015
Authorised Share Capital 16,50.00,000 Equity Shares of ₹ 10 each (Previous Year 16,50,00,000 Equity Shares of ₹ 10 each)	1,650,000,000	1,650,000,000
Issued , Subscribed & fully Paid up Share Capital with voting rights 15,51,10,000 Equity Shares of ₹ 10 each with Voting Rights. (Previous Year 15,51,10,000 Equity Shares of ₹ 10 each Fully paid up)	1,551,100,000	1,551,100,000
Total	1,551,100,000	1,551,100,000

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Reconciliation of the number of shares outstanding at	FY 2015-16		FY 2014-15	
Particulars	Number	Amount in ₹	Number	Amount in ₹
Shares outstanding at the beginning of the Year	155,110,000	1,551,100,000	155,110,000	1,551,100,000
Shares Issued and subscribed during the Year				
Right Issue	+		-	
Preferential Issue	-	-	- 1	
Shares bought back during the Year			-	
Shares outstanding at the end of the reporting Year	155,110,000	1,551,100,000	155,110,000	1,551,100,000

Terms & Rights attached to equity shares

The company has only one class of equity shares having par value of \$ 10/- per share. Each holder of equity shares is entitled to one vote per share.

During the year ended 31st March, 2016, the amount of dividend per share recognized as distribution to equity shareholders was NIL (31st March 2015; Nit)

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company after distributing all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Shares held by holding/ultimate holding company and/or their subsidiaries/associates: The company does not have any holding or ultimate holding company.

NOTE 3.02

Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company As at March 31, 2015 As at March 31, 2016 No. of Shares 85 of Hold % of Holding Name of Shareholder No. of Shares held SR NO % of Holding held 55,000,000 35.46% 35.46% 55,000,000 Rail Vikas Nigam Ltd 17,860,000 11.51% 11.51% 17,860,000 17,860,000 Gujarat industrial Development Corp. 11.51% 11.17% 8.72% 17,860,000 Gujarat Maritime Board 17,330,000 13,530,000 13,530,000 17,330,000 11.17% Adani Petronet (Dahej) Port Private Ltd 4 13,530,000 13,530,000 10,000,000 B.72% B.72% Gujarat Narmada Valley Fertilizers Company 8.72% Hindaico Industries Limited 6.45% 6 10,000,000 6,45% Dahej SEZ Ltd 6.45% 10,000,000 Jindai Rail Infrastructure Ltd 100.00%

155,110,000

Aggregate number of shares issued for consideration other than cash, bonus shares issued and shares bought back during:

Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
Equity Shares issued for consideration other than cash	-				
quity Shares issued as fully paid up		-			
donus shares guity Shares bought back	-		-		14





100.00%

155,110,000

NOTE 4: Reserves & Surplus

Excliculara	As at 31 March 2016	As at 31 March 2015
Surplus in the statement of Profit & Loss		
Balance as last financial statements (+) Nat Profit for the Current Year	117,374,421 93,067,308	(29,732,410) 147,141,697
Less: Appropriations Depreciation charged to reserves		(34,866)
Closing Ralance	210.441,730	117,374,421

Non Current Liabilities

NOTE 5: Long Term Barrowings

(a) Term Loans

Current maturitie	Current meturities over next one year		Non current portion	
As at 31 March 2016	As at 31 Merch 2015	As at 31 March 2016	As at 31 March 2015	
1	r		-	
	- In the second	-		
140.000.000	140 000 000	1 630 363 656	V 500 545 550	
THE IAS SALES	The state of the s	The second secon	1,779,243,836	
			270,000,000	
	As at 31 March	As at 31 March 2015 2016 4s at 31 Merch 2015 2	As at 31 March 2016 201	

Details of Repayment Made during the year

Perticulars	Repaid during	the Year
	March 2016	March 2015
Secured		
Turm loan		
From Canara Bank	140,000,000	40,000,000
From Canara Bank	21,000,000	3,000,000
fotal	161,000,000	43,000,000

Rate of Interest

Interest rate for F Y 2015-16 was Canara Bank's base rate +0.30% p.e. (Previous Year : the interest rate was fixed by the bank @ 10.75% p.a) on balance amount due with the bank on term loan of ₹ 230 Crons.

Security

- Secured by way of first charge on all present and future immoveable and movatile fixed assets of the company excluding those assets that have been leaded by Ministry Of fiailways as per the Concession Agreement.
- Secured by way of first change on all the tangible movable property and plant of the company together with spares, tools, accessories and other movables both present and future.

Repayment terms:

The annual repayment to be sub-divided into Your equal quarterly installments, interest to be served at monthly rests. Door to door tenor of 15 year for Term Loan of ₹ 200 Crores and Door to door tenor of 13 year for Term Loan of ₹ 30 Crores. Repayment due for next one year @ 7% (previous year 7%) of Total debt of ₹ 230 Crores.

NOTE 6: Deferred Tax Assets/ (Liability) (Net)

Particulars	As at 31 March 2016	As at 31 March 2015
Deformed Yax Assets/ (Liabilities) (Net) Opening training Defermed Yax Liability Defermed Tax Assets	(131,839,037) (78,510,690)	
Deferred Tax Assets/(Liabilities) (Net)	(210,349,727)	(131,639,037)



Sa ASS Danses American American Say Inc.

Particulars.	Amount	Amount	Amount	Amount
Calculation of Deferred Tax				
Closing Balance as on March 31, 2016 a. Liability on Account of Depreciation WDV of Fixed Assets as per IT Act	2,113,175,528		2,427,076,028 3,387,190,091	
WDV at Fixed Assets as per Books of Account Difference	3,176,559,124	(1,063,383,595)	3,307,130,007	(960,114,063)
Asset on Account of Business Loss Carried		572,738.110		838,184,140
Opening Balance Provision for Gratuity –		96,166		51,155
Provision for Leave Encashment Adjustment for excess provision		226,334 320,135		136,706
During the Year		(117,311,803)		(254,763,490)
		455,576,942		572,238,110
Net amount of temporary difference		(607,806,653)		(387,875.953)
Tax Rate		34.608%		33.990%
Deferred Tax Assets/(Liabilities) (Net)		(210,349,727)	_	(131,839,037

NOTE 7: Other Long Term Liabilities

(a) trade rayable	As at 31 March 2016	As at 31 March 2015
Particulars	110,000,000	
and Lease Rental Charges	407,953,650	203,585,056
General Overhead Charges	139,102,231	81,728,638
Central Charges	819,706	475,464
Total	547,875,587	365,789,160

Note 7.01: Western Railway has reised a claim of ₹ 77.74 Crores (Previous Year ₹ 65.31 Crores) for Land lease rental charges from the date of concession agreement to March 2016. The company has already provided for ₹ 45.78 Crore (Previous Year ₹ 33.35 Crore) towards the Lease rental fees from the date of commercial operation to March, 2016, out of which an amount of ₹ 4.99 Crore has already been deducted by Western Railway resulting is net apprepate amount payable as on 31.03.2015 as ₹ 40.80 crore (Previous Year ₹ 26.36 Crore) towards Land Licence Fees. As per the Railway floard letter No. 2010/infra/18/6 Pt. I Dated 29.11.2012 , Western Railway has advised to defer lease rental charges as an interim measure , till such time a final view is taken by the board.

The balance of £ 31.96 Crores. Previous year £ 31.96 Crores) is not provided as per the past practice and management is of the view that no additional amount will be payable, Hence no provision has been made for the additional portion. The whole issue is currently pending with the Minstry of hallway for the charging of Lense rental fees at nominal value, consistent with provisions contained in the Concession Agreement read alongwith extract policy of Ministry for such cases. Upon the final outcome as per the above mentioned letter, this may have a baring on the capitalized and revenue expenditure value of the project during the current year.

Note 7.02: During current linencial year MOR has deferred Land Lease charges of ₹ 12.44 Crores (Previous Year ₹ 15.48 Crores) and overhead charges ₹ 5.77 Crores (Previous Year ₹ 4.04 Crores).

NOTE II: Long Term Provisions

Particulars	As at 31 March 2016	As at 31 March 2015
a) Provision for Gratuity b) Provision for Leave Encashment	95,756 219,443	51,033 132,206
Total	315,199	183,239

Note 8.01: Provision for gratuity and Leave Encashment liability has been made for the year 2015-16-based on Actuarial Valuation.

Note 8.52: Gratuity Senetic is payable to employees on separation from the corporation. The amount of gratuity payable is based on past service and salary at the time of separation as per Payment of Gratuity act, 1972. There is a vesting period of 5 years on the banefit.

Note 8.03: A reconcilation of opening & closing Balances of the present value of the retirement benefit (Gratuity & Leave Encashment) obligation and the effects during the period attributable to each are as follows:

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Change in present value of obligation.	e of obligation: Leave Enceshment As at 31st march As at 31st march 2015 2016		Grat	uity
Perticulars			As at 31st march 2016	As at 31st merch 2015
Opening Balance		7		t
Current service cost Current service cost Benefit paid Actuarial (Gainly Loss on	136,708 10,595 98,377	31,960 2,717 71,118	31,155 3,965 40,725	23,625 2,025 24,626
obligation	(19,346)	30,913	321	677
Closing Balance	226,334	136,708	95,166	31,155

Expenses recognized:	Leave Encashment		Gratuity	
Particulars	As at 31st march 2036	As at 31st march 2015	As at 31st march 2016	As at 31st march 2015
Co-move				1
interest Cost Current service cost Actuerial (Gain)/ Loss on obligation	10,595 98,377 (19,346)	2,717 71,118 30,913	3,965 40,725 321	2,025 24,626 677
Net Gain/ (Loss) (transferred to Statement of Profit & Loss Account	09,626	104,748	45,011	27,326

Movement in the liability recognized in the Balance sheet:	1	Leave E	ncashment -	Gretu	iky
Particulars	12.00	st march 16	As at 31st march 2015	As at 31st march 2016	As at 31st march 2015
			7	- 1	7
Opening not liability Expenses as above Benefit Paid Actual return on plan assets Acoulation adjustment	- 5	136,708 89,626	31,960 104,748	51,155 45,011	23.82 27,321
Closing net liability		226,334	136,708	96,166	51.155

Recognized as under:		ncashment	Grati	itty
Particulars	As at 31st murch 2016	As at 31st march 2015	As at 31st march 2016	As at 31st march 2015
			1	- 1
Long Term Provision Short Term Provision	219,443 6,891	132,266 4,502	95,756 410	51,033 122
Total	226,334	136,708	96,166	51,155

Current Liabilities

Particulars	As at 31 March 2016	As at 31 March 2015
	· ·	
Western Rattiray	100,547,431	13,040,218
Total	100,547,431	13.040,218

NGIFE 9.01: The trade payable represents the amount payable to the Western Railway being the Operation & Maintenance expenditure. The Western Railway has deducted the amount from the apportioned revenue till January . 2016 for Bitaruch Dahej section. The Provisional outstanding balance amount of ₹ 10.85 Crores (Previous year ₹ 1.30 Crores) is related for the period of February 2016 to March 2016 for Dahej-Bharuch section and also includes Operation & Maintenance expenses on the extended section of the line from Binaruch to Chevaj from the date of commissioning of the extended section i.e. 27th February 2014.



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NOTE 10-Other Current Lieblities

Particulars	As at 31 March 2016	As at 31 March 2015
(a) Current Maturity of Term Loan (Refer Note 5)		
(b) Interest accrued and dise on borrowings (c) Security Deposit (d) Statutory Dues (e) Book Gverdraft (f) Other Payables	161,000,000 2,282,267 1,063,096 806,812 6,764,803	161,000,000 17,522,960 696,528 602,632 1,176,310 4,554,039
Total	171,916.976	183,354,469

NGTE 16.01: Current Maturity of Term Lean of ₹ 16.10 Cities (previous year ₹ 16.10 Crores) represent the repayment to be made during next one year equivalent to 7% (Previous Year 7%) of total Term Lean of ₹ 230 crore in accordance with the repayment schedule.

NOTE 16.62: Sook Overdraft is due to Cheque resued but not cleared in Bank and balances laying in flexi deposits as on 31st March 2015.

NOTE 11: Short Term Provisions

Perticulars	As at 31 March 2016	As at 31 March 2015
Provision for Employee Benefits a) Provision for Gratuity b) Provision for Leave Encoshmane Other Provisions a) Provision for Income Tax (Net of TDS ₹ 0.62 Crore & Advance Tax ₹ 3.55 crore) (Previous Tear TDS ₹ 0.25 Crore and Advance Tax ₹ 7.93 Crore)	410 6,891 5,227,869	122 4,502 1,804,766
Total	5,235,176	1,809,390



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Description	Sacras Bulbing	No.	Part of	realist	Permateur Deser fer leying tracks	Part & Nathring (Project)	CDF Assets	Electronic Control	future &	Rachinery Specifically	Valent	Langerhold	Tetal Tangker Assets	Kalheere	Talah intangkie
Grant Speck Solance on at 1 April	104714701	100,003.113	73,396,075	3,477,405,330	310,000,000	1,554,734,463	601,528	596,762	1,128,001	1,881,878	1,857,504	7	3,641,331,349		CHARGE
outs deficient deposen	4.858.960	10,818,705		41.815.271	3,222,863	28,08307	300,128	200.000	602,778	114.209		1,01,571	98,653,962	40,004	23,396
Salavier as at 11 March	272,178,865	349,164,238	71,588,275	1716,511,295	417,130,199	1,188,209,940	819,053	1,233,338	12717,636	STREET	1,607,506	1,643,971	3,622,000,558	457,580	657,680
Million	1,153,000	3,348,673		1,795,412	1350,077	13,130,090	\$93,800	316,434	34,409	809.608			27,340,031 3,340,675		
Branca as et 31 Nuch 2015	172,778,485	245,013,563	F1.518.075	1,716,236,883	445,830,526	1,179,940,850	1391.853	LARCHE	1,777,358	2,806,463	1,457,584	1,541,571	3,346,620,354	657,588	657,680
Depreciation Beants as at 1 April	4,193,434	9,921,594	.5	120,000,427	29.585,189	380,746,51,7	SHARS	TLM.	88,373	21.116	195'07	114	108,022,574	1000	HARM
Charge for the year	2,573,770	11,234,282	*	111,329,781	28538,385	72,8115,744	256.538	179,781	129,723	118,038	188345	6(3)	225,473,318	308.854	181,534
Arrest Dangel to Sasames		1	107	1.0		17	34.888	#I)	1.0	650	0.0	0.0	34,888	-	a
Nationages at 33 March	6,540,239	21,057,078	8	362,213,334	68,103,490	176,548,201	379,278	200/201	211.096	134,713	338,906	85,379	123,573,998	527,588	347,186
Negative the year ensure Dargates	3,722.194	11,314,542		113,698,818	29.001.001	20,000,000	351340	291,318	100,000	133,567	216,345	118,957	294,011,136	11,107	91,107
Apparent Detacloral Adjustments	4	4	e	1	+	4	- 9. 1	ř.	20	2	-	E	-	(1)80	+
Dolarce as at 33 March 2015	9,352,483	33,374,818	ti	374,874,042	99,385,331	PSIARLITI	450,421	488,333	313,800	38,235	437,053	806,308	776,311,115	217.813	811,175
And Street and Andreas and And	164 310 372	323,440,745	73.596,073	1,454,127,007	MS C SC 713	B07.663.6.79	\$20.774 \$11.459	1,619,417	1000	166	1418.500	1235.60	5, let 055,595 5,176,518,619	135.452	200 200 200 200 200 200 200 200 200 200

MOTE 13 63: Carded Work in Progress

Particulors	As at 31 March 2016	As at 31 Murch 2015
1400000		
Expenditure on project Line No. 5	21,372,791	886,559
Total	21,372,791	886,559

Note: Capital work in progress represents the expenditure incurred for Construction of Line No-5 at Dahej Station.

Particulars	As at 31 March 2016	As at 31 March 2015
DESCRIPTION OF THE PROPERTY OF	1,138,676 1,622,482	- 1
a. Capital Advances Loans and Advances to related parties -Unsetured, considered good unless otherwise States b. Other Advances -Unsetured, considered good -Security Deposit		18,507,170 1,387,960
Total	2,761,158	19,895,130

NOTE 13.01: The Capital Advance amount to T 0.11 Crore (Previous year T 1.85 Crore) representing the amount paid to M/s Rail Vikas Nigam Limited as project advance as per the Terms of Construction Agreement.

NOTE 14: Trade Receivemes Particulars	As at 31 March 2016	As at 31 March 2015
Participans		4.
Trade receivables Unsecured, considered good, unless otherwise stated Outstanding for a period exceeding six months from the date they are due for payment Others.	692,752 530,830,396	1,087,474 374,124,577
Total	531,523,118	375,207,001

NOTE 14.01: The Trade Receivables represent the amount receivable from the Western Railway being the revenue apportioned, after adjusting amount of OSM expenses payable.

NOTE 14.02: The revenue and expenses apportioned as above by the Western Railway are an provisional basis and the Snal figures may vary. Further the amount of net receivable being ₹ 53.15 Crores (Previous Year ₹ 37.52 Crores) is subject to confirmation by the Western Railway. NOTE 14.03: Chargeable kilometers for freight movement on the section are 92.4 KM from Dahej to Bharuch. Western Railway however, apportioned the share for 92 KM only. Trade receivables include BDRCL share of revenue on account of the difference in kilometerage (0.4kM) from the date of commissioning of Dahej - Sharuch section. NOTE 14.04: Trade receivables also include BDRCL's share in apportioned revenue from running of freight trains on the extended section from Bisonich to Chavel.

from Bharuch to Chave).

NOTE 15: Cash and Bank Balances	As at 31 March 2016	As at 31 March 2015
Particulars		
	- 1	
n, Cash and Cash Equivalents		
Balances with Banks	10000000	47,225,050
In Current Account Deposits with maturity of less than three months	91,956,135 479,700,000	291,246,772
 b. Other bank balances Deposits with maturity for more than 3 months but less than 12 months 	305,000,000	221,240,666
 Deposits with maturity for more than 3 months but less than 12 months(VAT Guarantee) 	87,830	80,351
Total	876,743,965	559,792,839

NOTE 15.01: # 87.830/- (previous year # 80351/-) represents fixed deposit placed as VAT guarantee with the Sales Tax Department of Vadodara, Gujrat pledged with Govt Authorities.

NOTE 15.02: Balance in current accounts under cash and cash equivalents above, includes liquid flexi term deposits # 8.61 Crore (Previous Year # 4.44 Crore).

NOTE 15:03 : Deposits of ₹ 76.48 Crore (previous year ₹ 51.26 Crore) maintained by the Company with banks can be withdrawn at any point

of time without prior notice and/or penalty on the principal.

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NOTE 16: Short-term Loans and Advances

Particulars	As at 31 March 2016	As at 31 March 2015
Unsecured, Considered Good:	*	
Prepaid Expenses Other Advance (Imprest)	736,056 33,412	2,346,129 457,181
Total	769.458	2,803,303

MOTE 17: Other Current Assets		
Particulars	As at 31 March 2016	As at 31 March 2015
(a) Income Tax Refund,		- 7
- AY 2010-2011 - AY 2013-2014 - BY 2013-2014 (b) Interest occured as FDR (c) Other Receivables	26,149 215,663 2,430,575 27,133,900 54,497,737	28,149 5,553,906 2,430,575 10,146,073
Total	94.296.032	52,000,146

NOTE 17.0L: Other Receivables represent, amount recoverable towards the cost of Station Building for 02 bridges (constructed at Shaktinath function 6 thospital Road Vadadoral constructed on cost sharing basis with the Western Railway 6 the Government of State of Gujarat. Accordingly, the cost of these bridges has been reduced by an amount of f 9.16 Crores borne by these parties (f 3.36 Crores 6 f 5.81 Crores contributed by the Western Railway 6 the Government of Gujarat, respectively). Out of the total amount of f 9.16 crore. f 4 Crores was received from the Government of Gujarat on 06.04.2011 and the Balance amount of f5.17 Crores is still recoverable from the Government of Gujarat and the Western Railway.

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BHARUCH DAHEJ RAILWAY COMPANY LIMITED

NOTE 18: Revenue from Operations

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
	7	₹
Sale of Services	1,113,689,916	1,325,218,006
Total	1,113,689,916	1,325,218,006

18.01: Operating Income: The Bharuch-Samni-Dahej Railway line measuring 61.60 kilometers became operational from March 8, 2012 and Bharuch -Chavaj line measuring 5.52 Kilometers became operational from February 2014 with the completion of the project. The operating income of the company has been recognized for the period from 1st April 2015 to 31st March 2016 for Bharuch-Samni-Dahej Railway line and the revenue pertaining to Bharuch - Chavaj line since February 2014 on provisional basis on actual share of freight in percentage, in terms of the Operation & Maintenance Agreement to be signed with the Western Railway, for which an in-principle approval has been received from the Ministry of Railways.

18.02: The Ministry of Railways has allowed the Company to charge freight at inflated kilometers (50% inflated) as against actual distance of 67.12 kms of the Bharuch-Samni-Dahej and Bharuch - Chavaj railway line constructed by the company. However, upto this stage, the revenue pertaining to 100.68 kms has been accounted for on provisional basis.

18.03: Chargeable kilometers for freight movement on the section are 92.4 KM from Dahej to Bharuch. Western Railway however, apportioned the share for 92 KM only. The revenue includes share of revenue on account of the difference in kilometerage (0.4KM) from the date of commissioning of Dahej - Bharuch section and also includes share in apportioned revenue from running of freight trains on the extended section for Bharuch- Chavaj from the date of operational of the line i.e 27th February 2014.

18.04: Revenue figures are subject to confirmation from Western Railway.

NOTE 19: Other Income

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
	7	7
Interest Income		
- from Bank Deposits	62,619,994	25,093,409
- from Others	2,626,232	-
Miscellaneous Income	71,213	610,707
Total	65,317,439	25,704,116

NOTE 20: Operation & Maintenance Cost

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015	
	₹	₹	
Operation & Maintenance Expenses			
- Current period	492,602,603	447,567,910	
- Prior Period		13,280,000	
Total	492,602,603	460,847,910	

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NOTE 20.01: In terms of the Operations and Maintenance Agreement to be entered into with the Western Railway, the company has to bear a share in the expenses incurred by the Western Railway on the operation and maintenance of the Bharuch-Samni-Dahej railway line. The company has recognized operating expenses of ₹ 33.71 Crores (Previous year ₹ 28.09Crores) for the Period from April 2015 to March 2016 as advised by the Western Railway on provisional basis in terms of the Operation & Maintenance Agreement to be entered into with the Western Railway. The final amount of expenses to be borne by the company could vary.

The D&M of Civil Engineering and S&T assets was done by the company for most part of the year. The company has recognized O&M expenses of Civil Engineering and S&T assets of ₹ 15.55 Crores (Previous year ₹ 17.96 Crores) for the year ending March 31, 2016. The above also includes Operation & Maintenance expenses on the extended section of the line from Bharuch to Chavaj from

the date of commissioning of the extended section i.e 27th February 2014.

Note 20.02: Prior period expenses in previous year represents cost of fuel (Electric Traction - OHE) for the financial year 2012-13, as intimated by Western Railway vide their letter No. EL/TRD/W/672 dated April 24, 2014.

NOTE 21: Employee Benefits Expense

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
(a) Salary and incentive	7,291,351	6,735,333
(b) Contributions to - '\$		
(i) Provident fund	2,206,087	1,596,878
(c) Staff welfare expenses	3,067,217	2,774,552
(d) Gratuity (Refer Note -8)	45,011	27,328
(e) Leave Encashment (Refer Note -8)	89,626	104,748
Total	12,699,292	11,238,839

NOTE: 21.01: During the year ended March 31, 2016 there are only eight employees in the company who are employed on long term basis. All other employees were appointed by the company for short periods only subject to further regularization if required.

NOTE 22: Finance costs

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
		₹
Interest Expenses		
Interest to RVNL on Delay Payment		5,669,788
Interest on Term Loan	208,250,401	237,549,348
Other Interest expense		234,166
Total	208,250,401	243,453,302

NOTE: 22.01: Finance cost include interest paid to bank on Term Loan amounting to ₹ 20.82 Crores (Previous Year ₹ 23.75 Crores), Interest paid to RVNL on delay payment of Project expenditure is ₹ NII (Previous Year ₹ 0.56 Crore) for the year ended March,31 2016.

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SASS SECTION OF THE PROPERTY O NOTE 23: Other expenses

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
		₹
Power & Fuel	271,859	85,175
Repairs and Maintenance	148,848	120,140
Legal and Professional Fees	2,078,323	1,400,000
Auditor Remuneration		
- Audit Fees	170,033	151,686
- Tax Audit Fees	48,279	43,259
- Out of pocket expenses		5,618
Internal Audit Fees	1.33,965	111,236
Printing & Stationery	203,926	242,145
Meeting & Conference	1,430,919	82,212
Communication Expense	270,241	165,335
Travelling Expense	1,224,576	1,506,951
Rates & Taxes	32,801	74,221
Rent	4,079,753	3,505,521
Miscellaneous Expense	1,465,563	1,015,834
Corporate Social Responsibility	255,240	
Total	11,814,326	8,509,333

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Carnings per Equity Share (EPS) NOTE 24.

74.03. Calculation of Basic CPS Perfoculars	For the year eneed Hurch 31, 2016	For the year encied Merch 31, 2015
Prefix (Coss) for the period Weighted Average No. of Equity Shares	93,067,398	147,141,897
	155,110,000	155,110,000
Nask 675	0.60	0.95

24.03 Catrodation of Diluted EPS. Facticulars	For the year unded March 31, 3016	For the year anded March 31, 3015
Profit (Love) for the period	93,067,300	147,141,697
vivigited Average No. of Equity Shares	155.110.008 0.60	The same of the sa

34.03 Calculation of Weighted Average No of Equity Shares for Basic EFS

24.63 Calculation of Weighted Average No of Equity Steres for basic EPS Particulars Counting number of Equity Shares	No. of Shares Outstanding (1) 155,110,000	Outs of leave 1-Apr-15	No. of days Outstanding (2) 365	Weighted Average (3)*(2)/365 155,110,000
Course issued and subscribed during the Period Tagets issued and subscribed during the Period Weighted Average number of Equity States				155,118,000

PE.D.E. Coloubelon of Weighted Average No. of Equity Shares for Dilutes EPS

Particulars Particulars Opening number of Equity Shares Shares lessed and subscribed during the year Shares lessed and subscribed during the year	No. of Shares Ourstanding (1) 155,130.000	Oute of fesue 1-Apr-15	No. of days Outstanding (2) 365	Weighted Averag (111(21/365 155,110,000
Share Application makey received proding allotmost. Weighted Average number of Equity Shares				158,110,00

NOTE: 23 Contingent Listilling.

Claims not acknowledged us dabte by the company

(i) MS Rail Visis Nigers Limited has demanded management fees of ₹ 18.33 Croces upts 31st Harrin 2018 (previous year ₹ 18.15 Croces) sewants. construction of the project.

ii) During the year ended 31.03.2015 company has received a show Cause Nutice from the Directorate General of Central Excise Intelligence: Regarding the liability of Service Tax of ₹ 16.33 Case. The Company has not accepted the liability as Commissioner of Service Tax has given relief to force. He content dated 25.01.2016 for the earlier period upto 31st March 2014. However, the department has find appeal with CESTAT against the order of Commissioner. In edition to notice for liability upto 31st March 2014, department has relief demand of ₹ 16.35 crore for financial year 2014-15 on Commissioner. In edition to notice for liability upto 31st March 2014, department has also relief demand of ₹ 16.35 crore for financial year 2014-15 on the same matter as explained above. Company has not accepted the liability and has submitted as reply to department on 24th May 2016. Server the Company had received fevourable ruting from Commissioner Service Tox, it is confident that no additional fieldity to be charge on the account will dicyabre on it.

ii) Western Railway has raised a claim of £ 37.74 Crores Diversus Year £ 65.31 Crores) for Land lease mittal charges from the date of concession appreciated to March 2016. The company has already provided for £ 45.38 Crore Diversus. Year £ 33.35 Crores supering the Gense cross less from the through the second payable as on 31.03,2015 as £ 40.50 crore issued by the first of the second payable as on 31.03,2015 as £ 40.50 crore issued by the second payable as on 31.03,2015 as £ 40.50 crore issued by the second payable as on 31.03,2015 as £ 40.50 crore issued by the second payable as on 31.03,2015 as £ 40.50 crore issued by the second payable as on 31.03,2015 as £ 40.50 crore issued by the second payable as on 31.03,2015 as £ 40.50 crore issued by the second payable as on 31.03,2015 as £ 40.50 crore issued by the second payable as on 31.03,2015 as £ 40.50 crore issued by the second payable as on 31.03,2015 as £ 40.50 crore issued by the second payable as on 31.03,2015 as £ 40.50 crore issued by the second payable as on 31.03,2015 as £ 40.50 crore issued by the second payable as on 31.03,2015 as £ 40.50 crore issued by the second payable as on 31.03,2015 as £ 40.50 crore issued by the second payable as on 31.03,2015 as £ 40.50 crore issued by the second payable as on 31.03,2015 as £ 40.50 crore issued by the second payable as on 31.03,2015 as £ 40.50 crore issued by the second payable as on 31.03,2015 as £ 40.50 crore issued by the second payable as on 31.03,2015 as £ 40.50 crore issued by the second payable as a seco Dated 29.11.2013 , Western Reiway has advised to defer lease rooter charges as an interior measure , till such time a final view is taken by the brand.

(a) The balance of £ 21.96 Crimes. (Previous year £ 31.96 Crimes) is not provided as per the past practice and management is of the view that no of the beance of a 12.00 cracks, creation year a 31.00 cracks a new presence as per the past process as interesting selection. The whole issue is currently pensing with the Ministry selections amount will be payable. Hence no provision has been made for the additional portion. The whole issue is currently pensing with the Ministry of facilities and the charging of tasse rental feet at nominal value, consistent with provisions contained in the Concession Agreement read alongwith socract policy of Ministry for such cases. Upon the final outcome as pur the above mentioned letter, this may have a being on the capitalized and revenue expenditure value of the project during the current year.

v) The O&M expenditure portaining to Bhoruth-Chava; section has been charged by Western Railway at # 13.83 Crock. However, Company has admitted only an arround of # 11.72 Crore as payable. The Balance arrount of # 2.09 crors pertains to the period prior to the data when exceeded section was commissioned and further also includes the period agent 2016 to March 2017, and serve has therefore not been taken in to Profit & Loss Account. VII Company has terminated some contractual employees, due to misconduct at work place and unauthorised attacked from office. Approved by the decision of the company employees have find application with Labour court for compensation towards their termination. However based on the facts of I'm rate company expects favorable decision. Financial impact of same is not estartumable

MOTE: 28: In the operan of the Board of Cirecture and to the best of their troppledge and boiler, the apprepare value of the Current Assets and Loans 6 Advances on realization is the ordinary course of business will not be issuithen the amount at which these are stated in the Salance Sheet.











HOTE: 27 Capital commitment is Estamated at # 0.50 Croses Direvieus year # 6.00). Capital commitment Other Commitment Estimated at 6.5 Crores (Penylput year 6.5 Crore). Peymonts to Auditor

MOTE: 38 Towards Statutory Audit Fee

N. Towards Tox Audit Pee.

ii, Iswants - Other

Managerial Remuneration: HO100-29

Fureign currency transactions WOTT: 38 Expenditure in Foreign Currency income in Familian Currency

#1,70,013/- (Previous year # 1,51,686) \$48,279/- (Frenion) year 7 43,259/-3 E NO. (Previous year Y 5510/-)

€ 23.50 Lokfi (Previous year € 13.57 Lskfi).

103 (Previous period 50) Hil (Previous period HII)

NOTE: 33 There are no reported Micro, Small and Medium enterprises as defined in the "The Nicro, Small & Medium Emergines Development Act 2006" in whom this complety owen any amount

with the enoctment of the Companies Act 2013 and the Companies (Corporate Social Responsibility) Rules, 2014 and with various clarificances assered by MCA, the company has incurred a sum of ₹ 3.55.240 by MCA, the company has incurred a sum of ₹ 3.55.240 towards CSR in accordance with Section 335 of Companies Act 2013. Further in compliance of companies Act 2013, company has made payment of a company of the accordance with Section 335 of Companies Act 2013. Further in compliance of companies Act 2013, company has made payment of a company of the companies Act 2013. towards CSR in accompany with second 135 or companies ACL 2013 Foreign in companies or companies ACL 2013, company has made payment of 4.72,1452 to CSR insecuting agency, however expensitum to the extent of funds oblised by agency is provided in statement of profit and less and habance unsplained fund of Rs. 2,10,905c is appearing as peopled expenses in Note 17.

MOTE: 33 Refuseoco is invited to a clerification stated by Institute of Chartered Accountants of India (ICAI) to another Bail SPy through Minetry of Corporate Affairs (MCAI), suggesting that assets of the SPV should be accounted. As in accordance with " Accounting Standard 25-intengible Assets", containing the same as intangible assets. Since in the Management's precaption, this clarification did not take who account several relevant factors apply to BORCL, the company has made a reference to MCA, and ICAI, seeking a review. The sufference was made after that consultative process.

Managements, contention is that if the half infrastructure aspets created by the SPV are physical assets with definite expected useful lives assigned in each one of them, further that MOR only determines the tariff at which haulege over the SPV territory shall be paid for to BORCs. The tariff with accounting professionals of repute, and the Management is confident that its views will be upheal. permusible is identical to the toriff applicable to indian Rollways network.

Consequently, the arrangement entered tests in the form of the concussion is a transaction basic whishy on commercial considerations, not mushing murally transfer of tights to the SPV. It represents substantive ownership of assets with ocitics over the concession period.

Accordingly, Management is of the view that on this consideration, the appets of the company do not truly reflect character of intaggible assets as

enyoneges by the execution, recognises and mousumment under Augel.

Insponse to the Company's letter dated 06 July 2015 to ICAI and MCA to awaited. Pending Authoritative ruling and taking note of the fact that the insponse to the Company's letter dated 06 July 2015 to ICAI and MCA to awaited. Pending Authoritative ruling and taking note of the project essent as clarification to modifier SPV was not in the nature of a general ruling, management has occurringly continued to account for the project essential file as prescribed in the Franchis in accordance with the accounting policy of the company in this regard and company has followed useful life as prescribed in the September 1, out F of the Company Are 2013. Schedule 3 part Cof the Companies Act 2013.

TIGHT: 36 At the instance of Western Rathrey, the original section for trafe; - Bharuch was extended upto Chave, and additional distance of 5.52 KM.
The extended section become operated on 21th February 2014 However, the Company's glacy in apportioned revenue and at Sability in respect of the extended section could not evaluated by it as the relevant data was available only with Western Operation & Maintenance expenditure interaction could not evaluated by it as the relevant data was available only Western Rathrey to the Rathrey. The details of Traffic material therapid Chave, and Sharuch and OSM expenditure in this regard have been advanted by Western Rathrey to the Rathrey only by July 2016 end. Accordingly, management has accounted for all the cost in the said period and corresponding revenue in the profit & Company only by July 2016 end. Accordingly, management has accounted for all the cost in the said period and corresponding revenue in the profit & Institute of the year ended 31st March, 2016 from the date of Operation of extended line from the run.

3-1922-

35.03 Related Parties

5. No.	Name	Nature of Relationship
1	Rall Vikas Nigam Limited (RVNL)	Party to the Joint Venture Agreement
2	Gujarat Maritime Board (GMB)	Party to the Joint Venture Agreement
3	Adani Petronet (Dahej) Port Private Limited (APOPPL)	Party to the Joint Venture Agreement
-6	Gujarat Narmada Valley Fertilizers	Party to the Joint Venture Agreement
5	Dahej SEZ Limited (DSL)	Party to the Joint Venture Agreement
0)Indal Rail Infrastructure Limited	Party to the Joint Venture Agreement
2	Gujarat Industrial Development Corporation. (GIDC)	Party to the Joint Venture Agreement
8	Hindalco Industries Limited (HIL)	Party to the Joint Venture Agreement
9	Rajendra Kashyap	Key Management Personnel
10	Balkishan Sharma	Key Management Personnel
11	Beena Shah	Key Management Personnel

(Amount in T)

851.106Z	Transactions with Related Parties Cambons in S				
SL. NO.	Particulars	Transaction during the year		Outstanding Payable/ (Receivable)	
		As at 31 March 2016	As at 31 March 2015	As at 31 Morch 2016	As at 31 March 2015
1	RVNL				
	Expenditure of Vadodara Office apportioned	.,-	(402,822)		(402,822
	Interest on Delay Payment	Y-	5,669,788		-
	Project Expenditure in terms of construction agreement	36,931,339	83,370,706		
	Closing balance			(1,118,676)	(18,084,348
2	HII.				
3	Amount paid towards Construction of line number 5 (Coper Stag) GIDC		412,923		1 2
	Amount paid towards Lease Rent/ Water Charges		1,791,325		12,610
A	APDPPL			2222	
	Installation of weigh Bridge	2,400,539		2,385,938	
5.	Key Managerial Personnel	4,140,827	2,878,311		-
	- Remuneration	477407957	5,070,311		

NOTE: 36 . Previous year figures have been restated / regrouped / reclassified wherever considered necessary to conform to the year classification.

As per our Report of even date For KMGS & Associates Chartered Accountants

Lalit Goel Partner. Membership No 091100 Firm Registration No. 004730N

Place: New Delhi Date: 22.08.2016 For and on behalf of Board of Directors of Bharuch Dabej Railway Company Limited

Rajendra Kashyap Managing Director

DIN-00367378

Balkishan Sharma Chief Financial Officer 5. P. Chaturyedi Director

DIN-07157294

Beena R.Shah Company Secretary AUDITORS' REPORT

Basement, 18, National Park, Lajpat Nagar-IV, New Delhi-110024 Ph.: 011-41636826

Fax.: 011-41536825 E-mail: office@kmgsa.in

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BHARUCH DAHEJ RAILWAY COMPANY LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Bharuch Dahej Railway Company Limited. ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these standalone 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143(11) of the Act. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion

(a) Reference is drawn to note 7.01 of the financial statements, wherein Western Railway had raised a demand for lease rental amounting to Rs. 77.74 Crore (Previous year- Rs. 65.31 Crore). As per the information available and explanation provided, Rs. 31.96 Crore (previous year- Rs. 31.96 Crore) out of the above demand pertaining to the period June, 2008 to March, 2016 is clearly not payable as per the concession agreement and related policies.

The company has accrued for land lease rental amount to Rs. 45.78 Crore (previous year- Rs. 33.85 Crore) commencing from the date of commencement of commercial activities till balance sheet date. Accordingly,

the company has disclosed contingent liability of Rs 31.96 Crore.

Management has currently requested for deferral of the amount due as provided by the company and is contesting the claim raised for prior period as explained above.

As per the management, no further provision is currently required and, additional amount payable, if any, shall be accounted for at that point of time,

when such additional liability is crystalized.

However, based on constant reminders from Western Railway and no concrete settlement or negotiation in place till date of signing of this report, we are unable to ascertain the additional liability, if any that may eventually crystalize.

Consequently we are unable to ascertain the impact, if any, of the above on

the financial statements of the company.

(b) Reference is drawn to Note No.33 in the Financial Statements explaining the nature of project assets, the accounting policy in this regard followed by the Company as well as the basis of useful life and residual value calculated by the management. Pending clarity in this matter as explained in that note, management has continued to account for the project assets as Fixed Assets in accordance with the accounting policy of the Company in this regard and the Company has followed useful life as prescribed in the Schedule II Part C of the Companies Act, 2013 for those assets as against accounting for of these assets as Intangible assets and amortising the same as per Schedule II Part A and amendment therein vide Circular no. (GSR No. 237 E).

This being a significant matter, with various points of view, management strongly believes that the accounting policy followed by them in this regard is appropriate and reflects fairly the nature of the assets etc. As explained in the note and as explained by management since the outcome of the above mentioned disparily of points of view is currently un-ascertainable and since management is awaiting the conclusion on this matter as detailed in the note,



we are unable to ascertain the impact, if any, of the above on the financial statements.

(c) Reference is drawn to note number 34 of financial statements w.r.t extended operations of the company upto chavaj. Based on information and explanation provided, the company has constructed an extended line up to chavaj and have capitalised the cost as part of plant and machinery effective from Feb 2014. As explained to us the company has been in constant discussion with western railways to recover revenue on the use of extended line by them. After prolonged discussions the company and western railways has come to understanding, by which the company has been advised by Western Railway with details of traffic routed and Operation &Maintenance expenditure incurred in this regard for the period Feb 2014 to March 2016. Based on this understanding the company has recognized the revenue amounting to Rs. 22.97 Crore in its accounts for the year ended 31 March 2016.

However based on the audit procedure performed and inquiries made we have been informed that there is no written confirmation on account of Revenue from the western Railways to support the above claim. Accordingly we are unable to ascertain significant uncertainty, if any that exists regarding the amount of the consideration that will be derived from the above claim and extent of recoverability of the same, and hence are also not able to ascertain if the company should recognize the corresponding revenue in accordance with Accounting Standard – 9 "Revenue Recognition". Consequently we are unable to ascertain the impact, if any, of the above uncertainty on the financial statements for the year ended 31st March 2016.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Emphasis of Matter

(a) Without qualifying our opinion, we draw attention to Note no 18 & 20 to the financial statements, The Operation and Maintenance Agreement with the Western Railway that defines among others, right & obligations, the share of Income & Expenses to be apportioned to the Company arising out of the operation of the Bharuch Dahej Samni Railway Line by the Company has not yet been signed although an in principal approval has been received from the Ministry of Railways. The Company has however recognized the operating income and expenses arising out of this arrangement which is yet to be formalized.

We further draw attention to Note no.18 & 20 to the financial statement. The Operating Income & Operating Expenses accounted for by the Company are based on provisional figures made available by the Western Railway and the final figures could vary. Our Opinion is not qualified in respect of this matter.



Report on Other Legal and Regulatory Requirements

- 1. As required by Section 143 (3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - The company does not have any pending litigations which would impact its financial position.
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- 2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.



3. As required by the directions issued by the Comptroller and Auditor-General of India, in terms of sub section (5) of section 143 of the Act, we give in the compliance in the "Annexure C".

For KMGS & Associates, Chartered Accountants

Firm Registration number: 004730N

[Lalit Goel]

Partner

Membership Number: 91100

Place: New Delhi

Dated: 22.08.2016

Annexure 'A' to the independent auditor's report of even date on THE FINANCIAL statements of BHARUCH DAHEJ RAILWAY COMPANY LIMITED

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

We have audited the internal financial controls over financial reporting of BHARUCH DAHEJ RAILWAY COMPANY LIMITED ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintain internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable details, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountant of India.

For KMGS & Associates Chartered Accountants

FRN No. 004730N

[Lalit Goel] Partner

Membership Number: 91100

CHARTEST

Place: New Delhi Dated: 22.08.2016 Annexure 'B' to the Independent Auditors' Report to the members of BHARUCH DAHEJ RAILWAY COMPANY LIMITED on the financial statements for the year ended 31st March 2016 referred to in paragraph 1 of 'Report on Other Legal and Regulatory Requirements' of our report.

- (i) a) The company has maintained Fixed Assets Register showing full particulars including quantitative details.
 - b) According to the information and explanations given to us, the fixed assets are physically verified by the management and discrepancies identified if any, on such verification have been properly dealt with in the books of account.
 - According to information and explanations given to us and based on our examination of the records of the company, the title deeds of land being immovable property are held in the name of the company.
- (ii) The company does not have any inventory; and accordingly the requirements of clause 3(ii) of the Order are not applicable to the company and hence not commented for.
- (iii) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189-of the Companies Act. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the order are not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, the company has not given any loan, made any investment, given any guarantee, and provided any security which is covered by Section 185 and 186 of the Companies Act 2013. Accordingly, the provisions of clause 3(iv) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- (v) The Company has not accepted any deposits from the public. Accordingly, the provisions of clause 3(v) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- (vi) As per the information and explanations given to us, the Central Government has not prescribed the maintenance of cost record for any of the Company's products under Section 148(1) of the Companies Act.
- (vii) (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 with appropriate authorities undisputed statutory dues including income-tax, service tax, provident fund and other material statutory dues applicable to it. The provisions relating to employees' state insurance, sales-tax, wealth-tax, duty of customs, duty of excise, value added tax and cess are not applicable to the company.



No undisputed amounts were outstanding in respect of statutory dues as at March 31st, 2016 for period of more than six months from the date they became payable.

- (b) According to the information and explanation given to us, there are no dues pending on account of any dispute.
- (viii) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to bank. The company has not taken loan from financial institution or debenture holders.
- (ix) Based on information and explanations given to us by the management, the company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loan. Accordingly, the provisions of clause 3(ix) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.



- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, the provisions of clause 3(xii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- (xiii) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) Based on information and explanations given to us by the management, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period under review. Accordingly, the provisions of clause 3(xiv) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the company has not entered into any non-cash transaction with directors or person connected with him which is covered by Section 192 of the Companies Act 2013. Accordingly, the provisions of clause 3(xv) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- (xvi) In our opinion and according to the information and explanations given to us, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act; 1934. Accordingly, the provisions of clause 3(xvi) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

For KMGS & Associates Chartered Accountants FRN No. 004730N

[Lalit Goel] Partner

Membership Number: 91100

Place: New Delhi Dated: 22.08.2016 Annexure "C" to the Independent Auditor's Report referred to in paragraph 3 of our report of even date on the standalone financial statements of BHARUCH DAHEJ RAILWAY COMPANY LIMITED for the Year ended 31st March, 2016.

S No.	CAG's Directions	Our Report	Action Taken thereon	Impact on accounts and financial statements of the company
1.	Whether the company has clear title/lease deeds for freehold and leasehold land respectively? If not please state the area of freehold and leasehold land for which title/lease deeds are not available.	According to information and explanations given to us and based on our examination of the records of the company, the title deeds of land being immovable property are held in the name of the Company.	No action required	NIL.
2.	Whether there are any cases of waiver/ write off of debts/loans/interest etc., if yes, the reasons there for and the amount involved.	walver/ write off /loans/interest es, the reasons r and the amount and explanations given to us and based on our examination of the records of the company		NIL
3.	Whether proper records are maintained for inventories lying with third parties & assets received as gift/grant(s) from Government or other authorities. The company does not have any inventory; hence the provisions of this clause are not applicable.		No action required	NIL

For KMGS & Associates Chartered Accountants

FRN No. 004730N

[Lalit Goel] Partner

Membership Number: 91100

Place: New Delhi Dated: 22.08.2016

COMMENTS OF THE C&AG AND MANAGEMENT REPLIES

Conera Banc

CONFIDENTIAL



नारतीय लेखा एसम् लेखा परीक्षा विभाग महानिदेशक लेखा परीक्षा, रेलते-वाणिजियक का कार्यालय कार्यायो, भारतीय रेल, विशाम क्रिस्, नाई विश्वती – 110 002 INDIAN AUDIT AND ACCOUNTS DEPARTMENT OFFICE OF THE DIRECTOR GENERAL OF AUDIT, RLY-COMMERCIAL, COFMOW, INDIAN RAILWAYS, TILAK BRIDGE, NEW DELHI- 110002

No. PDA/RC/RPSU/32-55/BDRCL/2016-17/ 12.5%

Date: 27-03-16

To

The Chief Financial Officer, Bharuch Dahej Railway Company Limited, 39-42, 3rd Floor, H Block Indara Palace, Connaught Circus New Delhi-110001

Subject: Comments of the Comptfoller and Auditor General of India u/s 143(6)(b) of the Companies Act, 2013 on the Financial Statements of BHARUCH DAHEJ RAILWAY COMPANY LIMITED for the year ended 31 March 2016

Sir,

I am enclosing the Comments of the Comptroller and Auditor General of India u/s 143(6)(b) of the Companies Act, 2013 on the Financial Statements of BHARUCH DAHEJ RAILWAY COMPANY LIMITED for the year ended 31 March 2016.

The receipt of the letter may kindly be acknowledged.

Yours faithfully,

Encl: As above

(Meenakshi Mishra) Director General of Audit Railway Commercial COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF BHARUCH DAHEJ RAILWAY COMPANY LIMITED FOR THE YEAR ENDED 31 MARCH 2016.

The preparation of financial statements of BHARUCH DAHEJ RAILWAY COMPANY LIMITED for the year ended 31 March 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 22.08.2016.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) of the Act of the financial statements of BHARUCH DAHEJ RAILWAY COMPANY LIMITED for the year ended 31 March 2016. 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 a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) of the Act 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:

A. Comments on Disclosure

 Notes to the Accounts Employee Benefits

The Company has not disclosed the following items in its financial statements as required under para 120 of Accounting Standards – 15 on 'Employee Benefits' notified by the Government of India such as

- A general description of the defined benefit plan.
- b) The principal actuarial assumptions used as at the balance sheet date, including, where applicable:

- (i) the discount rates;
- (ii) the expected rates of return on any plan assets for the periods presented in the financial statements;
- (iii) the expected rates of return for the periods presented in the financial statements on any reimbursement right recognized as an asset in accordance with paragraph 103;
- (iv) medical cost trend rates; and
- (v) any other material actuarial assumptions used.

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

Place: New Delhi Date: 2/409.2016

(Meenakshi Mishra) Director General of Audit Railway Commercial

Hyatt Hotel August Kranti Ebawan RING ROAD Africa Avenue 100 RING ROAD Safdarjang Enclave Sarojini Nagar Route MAP Venue of Ninth AGM of BDRCL. RING ROAD Saldarjung Hospital AIMS