BHARUCH DAHEJ
RAILWAY COMPANY LTD.

ANNUAL REPORT

2016-17

BHARUCH DAHEJ
RAILWAY COMPANY LTD.

ANNUAL REPORT

2016-17

*will be circulated as available or during the meeting.

MANAGEMENT TEAM

Board of Directors:

1. Mr. Vinay Singh, Director (Nominee of Rail Vikas Nigam Ltd.)
2. Mr. Sajal Mitra, Director (Nominee of Adani Petronet (Dahej) Port Pvt. Ltd.)
3. Mr. Amit Kumar Singh Director (Nominee of Rail Vikas Nigam Ltd.)
4. Dr. Meenu Dang Director (Nominee of Rail Vikas Nigam Limited)
5. Mr. Ajay Bhadoo Director (Nominee of Gujarat Maritime Board)
6. Mr. Rajendra Kashyap, Managing Director

Company Secretary

Ms. Beena R. Shah

Chief Financial Officer

Mr. Balkishan Sharma

Registered Office:

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

Corporate Office:

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

Statutory Auditors:

M/s D. Singh & CO
Chartered Accountant
C-97, Panchsheel Enclave
New Delhi, 110017

Secretarial Auditors

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

Bankers:

Canara Bank
Parliament Street Branch
New Delhi

Bank of India
Malai Mandir Branch
New Delhi

Bank of India
Alkapuri Branch, Vadodara
Gujarat

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

IDFC Bank
Sood Towers
Barakhamba Road
New Delhi-110001

NOTICE
OF THE
11TH ANNUAL GENERAL MEETING

BHARUCH DAHEJ
RAILWAY COMPANY LTD.
भरूच दहेज रेलवे कम्पनी लि.
CIN : U45203 DL2006 PLC155511

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

NOTICE

Notice is hereby given that the Eleventh Annual General Meeting of members of Bharuch Dahej Railway Company Limited will be held on Friday, the 22nd September, 2017 at 16.00 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

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March, 2017, 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

2. To appoint a Director in the place of Shri Sajal Mittra (DIN no. 02625510) who is liable to retire by rotation and being eligible offers himself for re-appointment.

Corporate Office : 304/305, Rubellite Building, 32, Ajitnagar Society, Nr. Urmi Char Rasta, Vadodara-390 020. (Gujarat)
Tel. : 0265 - 2333249 • Fax : 0265 - 2321340 • E-mail : cosec@bdrail.in • website : www.bdrail.in

3. To appoint a Director in the place of Shri Amit Kumar Singh (DIN no. 07524253) who is liable to retire by rotation and being eligible offers himself for re-appointment.

III <u>Remuneration of Statutory Auditors</u>

4. Remuneration of Statutory Auditors for the year 2017-18

   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.

   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, 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 2017-18."

B SPECIAL BUSINESS:

IV Reappointment of Shri Rajendra Kashyap as Managing Director

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

5. "**Resolved that** pursuant to relevant provisions of the Companies Act, 2013 and Rules made thereunder Shri Rajendra Kashyap, Managing Director be and is hereby reappointed as Managing Director w.e.f. 12.08.2017 till 23.09.2017 at consolidated payment of Rs. 2,35,000 p.m. Other terms and conditions would remain unchanged from the conditions as on 11.08.2017."

"**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits of the Company during the tenure of Shri Rajendra Kashyap, Managing Director, the above mentioned remuneration will be regarded as minimum remuneration in accordance with Section197 and other applicable provisions of the said Act and the Company be and is hereby authorized to take such approvals as may be required for payment of such remuneration in case of such eventuality."

V Alteration of Articles of Association of the Company

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

"**RESOLVED THAT** pursuant to the provisions of Sections 5, 14 and other applicable provisions, if any, of the Companies Act, 2013 and Rules thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and subject to the approval of Shareholders, and such approvals, consents, sanctions and permissions of appropriate authorities, departments or bodies as may be necessary, the Articles of Association of the Company, be and is hereby altered in following manner:

Clause (125) (a) of Article be and is hereby inserted as a new Clause after existing clause 125 of the Articles of Association:

"The Board may appoint any person as a director nominated by any institution in pursuance of the provisions of any law for the time being in force or of any agreement or by the Central Government or the State Government by virtue of its shareholding in a Government company."

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

Place: New Delhi
Date: 20.09.2017

(Beena R. Shah)
Company Secretary

Notes:

1. 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.
4. 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.
5. 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.
6. 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

D. All directors of the company

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

Item No. 5

Shri Rajendra Kashyap was appointed as Managing Director on 12.08.2014 for three years. His term came to an end on 11.08.2017.

Shri Rajendra Kashyap is a retired Financial Commissioner, Railway Board and ex-officio Secretary to the Government of India with extensive experience in various facets of Railway Management in India.

Shri Rajendra Kashyap, Managing Director expressed reluctance to continue as Managing Director beyond the date of completion of his tenure due to personal reason. The Board, in their meeting held on 25.07.2017, accordingly appointed Shri Vinay Singh, Director as Acting Managing Director w.e.f. 12.08.2017. However, in deference to the fact that Annual Accounts 2016-17 were yet to be finalized, and that the process of Audit was still underway, a request was received from Rail Vikas Nigam Ltd., the major shareholder, asking Shri Rajendra Kashyap to continue for some more time, up until the date of Annual General Meeting. The proposal was accordingly approved by the Board of Directors in their meeting held on 11.08.2017.

The process of audit of the Accounts by Statutory Auditor was taking inordinately long time, partly because this was the first year of audit by them. With likelihood of completing the audit by Statutory Auditors, followed by Supplementary Audit by CAG Office and holding of the Annual General Meeting on or before 30th September 2017, as required, being remote, Sh. Rajendra Kashyap informed that he had to travel to Canada where his daughter is a resident, to be with her during an urgent medical intervention, and that he would be leaving the country on the morning of 25th September 2017. In the circumstances whereby Sh. Rajendra Kashyap was unable to continue in his position beyond 23.09.2017, his appointment was curtailed by the Board of Directors till 23.09.2017.

The period of appointment beyond his original tenure up to 11.08.2017 was at the same lump sum monthly payment as existed on 11th August 2017 i.e. Rs. 235000/- p.m. Other terms remained unchanged.

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.

Item No. 6

As per the provisions of the Companies Act, 2013, the Shareholders have power to appoint the Directors in the General Meeting. The Board has very limited powers with respect to appointment of Directors on the Board. As per section 161 of the Companies Act, 2013, the Board has limited power to appoint only Additional Directors (who will hold the position up to the next Annual General Meeting), Alternate Director (who will hold the position up to the date of tenure of original Director in whose vacancy Alternate Director has been appointed) and Nominee Director nominated by any institution or any government, or pursuant to any agreement. The Board has power to appoint nominee Director if the Articles of Association empowers the Board.

At present, the Board is composed off total eight Directors. The composition of the Board is governed by Shareholders Agreement of the Company which provides that the Composition of Board will be of six representative directors comprising of three Directors nominated by Rail Vikas Nigam Limited, One Director nominated by Adani Petronet Dahej Port Private Limited and two Directors nominated by two entities of Government of Gujarat (Gujarat Industrial Development Corporation and Gujarat Maritime Board) and a Chairman nominated by Ministry of Railways and a Managing Director to be appointed by the Board.

Thus, out of the Board of eight Directors, seven Directors are nominee Directors. Since the Articles of Association of the Company have not empowered the Board to appoint nominee Directors, the Board usually appoints (on receipt of nomination) nominee directors as Additional Director pursuant to Section161 (1) of the Companies Act, 2013 who holds position up to next Annual General Meeting. In the next Annual General Meeting, the Company has to again invite nomination/proposal with deposit of Rs. 1 lakh pursuant to Section-160 of the Companies Act, 2013. This deposit has to be refunded after the appointment of the concerned nominee director.

Many of our nominees Directors are from Government or Government entities. Sometimes, it is very difficult for such shareholders to release the deposit. Hence it is sensed that the Company should simplify the procedure by empowering Board pursuant to section 161(3) of the Companies Act, 2013 for appointing nominee directors by amending Articles of Association.

As per the provisions of section 14 of the Companies Act, 2013the amendment in the Articles of Association can be made by shareholders by passing Special Resolution in the General Meeting.

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

Your Directors recommend passing the above resolution as a Special Resolution.

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

Place: New Delhi
Date: 20.09.2017

(Beena R. Shah)
Company Secretary

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 RAILWAY COMPANY LIMITED**
Registered office: **39-42, 3rd Floor, Indra Palace, H Block, Middle Circle, Connaught Place, New Delhi**

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 me/us and on my/our behalf at the 11th Annual general meeting/ ~~Extraordinary general meeting~~ of the company, to be held on the ____day, ______ ______, 2017 at _____ hrs. at Conference Room, Rail Vikas Nigam Ltd, August Kranti Bhawan, Bhikaji Cama Place, New Delhi(place) and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution No.
1…………………………………
2…………………………………
3………………………………

Signed this ____ day of……… 20….

Affix 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 Eleventh 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, 2017.

FINANCIAL REVIEW

Highlights of Finaneials of the Company as on 31.03.2017 are as under:

Particulars	**Amount (in Rs. crore)** *(For year ended 31.03.2017)*	**Amount (in Rs. crore)** *(For year ended 31.03.2016)*
Revenue from Operation	52.24	115.63
Other Income	8.19	7.17
Total Revenue [A]	60.43	122.80
O&M Cost	49.356	53.52
Finance Cost	19.02	21.26
Depreciation	12.85	12.75
Other expenses	2.34	2.45
Total Expenses[B]	83.57	89.98
Profit before Tax [A-B}	**(23.14)**	**32.82**
Taxes including Current Tax and Deferred Tax	**(4.30)**	**16.41**
Profit After Taxes	**(18.84)**	**16.41**

INDIAN ACCOUNTING STANDARDS

Accounts of your Company have been prepared in accordance with requirements of Indian Aceounting Standards (IndAS). It may be recalled that the Ministry of Corporate Affairs (MCA) vide its Gazette notification dated February 16, 2015, launched the IndAS to be applicable to certain specified classes of Companies. Your Company attracts applicability of the new Accounting

Standards. IndAS has replaeed the earlier Indian GAAP prescribed under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014. IndAS is applicable w.e.f. April 2016, with a transition date of April 1, 2015 for the Company.

COMPANY'S OPERATIONS:

You are aware that Bharuch Dahej Railway line became commercially operational from March 2012. Year wise summary of volume of Traffic handled from 2012 to 2017 are as under:

S. No.	Financial Year	No. of Rakes	No. of Wagons	Loading in tonnes
1	2012-13	1368	79782	5371686
2	2013-14	1689	98660	6633002
3	2014-15	2691	157094	10845648
4	2015-16	1591	92895	6428047
5	2016-17	838	48916	3385747

Lower volumes of traffic have occurred mainly due to external factors, manifesting in the form of reduction in loading of coal, which was earlier the mainstay of your Company's business. 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 subducd growth in the national economy having adverse impact on power production. The position has not improved during thc current year, as indicated below:

Year	2017-18			2016-17		
Month	**No of Rakes**	**No of Wagons**	**Loading Tonnes**	**No of Rakes**	**No of Wagons**	**Loading Tonnes**
April	16	896	61604.40	45	2628	182262.60
May	56	3169	210291.30	91	5314	368661.00
June	69	4009	276819.02	95	5553	384550.40
July	104	5982	410748.79	109	6370	435137.40
Total	**245**	**14056**	**959463.51**	**340**	**19865**	**1370611.40**

Loading during initial months of 2017-18 has reduced by further 30% as compared with the loading in the eorresponding period of 2016-17. However, the mix of freight traffic is undergoing a subtlc change, and a diversificd business base is emerging. Your Company has made efforts, with some success, to attraet altcmative streams of traffic.

Break up of Loading from Dahej Terminal (Container):

Year	2017/2018			2016/2017		
Month	Container Traffic	GYPSUM	TOTAL	Container Traffie	GYPSUM	TOTAL
April	3	6	9	2	0	2
May	6	8	14	2	0	2
June	2	7	9	2	0	2
July	2	18	20	2	0	2
Total	**13**	**39**	**52**	**8**	**0**	**8**

Note: 11 rakes of conventional containers were loaded from August 2016-Mareh 2017.

From a negligible share of less than 3% of total rakes belonging to non-coal traffic last year during the same period, the share of such traffic this year has been over 21%. Happily, the container traffie offered at the Terminal originated in multiple customers ineluding Pure Terephthalic Acid dispatched by M/s. Reliance & Copper by M/s. Birla Copper:

OPERATIONS AND MAINTENANCE

The Operation & Maintenance (O&M) Agreement to be signed with Western Railway is still awaiting finalization. Pending its finalization, Western Railway had been releasing revenue to BDRCL on a provisional basis till October 2016. Responsibility of carrying out maintenance of assets on the line remained with BDRCL till December, 2015, under appropriate supervision and inspection by officers and supervisors of Western Railway. However, in compliance of the 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 during the year from January 2016 onwards. Consequently, the cost of carrying out O&M has escalated during the current year. Pursuant to elaborate discussions with Western Railway, your Company has 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 direet responsibility of BDRCL. This is expected to mitigate the cost increase to some extent.

PHYSICAL PROGRESS:

Barring a few construction activities intended at enhancing the capacity for freight handling at Dahej Terminal, physical work on the project stands completed. Looking to the relatively low volumes materialising, the Company had decided earlier that the work related to providing two additional lines and a shunting neck at Dahej for handling container and other traffic should be staggered into two phases. During the year, the work of construction of Line no. 5 with electronic-in-motion weighbridge was completed in phase-I and the line made 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 up to 9-10 loaded rakes in a 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.

Project Augmentation:

The Company recognised need for augmenting freight handling capacity at Dahej Terminal in the light of dwindling loading at the terminal of a principal customer, keeping in view the latent capacity in the local industry to offer significant volumes of container traffic. Accordingly, it was decided to construct a full rake length rail level platform measuring 700m x 33m to facilitate handling of container traffic together with adequate storage of empty and loaded containers, at an approximate cost of Rs. 10.73 crore. The proposed augmentation would enable the Company to stack two rows of containers in double layers equating to containers pertaining to four rakes, besides handling loading/unloading of containers in another rake. The construction of Rail Level platform is in full swing, with very substantial progress achieved, and the facility is expected to be ready for use by October, 2017. The management expects that on resolution of a few outstanding issues like classification of terminal with Railways, handling one container a day would fetch net of expenses revenue of about Rs. 1.75 lakh resulting in yearly revenue of about Rs. 5.25 crore (assuming 300 rakes in a year). With loading at 3 rakes in a day, the annual revenue would be Rs. 15.75 crore. Resultantly payback period will be at a little over two years in a pessimistic scenario and a little under one year in an optimistic scenario.

ISSUE OF LAND LICENSE FEE

BDRCL is a gauge conversion project, and a BG line was constructed on existing land of Western Railway used up for an NG line earlier. The Concession Agreement specifically provides that Annual Lease Rental for original land of Western Railway shall be "as per extant policy of Ministry of Railways as revised from time to time". According to a policy on participative models of rail connectivity notified by the Ministry on 10th December, 2012, land licensing for gauge conversion JV projects like BDRCL attracts only a token charge. According to this policy, Railway Land as available in case of Gauge conversion projects will be made available on lease license at a token rental fee of Re. 1.00 per annum. Therefore, this letter read together with the Concession Agreement implies that from 10th December 2012, Land License Fee to be charged from BDRCL must stand at Re. 1 per annum.

Unfortunately, the Railways had taken a different interpretation, according to which recovery at 6% of market value of land is being demanded every year, and the market value is updated each year by inflating it by 7% each year. The rate of recovery has been recently revised upwards by Western Railway by obtaining fresh circle rates for land prices from civil authorities, leading to more than doubling of the claim. This had resulted in total accumulated land lease rental amount of Rs. 175.26 crore up to March, 2017.

Railway Board had earlier, vide their letter No. 2010/Infra/18/6 Pt. I dated 29.11.2012, held in abeyance recovery of Land Lease charges from BDRCL pending final decision in the matter. However, they recently issued a letter no 2010/Infra/18/6/ Pt.I dated 28.11.2016 directing Western Railway to effect recovery of land lease rentals in accordance with the extant rules along with interest liability thereon.

Since the decision conveyed clearly stands counter to the provisions of the Concession Agreement, the matter was again represented by BDRCL to Railway Board. On the issue of Land License fee, besides the provisions of the Concession Agreement referred to above, it had also been pointed out that the Railway's interpretation would create serious differences among various SPVs on charge for land as other Companies are all being charged a token fixed charge on this account. We had also pointed out that there is apparently no rationale or justifiable basis for such differentiation as BDRCL does not get any preferential treatment in any other matter.

Seeing merit in the contention of BDRCL, Railway Board had set up a Committee of Executive Directors to examine about ten issues raised by BDRCL (including the issue of Land License Fee), which impact the SPV adversely, and to make its recommendations. It is understood that the Committee has objectively reviewed position in regard to each of the ten issues flagged and has given its recommendations. The recommendations are under consideration of the Railway Board for decision.

The Annual Accounts of the Company for the year 2016-17 have been prepared. As matters stand, the demand of the Railways on account of land lease charges is not only exorbitant but is also not in accordance with the provisions of the Concession Agreement. The matter is under examination in the Ministry, and likelihood of a favourable decision for BDRCL is high. Your Directors had accordingly considered the matter and felt that if the demand of WR is complied with, there would be massive negative impact on the Company's financials making the net worth of the Company negative. Credit rating of the Company would be downgraded a few notches to junk grade from a healthy investment grade at present, and the cost of funds would go up steeply. In the event of this course being taken, and the Annual Accounts 2016-17 being prepared accordingly, even the happy event of Railway Board finally taking a favourable view in the matter would also not be able to reverse the adverse impact anytime soon. Both external agencies, viz. the Credit Rating Agency and the lender Bank, would take possibly a couple of years to restore *status quo ante*, during which period, the very existence of BDRCL as a viable entity would become virtually untenable.

Your Directors had accordingly endorsed the suggestion of the management of the Company that the most pragmatic and least damaging course would be to take on record through an explicit disclosure in the Annual Accounts 2016-17 of the Company the orders of the Railway contained in their letter dated 28-11-2016. However, pending final decision of Railway Board, the Company should not incorporate the impact of the additional demand for land lease license in the Accounts. The Board of Directors also decided that onee Railway Board's final decision in the matter is received, the same would be taken cognizance of in the first Accounts of BDRCL to be prepared and presented thereafter. It may be mentioned that vide letter dated 24.07.2017, Railway Board has advised the Company the matter is under examination, implying that there is no finality in the matter as yet.

RESERVES AND DIVIDEND

The Loss after Tax for the year 2016-17 is Rs.18.84 Crore. This has condensed the Company's accumulated profits to Rs. 9.31 Crore. In view of above, your Directors seek your indulgence in endorsing their decision of not declaring any dividend for the year 2016-17.

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 BUSINESS OUTLOOK

Drop in traffic during recent months notwithstanding, it is the view of the management that going forward, there will be demand for carrying significant volumes of freight traffic on the line not only on a sustained but on a growing basis. While the traffic offered by our major customer may not replicate the levels of 2014-15 anytime soon, it is expected to be sustained at 3-4 rakes of multiple commodities including coal and gypsum in a day. Besides, the Company also expects that the ongoing augmentation in handling container facility at Dahej will result in the traffie at Dahej terminal to grow significantly. The total volume expeeted in the foreseeable future should suffice for an above-breakeven performance of the Company.

BOARD OF DIRECTORS

During the year, the Company appointed Shri Ajay Bhadoo as Director on the Board of BDRCL after he was nominated by Gujarat Maritime Board, in place of Shri A. K. Rakesh. Shri Ajay Bhadoo is Vice Chairman & CEO in Gujarat Maritime Board. He was appointed as Additional Director w.e.f. 13.10.2016 and will hold this position till the date of Annual General Meeting.

Based on a nomination received from the Ministry of Railways, the Company appointed Shri Anirudh Jain, AMW (Works), as Chairman w.e.f. 17.01.2017. He eeased to be Director w.e.f 31.07.2017 eonsequent upon his retirement on superannuation on 31.07.2017. Smt. D. Thara, Direetor (nominee Direetor GIDC) ceased to be Director w.e.f. 02.08.2017 pursuant to Section 167(1) (b) of the Companies Act, 2013. Smt. Bela Banerjee and Shri S. P. Chaturvedi, Independent Direetors resigned from the position of Directors pursuant to amendment in Rule 4 of the

Companies (Appointment and Qualification of Directors)Rules 2014 under which a Joint Venture Company sueh as BDRCL is not required to appoint Independent Directors.

Based on a nomination reeeived from the Rail Vikas Nigam limited, the Company appointed Smt Meenu Dang, GGM(Finance)/RVNL as Additional Director w.e.f 20.09.2017 viee Smt. Chhavi Jha who ceased to be Director pursuant to her transfer/repatriation from RVNL.

The Board of Directors appreciates the valuable contribution made by Shri Anirudh Jain, Smt. Bela Banerjee, Shri S. P. Chaturvedi and Smt. Chhavi Jha during their tenure as Directors in the Company. Their guidanee during a difficult macroeeonomic environment was indeed most valuable.

During the period, the tenure of Shri Rajendra Kashyap, Managing Director came to an end on 11.08.2017. Even though he was reluctant to be reappointed as Managing Director, he accepted his reappointment as MD from 12.08.2017 to 22.09.2017 for finalising the aeeounts of the Company..

At present the Board of Direetors of the Company consists of six Direetors liable to retire by rotation. Out of them, two Directors namely Shri Sajal Mittra and Shri Amit Kumar Singh will retire by rotation in 11th Annual General Meeting and being eligible offer themselves for re-appointment.

The present composition of Board of Directors is as under:

1. Shri Sajal Mittra, Director (from Adani Petronet Dahej Port Private Limited)
2. Shri Amit K. Singh, Director (from Rail Vikas Nigam Limited)
3. Shri Vinay Singh, Director (from Rail Vikas Nigam Limited)
4. Smt. Meenu Dang, Director (from Rail Vikas Nigam Limited)
5. Shri Rajendra Kashyap, Managing Director
6. Shri Ajay Bhadoo, Director (from Gujarat Maritime Board)

Nominations are awaited from Ministry of Railways for the position of Chairman and from Gujarat Industrial Development Corporation for the position of a Director.

Attendance of Directors at Board Meeting:

During the year, the Board of Directors had five meetings on 25.05.2016, 22.08.2016, 27.09.2016 22.12.2016 and 29.03.2017.

Sl No.	Name of Directors	Date of Board Meetings				
		25.05.2016	**22.08.2016**	**27.09.2016**	**22.12.2016**	**29.03.2017**
1.	Shri Anirudh Jain, Chairman	-	-	-	Present	Present
2.	Shri Rajendra Kashyap, Managing Director	Present	Present	Present	Present	Present
3.	Smt. Bela Banerjee, Independent Director	Present	Present	Present	Present	Present
4.	Shri S. P. Chaturvedi, Independent Director	Present	Present	Present	Present	Present
5.	Shri Vinay Singh, Director	Present	Present	Present	Present	Present
6.	Shri M. K. Singh, Director	Ceased	Ceased	Ceased	Ceased	Ceased
7.	Shri Ashutosh Gangal, Director	Ceased	Ceased	Ceased	Ceased	Ceased
8.	Shri A. K. Rakesh, Director	LOA	Ceased	Ceased	Ceased	Ceased

9.	Shri Manoj Aggarwal, Director	LOA	Ceased	Ceased	Ceased	Ceased
10.	Shri A. K. Singh, Director	LOA	Present	Present	LOA	Present
11.	Shri Sajal Mittra, Director	Present	Present	Present	Present	Present
12.	Smt. Chhavi Jha, Director	LOA	Present	Present	Present	Present
13.	Smt. D. Thara, Director	-	LOA	LOA	LOA	LOA
14.	Shri Ajay Bhadoo, Director	-	-	-	LOA	LOA
15.	Sh. Laj Kumar, Chairman	Present	Ceased	Ceased	Ceased	Ceased

The Company had the following Key Managerial Personnel during the year:

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

AUDIT COMMITTEE:

During the year the Company had a duly constituted Audit Committee for ensuring transparency in the financial management of the Company. During the year, the composition of the Audit Committee was as under:

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

Attendance of Members at Audit Committee Meeting:

During the year, the Audit Committee had three meetings on 22.08.2016, 22.12.2016 and 29.03.2017.

Sl No.	Name of Directors	Date of Meetings of Audit Committee		
		22.08.2016	22.12.2016	29.03.2017
1.	Shri S. P. Chaturvedi, Director	Present	Present	Present
2.	Smt. Bela Banerjce, Director	Present	Present	Present
3.	Smt. Chhavi Jha, Director	Present	Present	Prcsent

The Committce was dissolved w.e.f. 11.08.2017 pursuant to amendment in Rule 6 of the Companies (meetings of the Board and its powers) Rules, 2014 under which Joint Venture Companies are not required to eonstitute Audit Committee and Nomination & Remuneration Committee.

INTERNAL AUDITOR

M/s Sunil K Gupta & Associates, Chartered Aeeountants have been appointed as Internal Auditors of the Company, and their appointment has been extended for the Financial Year 2017-18.

Internal Auditors have been discharging their role of carrying out various assigned functions, including checking adequacy of internal control systems in the organization. They have also been presenting their Internal Audit Report in meeting of the Audit Committee, and participating in the ensuing discussion.

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:

i) in the preparation of annual aecounts, 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 eompany for that period;

iii) the Directors have taken proper and sufficient care for the maintenanee 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 Direetors have prepared the annual aeeounts on a going concern basis; and

v) the Direetors have devised proper systems to ensure complianee 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/comments made by the Auditor in their Report are enclosed as **Annexure-A1 and A2** to the Directors' Report.

SECRETARIAL AUDIT REPORT

Secretarial Audit Report is placed with the Directors' Report as **Annexure B** 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, 2017 is given below:

i) **Foreign Exchange Earnings and Outgo**

The Company has neither earned nor expended any foreign exchange during the financial year 2016-17.

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.

EXTRACT OF ANNUAL RETURN:

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

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

The Company has received Deelaration of Independenee pursuant to Seetion 149 of the Companies Act, 2013 from each of the two Independent Direetors namely Smt. Bela Banerjee and Shri S. P. Chaturvedi.

NOMINATION AND REMUNERATION COMMITTEE AND HR ISSUES

The Board of Directors had constituted a Nomination and Remuneration Committee as requircd under the provisions of the Companies Act, 2013. The Board of Direetors had also approved a Nomination and Remuneration Policy. The composition of the Nomination and Remuneration Committee during the year was as undcr:

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

During the year, the Committee met twiee on 22.08.2016 and 20.10.2016.

Attendanee of Members at Nomination and Remuneration Committee Meeting:

Sl. No	**Name of the Directors**	**Date of Board Meetings**	
		22.08.2016	20.10.2016
1	Shri S.P. Chaturvedi, Director	Present	Present
2	Smt. Bela Banerjee, Director	Present	Present
3	Shri Sajal Mittra, Director	Present	LOA

The Committee was dissolved pursuant to amendment in Rule 6 of the Companies (meetings of the Board and its powers) Rules, 2014 under which Joint Venture Companies are not required to constitute Audit Committee and Nomination & Remuneration Committec.

EMPLOYEES

As mentioned earlier, maintenanee of the assets on the line has been with the Company sinee 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, and for carrying out other essential aetivities.

At present, the Company had a total of 119 employees. Out of these, 7 are employed on regular basis, and 112 engaged on contraetual basis. The contraetual employees had a mix of 17 retired railway employees, and 95 fresh faees, deployed after suitable training.

REPORTING UNDER 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 of:	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

During the year 2016-17, the Company had not entered into any Related Party Transaction.

STATEMENT ON RISK MANAGEMENT

The management of your Company is constantly engaged in the proeess of identifying risks, asscssing 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.

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 the capacity augmentation activities;
- 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. 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:

The Company has a Performance Evaluation Policy in place, 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. Evaluation of performance has been made at three levels – by the Independent Directors, by the Nomination and Remuneration Committee and by the 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 Dahcj Railway Company Limited is a joint venture special purpose vehicle. 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 referenee to finaneial 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 adequaey. Finally, the Statutory Auditor of the Company also includes comments on this aspect as part of their Report. Such eontrols have been constantly tested and no reportable material weakness in the design or operation was observed.

DETAILS OF COURT CASES:

The Company is facing cases under Servicc Tax and Labour laws which are as under:

The Statement of cases under Service Tax:

Sr. No.	Case No.	Title of case	Title	Status of the case
A	**Service Tax**			
1	Show Cause Notice no. 158/2014 dated 21.10.2014	1. Show causc notice in relation to services render by BDRCL to WR for the FY 2011-12, 12-13 and 13-14 amounting Rs. 16,33,14,441 was received by Company as on 03-11-2014. 2. In relation to above context the Company submitted reply to notice on 02-01-2015. 3. Thereafter personal hearing took plaee on 22.09.2015 before Principal Commissioner of Service Tax, Delhi which resulted in an order being passed in favor of Company (Order No.-C. No DL-III/ST/IV/16/40/BDRCL 2015). 4. The department has gone into appeal against above mentioned order vide Appeal No. ST/51763/2016-CU [DB].		No further communieation has received till date
2	Show Cause Notice no. 06/2016 dated 31.03.2016	1. Show eause notice in relation to services render by BDRCL to WR for the FY 2014-15 amounting Rs. 16,37,96,945 was received by Company as on 04-04-2016. 2. In relation to above context the Company submitted reply to notice on 24-05-2016.		No further communication has received till date

A list of cases involving other labour issues is enelosed as **Annexure-E.**

ACKNOWLEDGEMENTS

Your Direetors wish to plaee on reeord their appreeiation and gratitude to the Ministry of Railways, Rail Vikas Nigam Limited, Government of Gujarat and the shareholders for their eontinued interest in its business and support to the Company. The Direetors would also like to express their deep appreciation and gratitude to the offieers of Comptroller and Auditor General, Statutory Auditors, Internal Auditors, Rating Ageneies, Banks and others who have provided their valuable guidance and contribution to the growth and development of thc Company in attainment of its aims and goals.

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

	Sd/-	**Sd/-**
	(Rajendra Kashyap)	**(Vinay Singh)**
Place: New Delhi	**Managing Director**	**Director**
Date: 20.09.2017	**DIN-00367378**	**DIN-003324677**

Annexure -A2

Addendum to Directors' Report

S.No.	Auditors' Qualification	Management Comment
1.	**Basis for qualified opinion** (a) Reference is drawn to Note No. 12.2.1 of the standalone Ind AS financial statements. Western Railways has raised a claim towards recovery of Land License fees in respect of land leased to the Company for Rs. 14535.21 Lakh for the period 25th June 2008 to 31st March 2016 (consider the impact up to 31st March, 2017, the amount increases to Rs. 17526.6 Lakh) along with interest thereon. Out of the aforesaid claim, the company has accrued Rs. 5526.90 Lakhs (previous year Rs. 4,079.54 Lakhs) and has classified the same under Financial Liabilities – Non Current in the standalone Ind AS financial statements. As per information and explanations provided, the company has contested the claim as violate of the provisions in the Concession Agreement and the matter is currently under consideration in the Railway Board. Considering the pendency of matter as on date of signing of this report, we are unable to ascertain the actual liability that may eventually crystalize in the case and consequently the impact if any, of the above on the standalone Ind AS financial statements of the company is not ascertainable. Further it is noted that subsequent to raising the demand, Western Railways has not apportioned and remitted the share of Revenue to the company till the date of signing of this report. However, in absence of any confirmation from Western Railways on the recovery made so far, the impact of same on the standalone Ind AS	The Company has disclosed the facts regarding the Land Lease Charges in the Financial Statement through Note No-12.2.1 and Note No -35 (iii). In the company's opinion, the Concession Agreement signed with Ministry of Railways mandates that annual lease rental payable to Western Railway for Railway land made available for the project should be Re. 1 per annum from 10th December, 2012, and that the position taken by Western Railway is not tenable. 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) also, land use cannot be construed as

	financial statements of the Company could not be ascertained	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. Management have explained the matter to top management in the Railway Board by writing letters to Chairman Railway Board, Financial Commissioner and Adviser Infra and requesting that a decision on the recommendations of a Committee of EDs set up by the Ministry to examine this and other issues be expedited. Railway Board has informed the Company that "the matter is under consideration and the decision on the same, once finalized, will be communicated in due course" vide letter No.2017/Infra/12/20 Pt. dated 24.07.2017. Since payment of Land License Fee demanded by WR is at gross variance with the amount payable as per Concession Agreement, there is no way the Company can compromise on its position. Since the matter is under consideration in Railway Board office based on EDs Committee recommendations, the Company expects a favourable decision in the matter soon. 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 no argumentation.
1	(b) Reference is drawn to Note No. 19 and Note No 8.1 to the standalone Ind AS financial statements. The Income from Railway Operations of Rs 5159.37 lakhs (previous year 11136.90 lakhs) includes revenue amounting to Rs. 418.98 lakhs (previous year Rs. 2296.97 lakhs) pertaining to Bharuch-Chavaj section computed on provisional basis. The revenue recognized is	1. In connection with receivables of Rs 2715.95 Lakhs from the Western Railway towards revenue pertaining to Bharuch-Chavaj Section, Western Railway has already adjusted an amount of Rs 419.25 Lakhs vide receipt for apportionment of Goods Traffic earning for the m/o July 2016. Hence the receivables in this

	outstanding as Trade Receivable of Rs. 2715.95 lakhs as on the balance sheet date. As per information and explanations provided, the revenue apportionment by Western Railways does not include the apportionments for share of revenue towards the Bharuch - Chavaj section and that there is no written confirmation on account of Revenue from the Western Railways for support the above claim. Further, the company has also recognized the 'Intangible assets' pertaining to this section as the freight sharing rights of the company. However, the concession agreement executed with the Ministry of Railways dated 25th June 2008 does not include the said section as it was not envisaged at the time of agreement. Based on the audit procedures performed and queries made, we are unable to ascertain whether the company should recognize the corresponding revenue and Intangible asset in accordance with Ind AS 18 – Revenue and Ind AS 11- Construction Contracts respectively. Accordingly, we are unable to ascertain the amount of the consideration that will be derived from the above claim, the extent of recoverability of the same and consequential impact of the same on the standalone Ind AS financial statements	connection are Rs. 2296.7 Lakhs. 2. 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 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. 3. 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 should 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.* 2.0) *The matter was reviewed by Board and further vide letter No. TCR/1099/2012/03 dated 29-02-2012 (Corrigendum No. 1 to Rates 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 charging 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 the Railway taking time in transferring the amount to BDRCL is only a matter of administrative delay. 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, we do not find any uncertainty whatsoever in recognizing BDRCL's share in the revenue for traffic moved between Bharuch and Chavaj. As explained above that the Western Railway has deducted the amount of Rs 419.25 Lakhs towards the O&M cost pertained to Bharuch-Chavaj section, which itself confirmed that such section belongs to the Company and the related income and expenditure also pertained to the Company. Accordingly, we are of the firm opinion that the Company has recognized the corresponding revenue entirely consistent with Ind AS- 18.
1.	(C) Reference is drawn to Note No. 47 of the standalone Ind AS financial statements on Obligation to Restore project assets to specified level of serviceability. In terms of Concession agreement, there is an obligation on the Company to keep the project assets in working condition, including	Ind-AS 37 defines a provision as a liability of uncertain timing and amount and prescribes conditions that have to be satisfied for recognition of a provision. A provision shall be recognised when:

	making replacement, as per laid down standards of Ministry of Railways, of all project assets whose lives expire during the concession period. Accordingly, Company is required to provide for in respect of replacement obligations arising during the remaining concession period as per requirement of Appendix A of the Ind AS 11 at the best estimate of expenditure required to settle the obligation. However, the company has not estimated and provided for the aforesaid obligation in the financial statements. In the absence of information we are unable to ascertain the impact of the above on the standalone Ind AS financial statements of the company	• an entity has a present obligation (legal or constructive) that is a result of a past event; • it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and • a **reliable estimate** can be made of the amount of the obligation. The amount recognised as a provision shall be the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. In other words, the amount that an entity would rationally pay to settle the obligation at the end of the reporting period or to transfer it to a third party at that time. The estimates of outcome and financial effects are determined by the judgment of the management of the entity, supplemented by experience and in some cases, reports from independent experts. As per the concession agreement Company is under an obligation to keep the project assets in working condition, including making replacement, as per laid down standards of MOR. However, at present reliable estimate for restoration obligation is not available, therefore provision for same has not been recognised in financial statements, the same will be provided in the year in which estimate becomes reliable. The facts has been disclosed in note 47 of financial statements.
1.	(D) Reference is drawn to Note No. 4 and Note No. 48 to the standalone Ind AS financial statements. The financial statements for the year ended March 31, 2017 are the first Ind AS compliant financial statements of the Company. In preparing these financial statements, the company's	Para 5 of IndAs 8 provides that application of an accounting policy can be treated as Impracticable when:

	opening balance sheet was prepared as at 1st April 2015 considered as date of transition to Ind-AS. Appendix A to Ind AS 11 applies to the Company in respect of the Project Railway service concession arrangement. The Company has opted to apply this appendix from the transition date prospectively as the management does not find it practicable to apply this appendix retrospectively. Based on audit procedures and queries made, we are unable to obtain sufficient appropriate audit evidence to ascertain that retrospective application of Appendix A to Ind AS 11 is impracticable as defined in Ind AS 8 to avail the exemption of Ind AS 101. Consequently, we are unable to ascertain the impact, of the above on the standalone Ind AS financial statements of the company.	(a) The effects of the retrospective application or retrospective restatement are not determinable; (b) The retrospective application or retrospective restatement requires assumptions about what management's intent would have been in the period; or (c) the retrospective application or retrospective restatement requires significant estimates of amounts and it is impossible to distinguish objectively information about those estimates that: (i) provides evidence of circumstances that existed on the date(s) as at which those amounts are to be recognised, measured or disclosed; and (ii) would have been available when the financial statements for that prior period were approved for issue from other information. Considering the impracticability as defined in the para 5 of Ind AS -8 defined above which includes requirement of what could be management's intention at that time, circumstances as on date transactions and other relevant information since the date of signing of concession agreement. Accordingly, due to the facts given above Management has decided to apply requirement of this appendix prospectively Further, exemption adopted by company is in line with the exemption available in para D 22 of Ind AS 101. Para D22 of IndAs states as under:

		A first-time adopter may apply the following provisions while applying the Appendix A to Ind AS 11: i) Subject to paragraph (ii), changes in accounting policies are accounted for in accordance with Ind AS 8, i.e. retrospectively, except for the policy adopted for amortization of Intangible Assets arising from Service Concession Arrangement related to toll roads in financial statement for the period ending immediately before the beginning of ist Ind AS financial reporting period as per previous GAAP. ii) If, for any particular service arrangement, it is impracticable for an operator to apply this Appendix retrospectively at the date of transition, it shall: a) recognise financial assets and intangible assets that existed at the date of transition to Ind AS. b) use the previous carrying amounts of those financial and intangible assets (however previously classified) as their carrying amounts as at that date; and c) test financial and intangible assets recognised at that date for impairment, unless this is not practicable, in which case the amounts shall be tested for impairment as at the start of the current period. iii) There are two aspects to retrospective determination: reclassification and re-measurement. It will usually be practicable to determine retrospectively the appropriate

		classification of all amounts previously included in an operator's balance sheet, but that retrospective re-measurement of service arrangement assets might not always be practicable. However, the fact should be disclosed. In terms of sub-para D22(iii), as reproduced above, if in the management's view it is found impracticable to give retrospective effect, the fact should be disclosed. In the view of BDRCL's management, retrospective effect is impracticable and this fact has been duly disclosed in Note No. 48.1.3 Service Concession Arrangement in to the financial statement of the Company.

S.No.	Emphasis of Matter	Management Comment
	Without qualifying our opinion, we draw attention to Note No. 19 & Note No. 21 to the standalone Ind AS 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. 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.19 and Note No. 21 to the standalone Ind AS financial statements. 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	A few items in the O & M Agreement, where there was difference of opinion with Western Railway, are presently under examination and discussion with the Ministry of Railways. The Agreement has not been finalized as with the existing difference of opinion on important elements such as Land Lease Charges, manpower levels, method of computation of Fuel Costs, basis of OHE Maintenance costs, overhead charges, treatment of sidings, apportionment of Terminal costs etc., interests of BDRCL would get severely compromised if Railway's views are accepted. The management has flagged the issues to the Railway Board, which are under examination. The Agreement is expected to be finalized once the matters get resolved after Ministry's decision on recommendations of EDs' Committee.

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

sd/- **sd/-**

(Rajendra Kashyap)
Managing Director
DIN-00367378

(Vinay Singh)
Director
DIN-003324677

Place: New Delhi
Date: 20.09.2017

Annexure-C

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2017

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I	**REGISTRATION & OTHER DETAILS:**	
i	CIN	U452032006PLC155511
ii	Registration Date	15.11.2006
iii	Name of the Company	BHARUCH DAHEJ RAILWAY COMPANY
iv	Category/Sub-category of the Company	Non Indian Government Company
v	Address of the Registered office & contact details	39-42, 3rd Floor, Indra Palace, H Block, Connaught Circus, Middle, Circle, Connaught Place, New Delhi 110001 Pn No. 011-43586815
vi	Whether listed company	Unlisted
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	Not Applicable

II	**PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**
	All the business activities contributing 10% or more of the total turnover of the company shall be stated

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Freight Rail transport	49120	100
2			
3			
4			

III	**PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES**

Sl No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	NIL				
2					
3					

IV	SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)								
Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian	0	0	0	0	0	0	0	0	0
a) Individual/HUF	0	0	0	0	0	0	0	0	0
b) Central Govt.or State Govt. (Including RVNL)	0	90720000	90720000	58.49	0	90720000	90720000	58.49	0
c) Bodies Corporates	0	64390000	64390000	41.51	0	64390000	64390000	41.51	0
d) Bank/FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
SUB TOTAL:(A) (1)	0	155110000	155110000	100		155110000	155110000	100	0
(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	0	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	0	0	0	0	0		
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	0	155110000	155110000	100		155110000	155110000	100	0
	0	0	0	0	0	0	0		
	0	0	0	0	0	0	0		
B. PUBLIC SHAREHOLDING	0	0	0	0	0	0	0		
	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		
f) 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	0	0	0	0	0		
i) 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		
	0	0	0	0	0	0	0		
(2) Non Institutions	0	0	0	0	0	0	0		
a) Bodies corporates	0	0	0	0	0	0	0		
i) Indian	0	0	0	0	0	0	0		
ii) Overseas	0	0	0	0	0	0	0		
b) Individuals	0	0	0	0	0	0	0		
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	0	0	0	0	0	0	0		
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	0	0	0	0	0	0	0		
c) Others (specify)	0	0	0	0	0	0	0		
	0	0	0	0	0	0	0		
SUB TOTAL (B)(2):	0	0	0	0	0	0	0		
	0	0	0	0	0	0	0		

(ii)	SHARE HOLDING OF PROMOTERS							
Sl 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	% of total shares of the company	% of shares pledged encumbered to total shares	NO of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	RAIL VIKAS NIGAM LTD.	55,000,000	35.46	0	55,000,000	35.46	0	0
2	ADANI PETRONET (DAHEJ) PORT PRIVATE LIMITED	17,330,000	11.17	0	17,330,000	11.17	0	0

(iii)	CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)				
Sl. No.		Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year	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/bonus/sweat equity etc)	0	0	0	0
	At the end of the year	0	0	0	0

(iv)	Shareholding Pattern of top ten Shareholders (other than Direcors, Promoters & Holders of GDRs & ADRs)				
Sl. No		Shareholding at the end of the year		Cumulative Shareholding during the year	
	For Each of the Top 10 Shareholders	No.of shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year	0	0	0	0
1	GUJARAT MARITIME BOARD	17,860,000	11.51		
2	DAHEJ SEZ LIMITED	10,000,000	6.45		
3	GUJARAT NARMADA VALLEY FERTILISER COMPANY LIMITED	13,530,000	8.72		
4	HINDALCO INDUSTRIES LTD	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 capiral	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/bonus/sweat equity etc)	0	0	0	0
	At the end of the year (or on the date of separation, if separated during the year)	Same as at the begining of the year		0	0

(v)	Shareholding of Directors & KMP		
Sl. No		Shareholding at the end of the year	Cumulative Shareholding during the year

V	INDEBTEDNESS					

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness	
Indebtness at the beginning of the financial year		0	0		
i) Principal Amount	2049243836	0	0		
ii) Interest due but not paid		0	0		
iii) Interest accrued but not due	2282267	0	0		
		0	0		
Total (i+ii+iii)		0	0		
		0	0		
Change in Indebtedness during the financial year		0	0		
Additions	0	0	0		
Reduction	161000000	0	0		
Net Change	-161000000	0	0		
Indebtedness at the end of the financial year		0	0		
i) Principal Amount	1888243836	0	0		
ii) Interest due but not paid		0	0		
(iii) Interest accrued but not due	15292434	0	0		
		0	0		
Total (i+ii+iii)		0	0		

VI	REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A.	Remuneration to Managing Director, Whole time director and/or Manager:

Sl.No	Particulars of Remuneration		Name of the MD/WTD/Manager			Total Amount	
1	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.		Shri Rajendra Kashyap			2689355	
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961					28800	0

(43)

VII	PENALTIES/PUNISHMENT/COMPPOUNDING OF OFFENCES				
Type	**Section of the Companies Act**	**Brief Description**	**Details of Penalty/Punishment/Compounding fees imposed**	**Authority (RD/NCLT/Court)**	**Appeall made if any (give details)**
			NIL		
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

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

sd/-
(Rajendra Kashyap)
Managing Director
DIN- 00367378

sd/-
(Vinay Singh)
Director
DIN- 03324677

Place: New Delhi
Date: 20.09.2017

ANNEXURE-D

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

1. **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 as on date of report:-**

   The Committee presently consists of the following Directors namely:
   1. Shri Amit Kumar Singh, Director
   2. Smt. Chhavi Jha, Director
   3. Shri Rajendra Kashyap, Managing Director

During the year under review, the Committee met twice on 22.08.2016 and 29.03.2017. The presence of Members is as under:

Sl No	Name of Directors	Date of Meetings of CSR Committee	
		22.08.2016	29.03.2017
1.	Smt. Bela Banerjee, Director	Present	Present
2.	Shri Amit K. Singh, Director	Present	Present
3.	Smt. Chhavi Jha, 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. 2013-14, 2014-15 and 2015-16 was Rs.2300.92 lakh.

4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above) during 2016-17 was Rs. 46.02 lakh

5. Details of CSR spent during the financial year

(a) Total amount to be spent for the financial year: Rs. 16,77,124/-

(b) Amount unspent, if any; Rs. 29.25 lakh

(c) Manner in which the amount spent during the financial year is detailed below.

S.No	CSR activity identified	Sector in which the Project is covered	Projects or programs 1) Local area or other 2) Specify the State and districts where projects or programs were undertaken	Amount outlay (budget) Project or program wise	Amount spent on project or Program during year With subtitle (1) Direct Expenditure (2) Overheads	Cumulative expenditure upto Reporting period	Amount spent: Direct or through implementing agency
1.	Mobile Health Unit	Promoting Health Care including preventive health care	Local Area around Bharuch Dahej Railway Line in the state of Gujarat	Rs. 16.89 lakhs p.a.	Rs. 1677124 (1)Direct:Rs. 1418155/- (2)Overhead: Rs. 258969/-	Rs. 19.32 lakh	Through implementing Agency M/s Deepak Foundation based at Vadodara

			District Bharuch				

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.

The main reason for failing to comply with the requirement of spending 2% of average net profit of the last three are as under:

The Company's financial position has become precarious due to following reasons.

1. Freight traffic carried by the Company dipped by 46% due to external macroeconomic factors. Consequently, revenue fell down significantly;
2. Due to take over of various activities for maintenance of assets by the WR, a significant growth in O & M Expenditure occurred:
3. WR made a demand of Rs. 175 Crore towards land lease license fees, for the current year and the past years. While this is being disputed by the Company. Western Railway has unilaterally stopped passing on BDRCL's share in revenue to it since October 2016, resulting in a serious cash flow crisis, leaving the Company with no cash for undertaking CSR activities.
4. In view of above, due to adverse financial position of the Company, the Company decided to keep on hold augmentation of scope of the CSR activities, as decided by the CSR Committee earlier to facilitate more meaningful spending of higher amount up to Rs. 46.02 lakh.

7. The implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

(Rajendra Kashyap)
(Managing Director)
DIN: 00367378

(Chhavi Jha)
(Chairperson of CSR Committee)
DIN: 07524269

Annexure-E

BHARUCH DAHEJ RAILWAY COMPANY

DETAILS OF COURT CASES

Sr. No.	Case No.	Title of case	Title	Status of the case
1	Labour Court - Bharuch			
	LC/263/13	Re-engagement in service	Santosh Kanubhai vs BDRCL	Reply has been filed before court and further action by court is awaited
	LC/79/14		SOYEB Shekh Vs BDRCL	
	LC/92/14		Moin Khan Vs BDRCL	
2	Recovery Application before Labour Court			
	29/15	Payment for the period of dis-continuation to till date	Pradeepkumar Chandel vs BDRCL	Objection have been filed before court as our Misc. Application no. 15/2015, 16/2015 are pending before
	31/15		Farukkhan Vs BDRCL	
3	Misc. Application			
	15/2015	Challenging the orders of labour court BH for taking the staff on duty	Pradeepkumar Chandel vs BDRCL	No reply has been filed by opposite party (One applicant of case no. 15/2015 expired)
	16/2015		Farukkhan Vs BDRCL	
4	CAT/ADI			
	OA No. 449/2015	Railway authoruty to absorb the petitioners as employees of Railway who are working in BDRCL	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 disposed off
	MA No. 435/15		Sarfaraz Diwan & 101 others Vs Union of India (CRB), GM/WR, DRM/BRC, MD/BDRCL & AGM/BDRCL	
5	High Court of Gujarat - ADI			
	SCA 15200/2015	Challenged the termination and award of labour court's orders under article 226,227 of Constitution of India	Jagdish Manilal Vasava vs BDRCL	Affidavit in reply on behalf of Respondent filed on 14.03.2016 and still nothing comes out. Next date is 27.06.2016
	SCA 15201/2015		Shahrukh Khan Vs BDRCL	
	SCA 15202/2015		Swapnil B. Malviya Vs BDRCL	
	SCA 15203/2015		Ferozkhan Pathan Vs BDRCL	
	SCA 15204/2015		Imranali M. Shek Vs BDRCL	

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

sd/-
(Rajendra Kashyap)
Managing Director
DIN- 00367378

sd/-
(Vinay Singh)
Director
DIN- 03324677

Place: New Delhi
Date: 20.09.2017

SECRETARIAL AUDIT REPORT

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, H- 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

1. 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 ANAND
ACS: 10328
CP NO: 11295

Place: New Delhi
Date:

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, 2013and rule No. 9 of the Companies (Appointment und Remuneration Personnel) Rules, 2014]

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

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) (hereinafter 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
C P No.:11295

Place:New Delhi
Date:

STATEMENT OF FINAL ACCOUNTS

BHARUCH DAHEJ RAILWAY COMPANY LIMITED
BALANCE SHEET
As at 31st March 2017

(INR In Lakhs)

	Particulars	Note No.	As at 31st March 2017		As at 31st March 2016		As at 1st April 2015	
I.	**ASSETS**							
(1)	**Non-current assets**							
	(a) Property, Plant and equipment	3	62.05		79.79		80.08	
	(b) Other Intangible assets	4	31,695.52		32,724.22		33,760.81	
	(c) Intangible assets under development	5	40.10		213.73		8.87	
	(d) Financial Assets	6						
	(i) Others	6.1	48.58		44.89		41.46	
	(e) Other non-current assets	7	0.20	31,846.45	11.39	33,074.02	185.07	34,076.29
(2)	**Current assets**							
	(a) Financial Assets	8						
	(i) Trade Receivables	8.1	4,462.19		5,315.23		3,752.07	
	(ii) Cash and cash equivalents	8.2	2,120.94		2,169.56		472.25	
	(iii) Bank Balances other than (ii) above	8.3	7,033.95		6,597.88		5,125.67	
	(iv) Others	8.4	878.80		822.21		825.25	
	(b) Current Tax Assets (Net)	18	82.28		26.75		80.13	
	(c) Other current assets	9	6.44	14,584.60	7.37	14,939.00	27.68	10,083.05
	Total Assets			**46,431.05**		**48,013.02**		**44,159.34**
II.	**EQUITY AND LIABILITIES**							
	Equity							
	(a) Equity Share Capital	10	15,511.00		15,511.00		15,511.00	
	(b) Other Equity	11	931.07	16,442.07	2,814.81	18,325.81	1,173.74	16,684.74
	Liabilities							
(1)	**Non-current liabilities**							
	(a) Financial Liabilities	12						
	(i) Borrowings	12.1	16,122.44		18,882.44		20,492.44	
	(ii) Trade Payables	12.2	6,799.45		4,842.71		3,240.69	
	(b) Provisions	13	4.24		3.15		1.83	
	(c) Deferred Tax Liabilities (Net)	14	2,046.13		2,482.46		1,318.39	
	(d) Other Non-Current Liability	15.1	601.32	25,573.58	515.15	26,725.91	357.08	25,410.43
(2)	**Current liabilities**							
	(a) Financial Liabilities	16						
	(i) Trade payables	16.1	1,328.69		1,141.76		165.32	
	(ii) Other financial liabilities	16.2	2,927.82		1,654.81		1,814.60	
	(b) Other current liabilities	15.2	158.79		112.38		66.15	
	(c) Provisions	17	0.10		0.07		0.05	
	(d) Current Tax liability (Net)	18	-	4,415.40	52.28	2,961.30	18.05	2,084.17
	Total Equity and Liabilities			**46,431.05**		**48,013.02**		**44,159.34**

The accompanying notes are integral part of financial statements.

As per our Report of even date attached

For D Singh & Co.
Chartered Accountants

D. SINGH & CO. ★ New Delhi ★ Chartered Accountants

Simran Singh
Partner
Membership No. 098841
Firm Registration No. 1351N

20/9/17

Date : 20-09-2017
Place: New Delhi

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

Rajendra Kashyap
Managing Director
DIN 00367378

Vinay Singh
Director
DIN 003324677

Balkishan Sharma
Chief Financial Officer

Beena R. Shah
Company Secretary

BHARUCH DAHEJ RAILWAY COMPANY LIMITED
STATEMENT OF PROFIT AND LOSS
For the year ended 31st March 2017

(INR In Lakhs)

	Particulars	Note No.	For the year ended 31st March 2017	For the year ended 31st March 2016
	Revenue :			
I.	Revenue from operations	19	5,223.70	11,563.20
II.	Other income	20	819.33	716.62
III.	**Total Income (I + II)**		6,043.03	12,279.82
IV.	**Expenses:**			
	Operation & Maintenance	21	4,935.57	5,352.33
	Employee benefits expense	22	120.04	126.99
	Finance cost	23	1,902.56	2,126.02
	Depreciation and amortization	24	1,265.16	1,274.80
	Other	25	114.05	118.15
	Total Expenses (IV)		8,357.39	8,998.29
V.	**Profit/loss Before exceptional Items and Tax (III - IV)**		(2,314.36)	3,281.53
VI.	Exceptional Items		-	-
VII.	**Profit/(Loss) before tax (V - VI)**		(2,314.36)	3,281.53
VIII.	Tax expense:			
	(1) Current tax	26		
	- For the year		-	468.82
	- For earlier years (net)		5.57	7.58
	(2) Deferred tax (net)		(436.26)	1,164.07
	(3) MAT Credit	26	-	-
	Total Tax Expense (VIII)		(430.71)	1,640.47
IX	**Profit/(loss) for the period from continuing operation (VII - VIII)**		(1,883.65)	1,641.07
X	Profit/(loss) from discontinued operations		-	-
XI	Tax Expense of discontinued operations		-	-
XII	Profit/(loss) from discontinued operations (after tax) (X-XI)		-	-
XIII	**Profit/(loss) for the period (IX+XII)**		(1,883.65)	1,641.07
XIV	**Other Comprehensive Income**			
	A. (i) Items that will not be reclassified to profit and loss	27	-0.13	0.00
	(ii) Income Tax relating to items that will not be reclassified to profit and loss		0.04	(0.00)
	B. (i) Items that will be reclassified to profit and loss		-	-
	(ii) Income Tax relating to items that will be reclassified to profit and loss		-	-
			-0.08	0.00
XV.	**Total Comprehensive Income for the period (XIII +XIV) (Comprehensive profit and other comprehensive income for the period)**		(1,883.74)	1,641.07
XVI.	Earnings Per Equity Share:			
	(For Continuing Operation)			
	(1) Basic	28	(1.21)	1.06
	(2) Diluted	28	(1.21)	1.06
XVII.	Earnings Per Equity Share:			
	(For discontinuing Operation)			
	(1) Basic		-	-
	(2) Diluted		-	-
XVIII.	Earnings Per Equity Share:			
	(For discontinued and continuing Operation)			
	(1) Basic	28	(1.21)	1.06
	(2) Diluted	28	(1.21)	1.06

The accompanying notes are integral part of financial statements.

As per our Report of even date attached

For D. Singh & Co.
Chartered Accountants

D. SINGH & CO. New Delhi Chartered Accountants

Simran Singh
Partner
Membership No. 098641
Firm Registration No. 1351N

Date: 20-09-2017
Place: New Delhi

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

Rajendra Kashyap
Managing Director
DIN 00367378

Vinay Singh
Director
DIN 00332467

Balkishan Sharma
Chief Financial Officer

Beena R. Shah
Company Secretary

BHARUCH DAHEJ RAILWAY COMPANY LIMITED

Statement of Cash Flow for the year ended 31st March, 2017

(INR in Lakhs)

Particulars		For the year ended 31st March 2017		For the year ended 31st March 2016	
A. CASH FLOW FROM OPERATING ACTIVITIES					
Net Profit before taxation		(2,314.36)		3,261.53	
Adjustment for :					
Depreciation and amortization		1,285.16		1,274.60	
Interest Income		(707.74)		(652.46)	
Interest Expense		1,820.52		2,082.50	
Other Comprehensive Income		(0.13)		0.00	
Operating Profit before operating capital changes	(1)	83.45		5,986.38	
Adjustment for :					
Decrease / (Increase) in Other non current financial asset		(3.69)		(3.43)	
Decrease / (Increase) in Other Non current Assets		-		-	
Decrease / (Increase) in Trade receivable		853.04		(1,583.16)	
Decrease / (Increase) in Other current financial asset		(56.59)		(198.96)	
Decrease / (Increase) in Other current Assets		0.93		20.31	
(Decrease) / Increase in Trade Payables		1,958.74		1,602.02	
(Decrease) / Increase in Long term Provisions		1.09		1.32	
(Decrease) / Increase in Current Trade Payables		166.93		976.44	
(Decrease) / Increase in Other financial Liability		123.01		(159.79)	
(Decrease) / Increase in Other Liabilities		46.41		46.23	
(Decrease) / Increase in Non Current Liabilities Liabilities		66.17		158.07	
(Decrease) / Increase in Short term Provisions		0.03		0.02	
	(2)	3,194.07		881.07	
Cash generated from operation	(1+2)	3,277.52		6,867.45	
Income Tax Paid (Net of Refunds)		(113.38)		(388.79)	
NET CASH FROM OPERATING ACTIVITIES	(A)		3,164.13		6,478.66
CASH FLOW FROM INVESTING ACTIVITIES					
Capital Expenditure including Capital Advances (Net of Transfer of Capital Assets)		-53.90		-269.1	
Decrease / (Increase) in Bank Balance other than those taken to Cash and Cash Equivalent		-436.07		-1,472.21	
Interest Received		707.74		652.46	
NET CASH FROM INVESTING ACTIVITIES	(B)		217.77		(1,088.85)
CASH FLOW FROM FINANCING ACTIVITIES					
Repayment of Borrowings		(1,610.00)		(1,610.00)	
Interest paid		(1,820.52)		(2,082.50)	
NET CASH FROM FINANCING ACTIVITIES	(C)		(3,430.52)		(3,692.50)
NET INCREASE IN CASH & CASH EQUIVALENT	(A+B+C)		(48.62)		1,697.31
CASH AND CASH EQUIVALENT (OPENING)	(D)		2,169.56		472.25
Cash					
On Current Accounts			919.56		472.25
Deposits with original maturity of less than three months			1,250.00		-
CASH AND CASH EQUIVALENT (CLOSING)	(E)		2,120.94		2,169.56
Cash					-
On Current Accounts			310.94		919.56
Deposits with original maturity of less than three months			1,810.00		1,250.00
NET INCREASE IN CASH & CASH EQUIVALENT	(E-D)		(48.62)		1,697.31

The Cash Flow Statement has been prepared under the indirect method as set out in Ind AS-7 on Cash Flow Statement notified by the Ministry of Corporate Affairs, Government of India under the Companies Act, 2013.

Previous year's figures are reclassified/regrouped to confirm and make them comparable with those of the current year.

The accompanying notes are integral part of financial statements.

As per our Report of even date attached

For D Singh & Co.
Chartered Accountants

D. SINGH & Co. New Delhi Chartered Accountants

20/9/17

Simran Singh
Partner
Membership No. 096641
Firm Registration No. 1351N

Date : 20-09-2017
Place: New Delhi

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

Rajendra Kashyap
Managing Director
DIN 00367378

Vinay Singh
Director
DIN 00332**4**677

Balkishan Sharma
Chief Financial Officer

Beena R. Shah
Company Secretary

BHARUCH DAHEJ RAILWAY COMPANY LIMITED

Statement of changes in equity for the period ended 31st March 2017

A. Equity share capital

(INR in Lakhs)

Particulars	Number of Share in Lakhs	Amount
Balance at April 1, 2015	1,551.10	15,511.00
Changes in equity share capital during the year		
Issue of equity shares capital during the year	-	-
Balance at March 31, 2016	**1,551.10**	**15,511.00**
Changes in equity share capital during the year		
Issue of equity shares capital during the year	-	-
Balance at March 31, 2017	**1,551.10**	**15,511.00**

B. Other Equity (INR in Lakhs)

Particulars		Reserve & Surplus	Total
		Retained Earnings	
Balance at April 1, 2015		1,173.74	1,173.74
Changes in accounting policy or prior period errors		-	-
Restated Balance at April 1, 2015		**1,173.74**	**1,173.74**
Profit for the year		1,641.07	1,641.07
Other Comprehensive Income for the year (net of income tax)		0.00	0.00
Total Comprehensive Income for the year		**1,641.07**	**1,641.07**
Dividends paid		-	-
Balance at March 31, 2016		**2,814.81**	**2,814.81**
Changes in accounting policy or prior period errors		-	-
Restated Balance as at March 31, 2016		**2,814.81**	**2,814.81**
Profit for the year		-1,883.65	-1,883.65
Other Comprehensive Income for the year (net of income tax)		-0.08	-0.08
Total Comprehensive Income for the year		**-1,883.74**	**-1,883.74**
Dividends paid		-	-
Balance at March 31, 2017		**931.07**	**931.07**

The accompanying notes are integral part of financial statements.

As par our Report of even date attached

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

For D Singh & Co.
Chartered Accountants

Simran Singh
Partner
Membership No. 098641
Firm Registration No. 1351N

D. SINGH & CO. New Delhi Chartered Accountants

Rajendra Kashyap
Managing Director
DIN 00367378

Vinay Singh
Director
DIN 003324677

Balkishan ~~Sharma~~
Chief Financial Officer

Beena R. Shah
Company Secretary

Date : 20-09-2017
Place: New Delhi

BHARUCH DAHEJ RAILWAY COMPANY LIMITED
Notes to the financial statements

1 General Information

Bharuch Dahej Railway Company Limited (BDRCL) is a public limited company domiciled and was incorporated in India 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 registered office of the company is 39-42, 3rd Floor, H Block, Middle Circle, Connaught Circus, Connaught Place, New Dalhi- 110001.

The Company has entered into a Concession Agreement with President of India, through Executive Director Traffic (PPP) of the Ministry of Railways (MOR), Government of India, Rail Bhawan, New Delhi on June 25, 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% whichever is earlier. In cese such NPV payback is reached earlier than 30 years, the concession agreement would stand terminated and the project line would be re-possessed by railways.

The company has also executed a lease deed on the same day with the Presidant of India for the use of leased assets which forms part of the concession agreement and is attached as annexure-1 thereto. In tarms of the laase agreemant it commences on the data of execution i.e. June 25, 2008 and term of lease shall be co-terminus with the Concession period with annual lease rental (a) for original land of WR- as per the extant policy of MoR, (b) for new land acquired by WR- @ Rs. 1/- per annum, is payable in advance in one single installment in first week of January every year.

Upon expiry, the company is required to hand over tha project assets to MoR free from all encumbrances whatsoever. Upon transfer the company shall be entitled to receive amount equal to book value of projact assets. Fresh land acquired by MoR and leased to company shall also revert back to MoR on payment of an amount equal to tha cost of acquisition.

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 certifiad 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.

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 cempany 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 March 6, 2012, the date of commencement of operations of the Bharuch-Dahej-Samni railway line. Accordingly, March 8, 2012 has been treated as the date of cempletion 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.

Process for signing an O&M Agreement by the Company with Westem 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.

The financial statements are authorised for issue in accordance with a resolution of the Board of Directors on 20.09.2017

2 Summary of significant accounting policies

2.1 Basis of Preparation

The financial statements for the year ended 31st March 2107 have been prepared in accordance with the Indian Accounting Standards (hereinefter referred to as "Ind-AS") as notified by the Ministry of Corporate Affair, Governmant of India, pursuant to section 133 of tha Companies Act, 2013 read with Rule 3 of tha Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian accounting standards) Amendment Rules 2016.These financial statements for the year ended 31st March 2017 are the first Ind AS cempliant financial statements of the Company. The transition to Ind AS has been made in accordance with Ind AS 101-First Time adoption of Indian Accounting Standards.

For all periods, up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013 read with paragraph 7 of the Companies (Accounts) Rules, 2014 (herein after referred to as "previous GAAP"). Accordingly, financial statements for the year 31st March 2016 and the opening Balanca sheet as at 1st April, 2015 have been restated in accordance with Ind AS for comparative information purpose.

Refer to note 48 for Information how the cempany adopted IND-AS at the date of transilion.

2.2 Besis of Measurament

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

i. Defined benefit Plan and other long term employee benefit as per Ind AS 19.

ii. Certain financial assets and liabilities measured at fair value (Refer policy for financial instruments)

D. SINGH & CO. New Delhi Chartered Accountants

2.3 Use of estimates and judgment

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, disclosure of contingent assets and liabilities at the date of financial statements and the reported amount of income and expenses. Examples of such estimates Includes future obligations under employee retirement benefit plans, estimated useful life of property, plant and equipment and Intangible Assets. Actual results may differ from these estimates.

Estimates and undertying assumptions are reviewed on a periodic basis. Future results could differ due to changes in these estimates and difference between the actual result and the estimates are recognised in the period in which the results are known /materialize.

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

2.4 Statement of cash flow

Cash flows are reported using the Indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated as per Ind AS-7.

For the purpose of presentation in the Statement of Cash Flow, cash and cash equivalents include cash on hand, deposits held at call with bank and financial institutions, other short term, highly liquid investment with original maturity of three months or less that are readily convertible to the known amount of cash and which are subject to insignificant risk of change in value.

2.5 Functional and presentation currency

Items Included in the financial statements are measured using the currency of the primary economic environment in which the Company operates, (i.e. Functional Currency). The financial statements are presented in Indian rupees, which is company's functional as well as presentation currency of the company.

2.6 Property, plant and equipment

2.6.1 Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost of asset includes the following:

a) Cost directly attributable to the acquisition of the assets.

b) Present value of the estimated costs of dismantling & removing tha items &rastoring the site on which it is located if recognilion criteria are mat.

2.6.2 Subsequant costs are included in the assets carrying amount or recognized as separata asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when such component is replacad. All other expense in the nature of repair and maintenance are charged to Statement of Profits and Loss during the reporting period in which they are incurred as per Ind AS 16.

2.6.3 For transilion to IND-AS, The company has availed the exemption available under Ind AS 101, whereas the carrying value of property, plant and equipment hes been carried forward at the amount as determined under previous GAAP. As per management estimate there is no decommissioning , restoration or similar liabilities on its property, plant and equipment hence, no adjustment in has been made in this regard.

2.6.4 Depreciation

2.6.4.1 Depreciation on Property, plant and Equipment is provided on Straight Line basis (SLM) over the useful life of the assets as specified in Schedule II of the Companies Act, 2013.

(b) Each part of an item of Property, Plant and Equipment is depreciated separately if the cost of part is significant in relation to the total cost of the item end useful life of that part is different from the useful life of remaining esset.

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

Particulars	Useful Life (Years)
Plant and Machinery	15
EDP Assets	3
Office Equipment's	15
Furniture and fixtures	10
Vehicles	8

2.6.4.3 Leasehold improvements ere depreciated over the period of lease from the year in which such improvements are capitalised or useful life as computed under schedule II whichever is less.

2.6.4.4 Depreciation methods, useful lives and residual values are reviewed at each reporting date. In the case of revision, the unamortised depreciable amount is depreciated on a prospective basis.

2.6.4.5 Each part of an item of Property, Plant and Equipment Is depreciated separately if the cost of that pert is significant in relation to the total cost of the item and useful life of that part is different from the useful life of assel.

D. SINGH & CO. New Delhi Chartered Accountants

2.7 Intangible Assets

2.7.1 Freight Sharing Right (Railway Line under Service Concession Arrangement)

The company recognizes an intangible asset arising from a service concession arrangement when it has a right to charge for usage of the concession infrastructure. An Intangible asset received as consideration for providing construction or upgrade services in a service concession arrangement is measured at fair value on initial recognition by reference to the fair value of the services provided. Subsequent to Initial recognition, the intangible asset is stated at cost, which includes capitalized borrowing costs, less accumulated amortization and accumulated impairment losses.

The estimated useful life of an intangible asset in a service concession arrangement is the period from when the company is able to charge the public for the use of the infrastructure to the end of the concession period (i.e. 30 year of operation or Net present Value (NPV) payback equal to equity investment @14% whichever is earlier).

Freight sharing right is emortised using the straight line method on prorata basis from the date of addition or from the date when the right brought in to service to the expiry of 30 year of operation or Net present Value (NPV) payback equal to equity investment @14% whichever is earlier.

Amortisation methods and useful lives are reviewed at each reporting date, with the effect of change in estimate accounted for on a prospective basis.

The carrying value of intangible asset is reviewed for impairment annually or more often if events or changes in circumstances indicate that the carrying value mey not be recoverable.

2.7.2 Other than Freight Sharing Right

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at historical cost less accumulated amortization and impairment loss, if any.

Intangible assets other than fraight sharing right are amortised in 3 years or according to the useful life of the assets on pro reta basis.

2.7.3 Freight sharing right under development

Expenditure incurred on development of existing and new assets (including revenue sharing rights in respect of project railway) are recognised as Intangibles under development at cost incurred by company which is reckoned as fair value of services provided including cost directly attributable including fair value adjustment of land related to the service concession arrangement.

The following amounts are reduced from the cost:

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

b) Amount received on sale of tender

2.7.4 Transition to Ind AS

For transition to IND-AS, the company has opted to continue with the carrying value of Intangible Assets recognised as on April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

2.8 Investment properties

2.8.1 Investment property comprises completed property, property under construction and property held under finance lease that is held to earn rentals or for capital appreciation or both, rather than for sale in the ordinary course of business or for use in production or administrative functions.

2.8.2 Investment Properties are steled at cost, net of accumulated depreciation and accumulated impairment losses, if any.

2.8.3 The company depreciates building component of investment property over the life described in schedule II of companies Act 2013 from the date of original purchese.

2.8.4 Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. Difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of de-recognition.

2.9 Provisions

Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date. Provisions are reviewed at each Balance Sheet date.

Provision which are expected to be settled beyond 12 months are measured at the present value by using pretax discount rate that reflects the risks specific to the liability. The increase in the provision due to the passage of time is recognised as finance cost.

In respect of Operation & Maintenance expenses through Western Railway (WR), same are accounted for on the basis of information received from (WR). Whenaver such information is not received, sama is accounted for on pro-rata estimated basis.

2.10 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be raliably measured.

D. SINGH & CO. New Delhi Chartered Accountants

a) Revenue from Railway Operation
Apportionment of freight as accrued to the company under terms of the concession agreement for freight operation on the project assets is recognised by the compeny as operating revenue as per IndAS 18 (i.e. actual freight collected by Railways).

b) Construction Contract Revenue under SCA :
Revenue related to construction or upgrade services under a service concession arrangement is recognized based on the stage of completion of the work performed, when the outcome of construction contract can be measured reliably and where the outcome of construction contract can not be measured reliably , revenue is recognised only to the extent of contract cost incurred that is probable will be recoverable.

c) Other Revenue Recognition
Interest income on Fixed Deposits with Bank is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable using Effective Interest Rate Method.

2.11 Leases

2.11.1 : Finance Lease

Finance leases, which effectively transfer to the company substantially all the risks and benefits incidental to ownership of the leased asset, are capitalised 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 interest rate implicit in the lease. Finance charges are recognised es borrowing cests in the statement of profit and loss.

2.11.2 : Operating Lease

Leases are clessified as operating lease whenever the terms of the lease doesn't transfer substantially all the risk and rewards of ownership to the lessee.
Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term except where the rentals are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increase. Contingent rentals arising under operating lease are recognised as an expense in the period in which they are incurred.

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

2.13 Borrowing Cost
General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, are capitalised as part of the cost of such essets 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 recognised in the Statement of Profit and Loss in the period in which they are incurred.

2.14 Employee Benefits

a) Short Term Employee Benefits:
The undiscounted amount of short term employee benefits expected to be paid for the services rendered are recognised as an expense during the period when the employees render the services.

b) Post-employment benefits & other Long Term Employee Benefits:
(I) Retirement benefits in the form of provident fund are defined contribution schemes. The contributions to the provident fund are charged to the statement to the Profit and loss for the year when the contributions are due.
(II) Under the defined retirament plan, the company provides retirement obligation in the form of Gratuity. For defined retirement plans, the difference between the fair value of plan assets and the present value of plan liabilities is recognised es an assets and liabilities in the statement of finencial position. The cost of providing benefit is determined on the basis of actuarial valuation using the projected unit credit mathod at each year-end end is charged to the Statement of Profit & Loss.
(III) Provision for long term Leave Encashment is made based on actuarial valuation at the year end.
(iv) Actuarial gains or losses are recognised in other comprehensive income
(v) Re-measurements recognised in other comprehensive income comprise of actuerial gains or losses that are not reclassified to profit or loss from other comprehensive income in subsequent periods. Retirement Benefits Liability in respect of Gratuity and leave encashment is provided on the basis of actuarial valuation.

D. SINGH & CO. New Delhi Chartered Accountants

2.15 Taxes

Current Income tax

a) i. Current income tax is determined as per the provisions of the Income Tax Act in respect of taxable income for the year.

b) Current income tax assets and liabilities for current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. Liability for additional taxes, if any, is provided / paid as and when assessments are completed.

c) Current tax related to OCI Item are recognised in Other Comprehensive Income (OCI).

Deferred tax

a) Deferred income tax assets and liabilities are recognised for temporary differences which is computed using the tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

b) Deferred income tax asset is recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

c) The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

d) Deferred tax related to OCI Item is recognised in Other Comprehensive Income (OCI).

Minimum Alternative Tax credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

2.16 Earnings Per Share

In determining basic earnings per share, the company considers the net profit attributable to equity shareholders. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. In determining diluted earnings per share, the net profit attributable to equity shareholders and weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

2.17 Contingent Liabilities and contingent Assets

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

(i) A present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation; or

(ii) A reliable estimate of the present obligation cannot be made; or

(iii) A possible obligation, unless the probability of outflow of resource is remote.

(b) Contingent Liability is net of estimated provisions considering possible outflow on settlement.

(c) Contingent Liability and Provisions needed against Contingent Liability and Contingent Assets are reviewed at each Reporting date

(d) Contingent assets are disclosed where an inflow of economic benefits is probable.

2.18 Fair Value Measurement

Company measures certain financial instruments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

• In the principal market for the asset or liability, or

• In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

At the reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Company also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

D. SINGH & CO. New Delhi Chartered Accountants

2.19 Dividend to equity holders

Dividend paid/payable shall be recognised in the year in which the related dividends are approved by shareholders or board of directors as appropriates.

2.2 Financial Instruments: -

Initial recognition and measurement

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

a. Subsequent measurement

<u>Financial Assets</u>

Financial assets are classified in following categories:

a) At Amortized Cost

A financial asset shall be measured at amortised cost if both of the following conditions are met:

(i) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

(ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at amortised cost using effective interest rate method less impairment if any. The EIR amortisation is included in finance income in the statement of profit and loss.

b) At fair value through Other Comprehensive Income

A debt Instrument' is classified as at the FVTOCI if both of the following criteria are met:

• The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

• The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interast eamed is recognised using the EIR method.

c) At Fair Value Through Profit and Loss

FVTPL is a residual category for financial Assets. Any financial assets, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the company may elect to designate financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. If doing so reduces or eliminates a measurement or recognition inconsistency. The company has not designated any financial asset as at FVTPL.

Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the P&L.

<u>Financial liabilities</u>

a) Financial liabilities at Amortized Cost

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

b) Financial liabilities at FVTPL

The company has not designated any financial liabilities at FVTPL.

c. Derecognition

<u>Financial Asset</u>

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised only when the contractual rights to the cash flows from the asset expires or it transfers the financial assets and substantially all risks s and rewards of the ownership of the asset.

<u>Financial Liability</u>

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the income statement.

d) Impairment of financial assets:

Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss. The Company follows' simplified approach' for recognition of Impairment loss allowance on trade receivable. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Company assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applies on whether there has been significant increase in credit risk.

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

D. SINGH & CO.
New Delhi
Chartered Accountants

2.21 Non-current Assets held for Sale

Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. The sale is considered highly probable only when the asset or disposal group is available for immediate sale in its present condition, it is unlikely that the sale will be withdrawn and sale is expected within one year from the date of the classification. Disposal groups classified as held for sale are stated at the lower of carrying amount and fair value less costs to sell. Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale. Assets and liabilities classified as held for sale are presented separately in the statement of financial position.

If the criteria stated by IND AS 5 "Non-current Assets Held for Sale and Discontinued Operations" are no longer met, the disposal group ceases to be classified as held for sale. Non-current asset that ceases to be classified as held for sale are measured at the lower of (i) its carrying amount before the asset was classified as held for sale, adjusted for depreciation that would have been recognised had that asset not been classified as held for sale, and (ii) its recoverable amount at the date when the disposal group ceases to be classified as held for sale.

2.22 Events occurring after Balance Sheet Date

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

2.23 Standard Issued but not yet effective for the FY 2016-17

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial Statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective. Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and has amended the following standard:

2.23.1. Amendment to Ind AS 7 Statement of Cash Flows

The amendments to Ind AS 7 require an entity to provide disclosures that enable users of financial statements to evaluate change in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

On initial application of the amendment, entities are not required to provide comparative information for preceding periods. These amendments are effective for annual periods beginning on or after 1st April 2017. Application of this amendments will not have any recognition and measurement impact. However, it will require additional disclosure in the financial statements.

2.23.2. Amendment to Ind AS 102 Share-based Payment

Ministry of Corporate Affairs (MCA) has issued amendments to Ind AS 102 that address three main areas. The effect of vesting conditions on the measurement of a cash-settled share-based payment transaction the classification of a share-based payment transaction with net settlement features for withholding tax obligations, and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled. The amendments are effective for annual periods beginning on or after 1st April 2017. Application of this amendments will not have any recognition and measurement impact.

D. SINGH & CO. New Delhi Chartered Accountants

Note: - 3
Property, Plant and Equipment

(INR in Lakhs)

Particulars	EDP Assets	Office Equipment	Furniture & Fixtures	Plant & Machinery	Leasehold Improvement	Vehicle	Total Tangible Assets
Cost or Deemed Cost							
At 1 April 2015	9.70	12.37	17.38	19.71	16.42	16.58	92.16
Additions	5.32	2.45	0.34	8.36	-	-	16.47
Disposals/Adjustments	-	-	-	-	-	-	-
At 31 March 2016	15.02	14.82	17.72	28.07	16.42	16.58	108.63
Additions	0.74	-	1.52	-	-	-	2.26
Disposals	1.62	-	0.30	-	-	-	1.92
At 31 March 2017	14.14	14.82	18.94	28.07	16.42	16.58	108.97
Depreciation and Impairment							
At 1 April 2015	3.39	1.98	2.10	1.55	0.66	2.39	12.07
Depreciation charge for the year	3.51	2.91	1.83	1.34	5.20	1.98	16.77
Impairment	-	-	-	-	-	-	-
Disposals/Adjustments	-	-	-	-	-	-	-
At 31 March 2016	6.90	4.89	3.93	2.89	5.86	4.37	28.84
Depreciation charge for the year	4.47	3.05	2.01	1.79	5.20	1.98	18.50
Disposals	0.39	-	0.03	-	-	-	0.42
At 31 March 2017	10.98	7.94	5.91	4.68	11.06	6.35	46.92
Net book value							
At 31 March 2017	3.16	6.88	13.03	23.39	5.36	10.23	62.05
At 31 March 2016	8.12	9.93	13.79	25.18	10.56	12.21	79.79
At 1 April 2015	6.31	10.39	15.28	18.16	15.76	14.19	80.08

Note 3.1 Property, Plant and equipment are subject to first charge to secure the Company's Bank loans. For detail refer Note 12.1

Note 3.2 Ind AS 101 Exemptions : The company has availed the exemption available under Ind AS 101, whereas the carrying value of property, plant and equipment has been carried forward at the amount as determined under previous GAAP. As per management estimate there is no decommissioning , restoration or similar liabilities on its property, plant and equipment hence, no adjustment in has been made in this regard.

Note: - 4
Other Intangible Assets

(INR in Lakhs)

Particulars	Revenue Sharing Right	Software	Total
At Cost or Deemed cost			
At 1 April 2015	39,107.23	6.58	39,113.81
Addition	221.44	-	221.44
Disposal/Adjustments	-	-	-
At 31 March 2016	39,328.67	6.58	39,335.25
Addition during the year	237.96	-	237.96
Adjustment	-	-	-
At 31 March 2017	39,566.63	6.58	39,573.21
Amortisation and Impairment			
At 1 April 2015	5,347.73	5.27	5,353.00
Amortisation for the year	1,257.12	0.91	1,258.03
Impairment	-	-	-
Disposals/ Adjustments	-	-	-
At 31 March 2016	6,604.85	6.18	6,611.03
Amortisation	1,266.58	0.08	1,266.66
Impairment	-	-	-
At 31 March 2017	7,871.43	6.26	7,677.69
Net book value			
At 31st March 2017	31,695.20	0.32	31,695.52
At 31st March 2016	32,723.82	0.40	32,724.22
At 1st April 2015	33,759.50	1.31	33,760.81

Note 4.1: Amortisation on other intangible assets included in Note 24 "Depreciation & Amortisation".
Note 4.2: Intangible assets are subject to first charge to secure the company's bank loans. For detail refer Note 12.1

Note 4.3 : Ind AS 101 Exemptions : Appendix A to Ind AS 11 applies to the Company in respect of the Project Railway. The Company has opted to carry previous GAAP carrying amount as at date of transition to Ind AS as the management does not find it practicable to apply this appendix retrospectively.

D. SINGH & CO. New Delhi Chartered Accountants

Note: - 5
Intangible Assets Under Development

(INR In Lakhs)

Particulars	Gross Amount						
	As at 1st April 2015	Additions/ (Disposals)	Transfer/ Deduction/ Adjustments	As at 31st March 2016	Additions/ (Disposals)	Transfer/ Deduction/ Adjustments	As at 31st March 2017
Revenue sharing right under development							
Project Line No. 5	8.87	204.86	-	213.73	59.60	233.23	40.10
Other Project Assets	-	-	-	-	4.73	4.73	-
Total	8.87	204.86	-	213.73	64.33	237.96	40.10

Note 5.1: The Intangible under development includes expenditure incurred by the Company on the upgradation of the project railway or to create additional facility (Construction of Line No-5 at Dahej) thereon which give rise to future economic benefits.

Note 5.2 : During the year, the Company has recognized Rs. 237.96 lakhs (Previous Year Nil) as intangibles on completion of the works and accordingly, intangibles under development has been reduced by same amount. During the current year, Rs. 64.33 lakhs (Previous Year 204.86 Lakhs) has been recognised as intangible under development in respect of the expenditure incurred on development of the project railway, out of which Rs. 24.23 Lakh provided in the intangible Assets.

D. SINGH & CO. New Delhi Chartered Accountants

Note: - 6
Financial Assets- Non Current

6.1 Other Financial Assets

(INR In Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Receivable from Western Railways under SCA (Refer Note 29)	38.03	34.34	31.01
Security Deposits			
Considered good	10.55	10.55	10.45
Considered doubtful	-	-	-
Total	48.58	44.89	41.46

Note: - 7
Other Non Current Assets

(INR In Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Capital Advances			
Unsecured, considered good - Advances to related party			
Advance for various Construction works	0.20	11.39	185.07
Total	0.20	11.39	185.07

Note 7.1: The Capital Advanco amount to Rs. 0.20 Lakhs (31-03-2016:11.39 Lakhs) (1st April, 2015 Rs. 185.07 Lakhs) representing the amount paid to M/s Rail Vikas Nigam Limited as project advance as per the Terms of Construction Agreement. Amount of Rs. 0.20 Lakhs represents to old amount paid to RVNL towards Advance for Electrical Work pending for adjustment.

Note:- 8
Financial Assets- Current

8.1 Trade Receivables (INR In Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Unsecured, Considered good			
Receivable from related party	-	-	-
Receivable from others	4,462.19	5,315.23	3,752.07
Total Trade Receivable	4,462.19	5,315.23	3,752.07

Note 8.1.1 The Trade Receivables represent the amount receivable from the Western Railway being the revenue apportioned, after adjusting amount of O&M expenses payable.

Note 8.1.2 The revenue and expenses apportioned as above by the Western Railway are on provisional basis and the final figures may vary. Further the amount of net receivable being Rs. 4,462.19 Lakhs [31st March 2016- Rs. 5,315.23 Lakhs (1st April, 2015 Rs. 3,752.07 Lakhs)] is subject to confirmation by the Western Railway.

Note 8.1.3 'Trade Receivables' represent apportioned earnings of BDRCL for chargeable distance of 100.88 KM. However, such earnings have been made available by Western Railway to BDRCL only for chargeable distance of 92 Km between Bharuch and Dahej. Additional chargeable distance of 8.68 KM for section between Bharuch and Chavaj is not being counted for apportioned earnings by Western Railway because its construction was a post-Concession Agreement development. Since the construction took place at MoR/WR's instance, the Company has represented to the Ministry of Railways and expects a favorable decision soon.

D. SINGH & CO. New Delhi Chartered Accountants

Note 8.1.4 No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. No any trade or other receivable are due from firm or private companies respectively in which any director is a partner, a director or member other than stated above.

Note 8.1.5 'Trade Receivable' includes a sum of Rs. 0.87 Lakhs due towards ODC Income from Western Railways.

Note:- 8.2 Cash and Cash equivalent

(INR in Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Balances with banks:			
On Current Accounts	310.94	919.56	472.25
Deposits with original maturity of less than three months	1,810.00	1,250.00	-
Total Cash and Cash Equivalent	2,120.94	2,169.56	472.25

Note 8.2.1: Balance in current accounts under cash and cash equivalents above includes liquid flexi term deposits Rs. 264.5 Lakhs [31st March 2016 Rs. 861.35 Lakhs (1 April 2015 Rs. 443.51 Lakhs)].

Note 8.3 : Bank Balances other than cash and cash equivalent

(INR in Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Deposits with original maturity of more than 3 months but less than 12 months	7,033.00	6,597.00	5,124.87
Deposits with original maturity for more than 3 months but less than 12 months (VAT Guarantee)	0.95	0.88	0.60
Total	7,033.95	6,597.88	5,125.67

Note 6.3.1 Rs. 0.95 Lakhs [31st March 2016 Rs. 0.88 Lakhs (1 April 2015 Rs. 0.80 Lakhs)] represents fixed deposit placed as VAT guarantee with the Sales Tax Department of Vadodara, Gujarat pledged with Govt Authorities.

Note 8.4 : Other Financial Assets-Current

(INR in Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Unsecured, Considered Good			
(a) Other Receivables			
RUB Sharing Amount from Western Railway and Industries Commissioner (Refer Note 8.4.1)	518.51	516.51	516.51
Insurance Claim Receivable	-	28.36	3.49
(b) Interest Accrued on Fixed Deposits	355.22	271.34	101.46
(c) Security deposits	5.80	5.87	3.43
(d) Advance to employees	1.20	0.33	0.36
(e) Receivable from Others	0.07	-	-
Total	878.80	822.21	625.25

D. SINGH & CO. New Delhi Chartered Accountants

Note 8.4.1 'Other Receivables' represent recoverable towards the cost of 02 road bridges (constructed at Shaktinath Junction & Hospital Road, both in Bharuch). Even though the Concession Agreement specifically quantified BDRCL's responsibility for construction of such bridges as 'Nil', these bridges had to be constructed based on orders of Ministry of Railway, with explicit undertaking of cost sharing between Western Railway & the Government of Gujarat in the usual manner of construction of such bridges over Indian Railway network. The cost of these bridges was Rs. 916.51. lakhs, to be borne by the two parties i.e. Western Railway & Government of Gujarat. An amount of Rs. 916.51 lakhs has accordingly been reduced from the value of Assets in the books of BDRCL. However, out of the total amount of Rs. 916.51 lakh, only an amount of Rs. 4 Crores has been received from the Government of Gujarat on 06.04.2011 and the balance amount of Rs. 516.51 Lakh is still recoverable from the Government of Gujarat and Western Railway.

Since the liability of BDRCL in this regard is clearly defined as zero in the Concession Agreement, end the construction of the bridges took place on explicit orders of the Railways with clear undertaking of sharing the cost with the State Government, expenditure on these bridges has necessarily to be borne by these two parties only. The matter is being pursued with the Western Railway and the State Government vigorously.

Note 9: Other current assets

(INR in Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Advance for expenses	0.12	2.17	4.21
Prepaid Expenses	6.32	5.20	23.47
Total	6.44	7.37	27.68

D. SINGH & CO. New Delhi Chartered Accountants

Note:- 10
Equity Share capital

(INR In Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Authorised share capital			
16,50,00,000 Equity Shares of Rs. 10 each (March 31, 2016: 16,50,00,000 Equity Shares of Rs.10 each) (April 1, 2015; 16,50,00,000 Equity Shares of Rs.10 each)	16,500.00	16,500.00	16,500.00
	16,500.00	16,500.00	16,500.00
Issued, Subscribed & Fully Paid up Share Capital with voting rights			
15,51,10,000 Equity Shares of Rs. 10 each with Voting Rights (March 31, 2016: 15,51,10,000 Equity Shares of Rs. 10 each Fully paid up) (April 1, 2015: 15,51,10,000 Equity Shares of Rs. 10 each Fully paid up)	15,511.00	15,511.00	15,511.00
	15,511.00	15,511.00	15,511.00

(a) Reconciliation of the number of equity shares and share capital

Particulars	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	No. of shares (In Lakhs)	Amount (In Lakhs)	No. of shares (In Lakhs)	Amount (In Lakhs)	No. of shares (In Lakhs)	Amount (In Lakhs)
Issued/Subscribed and Paid up equity Capital outstanding at the beginning of the year	1,551.10	15,511.00	1,551.10	15,511.00	1,551.10	15,511.00
Add: Shares issued during the year	-	-	-	-	-	-
Shares bought back during the Year			-	-	-	-
Issued/Subscribed and Paid up equity Capital outstanding at the end of the year	**1,551.10**	**15,511.00**	**1,551.10**	**15,511.00**	**1,551.10**	**15,511.00**

(b) Terms/Rights attached to Equity Shares
The company has only one class of equity shares having par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share.
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.

(c) Details of Shares held by each shareholder holding more than 5% shares in the company

Name of the shareholder	As at 31 March 2017		As at 31st March 2016		As at 1st April 2015	
	No. of Shares (In Lakhs)	% holding in the class	No. of Shares (In Lakhs)	% holding in the class	No. of Shares (In Lakhs)	% holding in the class
Rail Vikas Nigam Ltd	550.00	35.46	550.00	35.46	550.00	35.46
Gujarat Industrial Development Corp.	178.60	11.51	178.50	11.51	178.60	11.51
Gujarat Maritime Board	178.60	11.51	178.60	11.51	176.60	11.51
Adani Petronet (Dahej) Port Private Ltd	173.30	11.17	173.30	11.17	173.30	11.17
Gujarat Narmada Valley Fertilizers Company Ltd	135.30	6.72	135.30	6.72	135.30	6.72
Hindalco Industries Limited	135.30	8.72	135.30	8.72	135.30	8.72
Dahej SEZ Ltd	100.00	6.45	100.00	6.45	100.00	6.45
Jindal Rail Infrastructure Ltd	100.00	6.45	100.00	6.45	100.00	6.45
Total	1,551.10	100.00	1,551.10	100.00	1,551.10	100.00

(d) Aggregate no. of equity shares issued as fully paid by way of bonus, other than cash & shares bought back during the period of five years immediately preceding the reporting date

Particulars	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
	No in lakhs	No in lakhs	No in lakhs	No in lakhs	No in lakhs
Equity Shares issued for consideration other than cash	-	-	-	-	-
Equity Shares issued as fully paid up bonus shares	-	-	-	-	-
Equity Shares bought back	-	-	-	-	-
Total	-	-	-	-	-

D. SINGH & CO.
New Delhi
Chartered Ac...

Note 11 Other Equity

(INR in Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Retained Earnings	931.07	2,814.81	1,173.74
Total	931.07	2,814.81	1,173.74

Note 11.1 Retained Earnings

(INR in Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016
Balance as per last financial statement	2,814.81	1,173.74
Add: Net profit for Current Year	(1,883.85)	1,641.07
Add: Other comprehensive income arising from Remeasurements of defined benefit obligation net of income tax	-0.08	0.00
Closing Balance	931.07	2,814.81

Note 12 : Financial Liabilities-Non Current

12.1 Borrowings (INR in Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
	Non Current			Current		
Secured, Long Term Borrowings						
Term Loans						
From Canara Bank	13,842.44	16,392.44	17,792.44	2,520.00	1,400.00	1,400.00
From Canara Bank	2,280.00	2,490.00	2,700.00	240.00	210.00	210.00
Less : Current Maturities of long term debt (Refer Note 16.2)	-	-	-	-2,760.00	-1,610.00	-1,610.00
Total	16,122.44	18,882.44	20,492.44	-	-	-

Summary of Borrowing Arrangement

12.1.1 Details of Repayment Made during the year (INR in Lakhs)

Particulars	March 2017	March 2016
Secured		
Term Loan		
From Canara Bank	1,400.00	1,400.00
From Canara Bank	210.00	210.00
Total	1,610.00	1,610.00

12.1.2 Rate of Interest

Interest rate for F Y 2016-17 was Canara Bank's base rete (31st March 2016 : The interest rate for F Y 2015-16 was Canara Bank's base rate + 0.30% p.a) (1st April 2015 : The Interest rate for F Y 2014-15 was fixed by bank @ 10.75% p.a.)

12.1.3 Security

Secured by way of first charge on all present and future immovable and movable fixed assets of the company excluding those assets that have been leased by Ministry of Railways as per the Concession Agreement.

Secured by way of first charge on all the tangible movable property and plant of the company together with spares, tools, accessories and other movables both present and future.

12.1.4 Repayment terms:

The annual repayment to be sub-divided into four equal quarterly installments. Interest to be served at monthly rests. Door to door tenor of 15 year for Term Loan of Rs. 20,000.00 Lakhs and Door to door tenor of 13 year for Term Loan of Rs. 3,000.00 Lakhs. Repayment due for next one year @ 12% [31st March 2016 - 7% (1st April 2015 - 7%)] of Total debt of Rs. 23,000.00 Lakhs.

12.2 Trade Payables (INR in Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
(i) Outstanding dues of micro and small enterprises			
(ii) Outstanding dues of other than micro and small enterprises			
Land Lease Rental Charges (Refer Note 12.2.1)	5,526.90	4,079.54	2,835.85
General Overhead Charges	1,261.21	758.69	402.50
Central Charges	11.34	4.48	2.34
Total	6,799.45	4,842.71	3,240.69

D. SINGH & CO. New Delhi Chartered Accountants

Note 12.2.1 The above amount of Rs. 5526.90 Lakhs [March 31st 2016 Rs. 4,079.54 Lakhs (1st April 2015 Rs. 2,835.85 Lakhs)] represents the amount payable to Western Railway from the date of operation (i.e. 06th March 2012 to 31st March 2017) towards Land License fees in respect of land leased to BDRCL. The Railway has been computing the Land License fees at 6% of the market value of land. The market value of land is inflated 7% each year. However, this is being contested by BDRCL as contrery to provision in the Concession Agreement.
Further, the rate of recovery has been recently revised upwards by Western Railway by obtaining fresh circle rates for land prices from civil authorities, leading to more than doubling of the annual claim. Accordingly, the total amount recoverable on account of Land License fee has been worked out as Rs. 14535.21 Lakh for the period 25th June 2008 to 31st March 2016 (consider the impact up to 31st March, 2017, the amount Increases to Rs. 17526.6 Lakh). Following past practice, the Company has cumulatively provided for Rs. 6025.90 Lakhs (Previous Year Rs. 4576 Lakh & amount of provision as on 01-04-2015 Rs. 3335 Lakh) towards the Land License fees from the date of commercial operation to 31st March, 2017, based on the past practice.

Besides, Western Railway had recovered Rs. 499.00 Lakh towards Land License fee earlier, resulting in net balance amount payable as on 31.03.2017 at Rs. 5526.90 Lakh (Previous Year Rs. 4079.54 Lakh & as on 01-04-2015 an amount of Rs. 2835.85 Lakh).

As has been the consistent view of the management and the prectice adopted by the Company in the past, no additional amount is payable before the Date of Commercial Operation (COD). Accordingly, the total claim of Western Railway in respect of Land License Fees before COD amounting to Rs. 4262.40 Lakh (Previous Year Rs. 3196 Lakh) has not been admitted. Further, since the revised claim of Western Railway is grossly violative of the provisions in the Concession Agreement. the Company has strongly represented to the Ministry of Railways asking for revision in the decision. Seeing merit in the demand of the Company, Railway Board had set up a Committee to examine a number of issues raised by BDRCL, Including the issue of Land License fee, and we have been advised that the matter is under consideration. Accordingly, balance amount of Rs. 7238.30 Lakh (Rs. 17528.6 lakh – Rs. 6025.9 lakh – 4262.4 lakh) has not been provided for. As stated, the whole issue is currently under active consideration in the Ministry of Railway for charging of Lease License fees at nominal value, consistent with provisions contained in the Concession Agreement read along with extant policy of the Ministry applicable to Joint Venture Gauge Conversion SPVs. The final outcome may have a bearing on the capitalized and revenue expenditure values of the project during the current year.

Note 13 : Provisions-Non Current

(INR In Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2018	As at 1st April 2015
Employee Benefits			
Gratuity	1.57	0.96	0.51
Leave Encashment	2.67	2.19	1.32
Total	4.24	3.15	1.83

Note 13.1 : Provision for gratuity and Leave Encashment liability has been made for the year 2016-17 based on Actuarial Valuation. For other disclosures refer Note -44.
Note 13.2: Gratuity Benefit 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 benefit.

Note 14 Deferred Tax

(INR In Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Deferred tax liability on			
Property, plant & equipment and Intangible Assets	4,635.85	4,059.12	3,263.43
Total deferred tax liability	4,635.85	4,059.12	3,263.43
Deferred tax Assets			
Employee benefit	1.50	1.11	0.64
Unabsorbed depreciation	2,568.22	1,575.54	1,944.40
Total deferred tax asset	2,589.72	1,576.66	1,945.04
Net Deferred Tax Liability/ (Assets)	2,046.13	2,462.46	1,318.39

D. SINGH & CO. New Delhi Chartered Accountants

Note 14.1 Movement in deferred tax liability/ (asset)

Particulars	MAT Credit	PPE & Intangible Assets	Employee Benefits	Unabsorbed Depreciation	Carried forward Business Loss	Total
Opening balance as at 1 April 2015	-	3,253.43	(0.54)	(1,944.40)	-	1,318.39
Charged/(credited) during 2015-16						
To Profit & Loss	-	795.69	(0.48)	368.85	-	1,164.07
To other comprehensive income		-	0.00	-		0.00
Closing balance as at 31 March 2016	-	4,059.12	(1.11)	(1,575.54)	-	2,482.46
Charged/(credited) during 2016-17						
To Profit & Loss	0	576.74	(0.34)	(1,012.67)	-	(436.28)
To other comprehensive income		-	0.04	-	-	0.04
Closing balance as at 31 March 2017	-	4,635.85	(1.41)	(2,588.22)	-	2,046.22

In accordance with Ind AS-12- "Income Taxes" notified by Ministry of Corporate Affairs, Government of India, the Company has reassessed the deferred tax taking into consideration all the items, due to which there is temporary difference between the carrying amount of the assets and liabilities and their tax base as on 31st March 2017.

Note 15 : Other Liabilities

Note 15.1 Other Non Current Liability (INR in Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Fair valuation adjustment of financial liabilities	601.32	515.15	357.08
	601.32	515.15	357.08

It represents unamortized portion of the difference between the fair value of financial Liabilities towards deffered overhead cost payable on initial recognition/transition date and liability due towards deffered overhead charges.

Note 15.2 : Other current Liability

(INR in Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Statutory dues	6.10	6.07	6.03
Fair valuation adjustment of financial liabilities	152.69	104.31	60.12
Total	158.79	112.38	66.15

Note 15.2 Statutory dues includes TDS, Service Tax and Provident Fund payable.

16.1 Trade Payables

(INR in Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
(i) Outstanding dues of micro and small enterprises			
(ii) Outstanding dues of other than micro and small enterprises			
Payable to Others	1,295.34	1,141.76	165.32
Payable to related parties	33.35	-	-
Total	1,328.69	1,141.76	165.32

Note 16.1.1 The 'Trade Payables' includes the amount payable to Western Railway towards Operation & Maintenance expenditure. The Provisional outstanding balance amount of Rs. 1,269.10 Lakhs [31st March 2016- Rs. 1,085.47 Lakhs (as on 01-04-2015- Rs. 130.40 Lakhs)] is related to the entire Dahej-Chavaj section.

Note 16.1.2 There are no reported Micro, small and medium enterprises as defined in the " The Micro , Small and Medium enterprises Development Act 2006" to whom the company owes any amount.

D. SINGH & CO. New Delhi Chartered Accountants

16.2 Other Financial Liability

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Current maturities of Term Loans (Refer Note 12)	2,760.00	1,610.00	1,610.00
Book Overdraft	-	-	11.76
Security Deposits	2.84	10.63	6.99
Interest accrued and due on borrowings	152.92	22.82	175.23
Other Payables	12.06	11.36	10.62
Total	2,927.82	1,654.81	1,814.60

Note : 16.2.1 Current Maturity of Term Loan of Rs. 2760.00 Lakhs (Previous Year Rs. 1610.00 Lakhs & 1 April 2015 Rs. 1,610 Lakhs) represent the repayment to be made during next one year equivalent to 12% [31st March 2016 - 7% (1st April 2015 7%)] of total Term Loan of Rs. 23,000.00 Lakhs in accordance with the repayment schedule.

Note : 16.2.2 Other payable include a sum of Rs. 28.05 lakh payable to Rail Vikas Nigam Limited. Refer note 40 for related party transaction and balances.

Note 17 : Provisions Current

(INR In Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Employee Benefits			
Gratuity	0.02	-	-
Leave Encashment	0.08	0.07	0.05
Total	0.10	0.07	0.05

Note 17.1: For other disclosures refer Note 44

Note: - 18
Current Tax Asset and Liability

(INR In Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Current tax Assets			
Income Tax Refundable			
AY 2010-2011		0.28	0.28
AY 2012-2013		2.16	55.54
AY 2013-2014	-	24.31	24.31
Advance tax and TDS for AY 2017-18	82.28	-	-
Total	82.28	26.75	80.13
Current tax Liability			
Income Tax Refundable			
AY 2010-2011	0.28	-	-
AY 2012-2013	2.16	-	-
Provision for Income Tax (Note 18.1)	-2.44	52.28	18.05
Total	-	52.28	18.05

Note 18.1 : Refund receivable for A Y 2012-13 of Rs. 2.15 lakh has been adjusted with demand of A Y 2009-10, therefore company has provided for provision for tax liability. However, company is contesting the demand and submitted its response to department for non adjusting demand. Further, a sum of Rs. 0.28 Lakh is receivable from income tax department for A Y 2010-11, however refund is not issued since long therefore company has provided for provision for same during financial year 2016-17.

D. SINGH & CO. New Delhi Chartered Accountants

Note 19 Revenue from operations

(INR In Lakhs)

Particulars	Year ended 31st March 2017	Year ended 31st March 2016
(a) Income from Railway Operation	5,159.37	11,136.90
(b) Construction Contract Revenue under Service concession Arrangement (refer note 29)	64.33	426.30
Total	5,223.70	11,563.20

Note 19.1: Operating Income: The Bharuch-Samni-Dahej Railway line of route length 61.60 kilometers became operational from March 8, 2012 and Bharuch-Chavaj line of route length 5.52 Kilometers became operational from 27th February 2014 with the completion of the respectivo portions of the project. The operating income of the company has been recognized for the period from 1st April 2016 to 31st March 2017 for Bharuch-Samni-Dahej Railway line, with the revenue pertaining to Bharuch-Chavaj being computed on provisional basis. The share of BDRCL in the total revenue collected by the Railway at the time of loading is computed on the basis of percentage of chargeable distance travelled on BDRCL line to the total chargeable distance travelled. While the Operation & Maintenance Agreement is yet to be signed with Western Railway, apportionment of revenue is being done on the basis of in-principle approval accorded by the Ministry of Railways.

Note 19.2: The Ministry of Railways has allowed the Company to charge freight at inflated kilometers (50% inflated) for the distance travelled over BDRCL's jurisdiction. Therefore, as against actual distance of 67.12 kms on the Bharuch-Samni-Dahej section and actual distance of 5.52 km of Bharuch-Chavaj section constructed by the company, the total chargeable distance is taken as 100.68 kms. Revenue pertaining to Bharuch-Chavaj section has been accounted for on provisional basis.

Note 19.3 : Chargeable kilometers for freight movement on the section are 100.68 KM over Dahej-Bharuch-Chavaj section. For Dahej-Bharuch section, Western Railway has, however, apportioned the share for 92 KM only, as against 92.4Km (61.6 km x 1.5) of inflated kilometerage of Bharuch-Dahej section. The revenue actually accounted for includes the share pertaining to the differential distance of 0.4KM from the date of commissioning of Dahej-Bharuch section. It also includes share in apportioned revanue from running of freight trains on the extended section for Bharuch-Chavaj.

Note 19.4 : Revenue figures are subject to confirmation from Western Railway.

Note 20 Other Income

(INR In Lakhs)

Particulars	Year ended31st March 2017	Year ended 31st March 2016
(a) Interest Income		
Bank Deposits	707.74	626.20
Others	-	26.26
(b) Other Non-operating Income		
Unwinding of discount on receivable from Westem Railways under Service Concession Arrangement	3.69	3.33
Reversal of Fair Value Adjustment of Financial Liabilities	104.31	60.12
(c) Miscellaneous Income	3.59	0.71
Total	819.33	716.62

Note 21 Operation and Maintenance Expenses

(INR In Lakhs)

Particulars	Year ended31st March 2017	Year ended 31st March 2016
(a) Operetion & Maintenance Expenses	4,871.24	4,926.03
(b) Construction Contract Cost under Sorvice Concession Arrangement (refer note no 29)	64.33	426.30
Grand Total	4,935.57	5,352.33

D. SINGH & CO. * New Delhi * Chartered Accountants

(73)

NOTE 21.1: In terms of the draft Operations and Maintenance Agreement to be entered into with the Western Railway read together with the Concession Agreement, the company has to bear the expenses incurred by Western Railway on the operation and maintenance of the Bharuch-Samni-Dahej section and the additional lino from Bharuch to Chavaj. The company has recognized operating expenses of Rs. 3750.85 Lakhs (Previous Year Rs. 3370.75 Lakhs) for the period from April 2016 to March 2017 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.

Earlier the O&M of Civil Engineering and S&T assets was being carried out by the Company but Western Railway has partially taken over maintenanca of above mentioned assets from January 2016, with a few non-safety related activities remaining the responsibility of BDRCL. Accordingly, the company has recognized O&M expenses on activities retained by BDRCL related to Civil Engineering and S&T assets amounting to Rs. 1120.39 Lakhs (Previous Year Rs. 1555.28 Lakhs) for the year ending March 31, 2017.

The above amount also includes Operation & Maintenance expenses on the extended section of the line from Bharuch to Chavaj for the pariod from April 2016 to March 2017 on proportionate basis to the extent it was determinable.

Note 22 Employee Benefits Expenses

(INR In Lakhs)

Particulars	Year ended31st March 2017	Year ended 31st March 2016
Salary and Allowancas	76.48	72.91
Staff welfare expenses	25.71	30.67
Contributions to Provident fund	16.61	22.08
Gratuity (Refer Note 44)	0.50	0.45
Leave Encashment (Refer Note 44)	0.74	0.90
Total	120.04	126.99

Note 22.1 : During the year ended March 31, 2017 there are only seven employees in the company who are employed on long term basis. All other employees were appointed by the company for a period of six months only subject to further regularization if required.

Note 23 Finance Cost

(INR In Lakhs)

Particulars	Year ended31st March 2017	Year ended 31st March 2016
Interest Expenses		
Term Loan	1,820.46	2,082.50
Other Interest Expenses	0.06	-
Unwinding of discount on deferred overhead charges	82.04	43.52
Total	1,902.56	2,126.02

Note 23.1: Finance cost include interest paid to bank on Term Loan amounting to '1820.46 lakhs (Previous Year ' 2082.50 Lakhs) for the year ended March,31 2017.

Note 24 Depreciation and Amortisation

(INR In Lakhs)

Particulars	Year ended31st March 2017	Year ended 31st March 2016
Depreciation on Property, Plant and Equipment (refer note 3)	18.50	16.77
Amortisation of Intangible Assets (refer note 4)	1,266.66	1,258.03
Total	1,285.16	1,274.80

D. SINGH & CO.
New Delhi
Chartered Accountants

Note 25 Other Expenses

(INR In Lakhs)

Particulars	Year ended31st March 2017	Year ended 31st March 2016
Power & Fuel	2.26	2.72
Repairs and Maintenance	1.39	1.49
Legal and Professional Fees	17.70	20.78
Auditor Remuneration-		
Audit Fees	3.84	1.70
Tax Audit Fees (Note 25.1)	0.54	0.48
Out of Pocket expenses (Note 25.1)	0.06	-
Internal Audit Fees	1.48	1.34
Printing & Stationery	1.57	2.04
Meeting & Conference	10.18	14.31
Communication Expense	2.36	2.70
Travelling Expense	11.39	12.25
Rates & Taxes	0.36	0.33
Rent	35.64	40.80
Miscellaneous Expense	8.50	14.66
Corporate Social Responsibility	16.81	2.55
Total	114.06	118.15

Note 25.1 : Amount of Rs. 0.54 lakhs towards Tax Audit Fees and Rs. 0.06 Lakhs towards is related to payment made to previous auditor for Tax Audit of F Y 2015-16.

Note 26 : Taxes

Note 26.1 Income tax recognised in profit and loss

(INR In Lakhs)

Particulars	Year ended31st March 2017	Year ended 31st March 2016
Current Income Tax Expenses		
Current Tax on profits for the years	-	468.82
Adjustments in respect of current Income tax of previous year	5.57	7.58
Total Current Tax Expenses	5.57	476.40
Deferred Income Tax Expense		
In respect of the current year (For details Refer Note no 14)	(436.28)	1,164.07
Total Deferred Tax Expenses	-436.28	1,164.07
Income tax expenses attributable to continuing operations	-430.71	1,640.47

Note 26.2 Tax related to items recognised in OCI during the year:

(INR In Lakhs)

Particulars	Year ended31st March 2017	Year ended31st March 2016
Net loss/(gain) on remeasurements of defined benefit plans (Refer Note 14)	0.04	0.00
Income tax charged to OCI	0.04	0.00

D. SINGH & CO. New Delhi Chartered Accountants

Note 26.3 Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31st March 2016 and 31st March 2017:

(INR In Lakhs)

Particulars	Year ended31st March 2017	Year ended 31st March 2016
Accounting profit before tax from continuing operations	(2,314.36)	3,281.53
Profit/(loss) before tax from a discontinued operation	-	-
Accounting profit before income tax	**(2,314.38)**	**3,281.53**
At India's statutory income tax rato of 21.3416% (31st March 2016 21.3416%)*	-	700.33
Tax effect of amounte which are not deductible (taxable) in calculating taxable income		
Add: Tax effect due to transition to IndAS	-	-232.46
Add : Tax effoct due to Non Deductible expenses	-	0.98
Add : Deferred Tax recognised in statement of profit and loss	(436.28)	1,164.07
At the effective income tax rate of 18.87% (31st March 2016 49.78%)	**-436.28**	**1,632.89**
Income Tax expenses reported in statement of profit and loss for current year	(436.26)	1,632.89
Tex expenses for previous year recognised	5.57	7.58
Income tax expenses reported in statement of Profit and loss	**(430.71)**	**1,640.47**

*Presently, the Company has been paying Minimum Alternate Tax (MAT) on the book profits under section 115-JB of the Income Tax Act, 1961 due to availing of deduction from the taxable income under section 80-IA of tho Income Tax Act, 1961. Thorefore, Tax rate applicable for MAT i.e. 21.3416% has been taken instead of regular rate of income tax 34.61%.

Note 27 Components of Other Comprehensive Income (OCI)

The disaggregation of changes to OCI by each type of reserve in equity is shown below

(INR In Lakhs)

Particulars	Year ended31st March 2017	Year ended 31st March 2016
Remeasurements of defined benefit plans	-0.13	(0.00)
Tax component of remeasurements of defined benefit obligation	0.04	0.00
Total	**-0.06**	**(0.00)**

Remeasurements of defined benefit plan includes Rs. 12,747/- (Previous Year Rs. 321/-) towards actuarial loss on Projected benefit obligation.

D. SINGH & CO. New Delhi Chartered Accountants

Note 28 : 'Earnings per share (EPS)

Particulars	Year ended 31st March, 2017	Year ended 31st March 2016
	(Rs. per share)	(Rs. per share)
Basic EPS		
From continuing operation	(1.21)	1.06
Diluted EPS		
From continuing operation	(1.21)	1.06

28.1 Basic Earning per Share

Basic EPS are calculated by dividing the profit for the year attributable to equity holders of the company by weighted average number of equity shares outstanding during the year

The earning and weighted average number of equity share used in calculation of basic earning per share:

Particulars	Year ended 31st March, 2017	Year ended 31st March 2016
Profit attributable to equity holders of the company (Rs. In lakhs)	(1,883.65)	1,641.07
Earnings used in calculation of Basic Earning Per Share (Rs. In lakhs)	(1,883.65)	1,641.07
Weighted average numbers (In Lakhs) of shares for the purpose of basic earnings per share	1,551.10	1,551.10

28.2 Diluted Earning per Share

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

Particulars	Year ended 31st March, 2017	Year ended 31st March 2016
Profit attributable to equity holders of the company (Rs. In lakhs)	(1,883.65)	1,641.07
Earnings used in calculation of diluted earning per share (Rs. In lakhs)	(1,883.65)	1,641.07

The weighted number of equity shares for the purpose of diluted earning per share reconciles to the weighted average number of equity shares used in calculation of basic earning per share as follows:

Particulars	Year ended 31st March, 2017	Year ended31st March 2016
Weighted average number (in Lakhs) of Equity shares used in calculation of basic earnings per share	1,551.10	1,551.10
Effect of dilution:		
Share Options	-	-
Weighted average number (in Lakhs) of Equity shares used in calculation of diluted earnings per share	1,551.10	1,551.10

D. SINGH & CO. New Delhi Chartered Accountants

Note 29: Service Concession arrangements

Public-to-private service concession arrangements are recorded according to Appendix "A" Service Concession Arrangements" IND-AS-11 . Appendix "A" Service Concession Arrangements applies if:

a) The Grantor controls or regulates which services the operator should provide with the infrastructure, to whom it must provide them, and at what price; and

b) The grantor controls- through ownership, beneficial entitlement, or otherwise- any significant residual interest in the infrastructure at the end of the term of the arrangement.

If both of the above conditions are met simultaneously, an intangible asset is recognized to the extent that the operator receives the right to charge users of the public service, provided that these charges are conditional on the degree to which the service is used.

These intangible assets are initially recognized at cost, which is understood as the fair value of the service provided plus other direct costs directly attributable to the operation. They are then amortized over the term of the concession.

The Bharuch Dahej Railway Company Limited (Company) has entered into a Concession Agreement with Ministry of Railways (MoR), Government of India dated June 25, 2008 in terms of which the Ministry of Railways (Grantor) has authorized the Company (Operator) to develop, finance, design, engineer, procure, construct, operate and maintain the Project Railway and to exercise and/or enjoy the rights, powers, benefits, privileges authorizations and entitlements upon its completion. In terms of the said agreement BDRCL has an obligation to complete construction of the project railway and to keep the project assets in proper working condition including all projects assets whose lives have expired.

The concession period is determined with reference to attainment of NPV payback benchmark at the rate of return of 14%.The concession period shall be 30 years of operation or till the NPV payback equal to equity investment is reached, whichever is earlier. In case the NPV payback is reached earlier than 30 years, the concession agreement would stand terminated and the project line would be re-possessed by railway.

At the end of concession period, the project assets shall be hand over by BDRCL to MOR and BDRCL shall be entitled to receive and MOR shall pay to BDRCL an amount equal to the Book value of new assets and additional facilities created by the BDRCL. The original existing assets leased to BDRCL by MOR shall revert back to MOR. The fresh land acquired by MOR and leased to BDRCL shall also revert back to MOR on payment of an amount equal to the cost of acquisition.

In terms of the above agreement upon expiry of 30 years of operation the concession period shall be extended by an equal period of time which corresponds to the period for which material disruption of operation and maintenance occurred during the concession period. However such extension will be limited to provision that if NPV payback equal to equity investment is reached earlier then the period so extended , the concession period would stand terminated.

In case of material breach in terms of the agreement the MOR and BDRCL both have the right to terminate the agreement if they are not able to cure the event of default in accordance with such agreement.

The Operation and Maintenance of the project railway is being conducted by MOR through Western Railway (WR) under its right, vide draft agreement under finalisation, which is co-terminus with the Concession Agreement, entered into between the MoR and BDRCL. Further, in terms of this agreement, WR is in performance of Operation and Maintenance of Project Railway from Chavaj to Dahej via Bharuch, a total distance of 67.12 Kms. BDRCL is to pay O&M cost to WR.

Sections: (a) Bharuch Station to Dahej Station measuring approximately 61.60 kms,
(b) Bharuch station to Chavaj Station measuring approximately 5.52 kms,

For the year ended 31st March 2017, the company has recognized revenue of Rs. 5,223.70 Lakhs (31st March 2016 11,563.20 Lakhs),consisting of Rs. 64.33Lakhs (31st March 2016 Rs. 426.30 Lakhs) on construction of intangible assets under service concession arrangement and Rs. 5,159.37 Lakhs (31st March 2016 Rs. 11,136.90 Lakhs) towards sharing of apportioned earnings from operation of railway line under service concession arrangement. Company has recognized loss before tax of Rs. 2,316.93 lakhs (31st March 2016 profit of Rs. 3,261.54 Lakhs) ,consisting nil profit on construction of intangible assets under service concession arrangement and a loss before tax of Rs. 2,316.93 lakhs (31st March 2016 profit of Rs. 3,261.54 Lakhs) towards sharing of apportioned earnings from operation of railway line under service concession arrangement. The revenue recognized in relation to construction of intangible assets under service concession arrangement in F.Y.2015-16 represents the fair value of services provided towards construction of intangible assets under service concession arrangement. The company has recognized an intangible asset of Rs. 237.98 lakh during F y 2016-17 and Rs. 254.93 Lakhs, in F.Y.2015-16. The intangible asset under development represents the freight sharing rights under development to receive freight traffic earnings under service concession agreement. The company has recognized receivable under service concession arrangement measured at the fair value at Rs. 38.03 Lakhs [31st March 2016 of Rs. 34.34 Lakhs (at 1st April 2015: Rs.31.01 Lakhs)], representing the present value of fresh land acquired by MOR of 461.80 Lakhs (Previous Year Rs. 461.80 Lakhs) leased to BDRCL and from GIDC amounting to Rs. 24.16 lakhs (Previous Year Rs. 24.16 lakhs) which is recoverable at the end of concession period from MOR, discounted at a rate of 10.75 percent, of which Rs. 7.02 lakhs (Previous year Rs. 3.33 Lakhs) represents cummulative unwinding of discount.

Note 30: Capital management

The company objective to manage its capital in a manner to ensure and safeguard their ability to continue as a going concern so that company can continue to provide maximum returns to share holders and benefit to other stake holders.

Further, company manages its capital structure to make adjustments in light of changes in economic conditions and the requirements of the financial covenants. The company maintain an optimal capital structure of Debt equity to reduce the cost of capital. The company's debts includes interest bearing borrowings from banks.

D. SINGH & CO. New Delhi Chartered Accountants

(INR In Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Borrowing (Note No. 12.1)	16,362.44	17,792.44	19,192.44
Net debt	16,362.44	17,792.44	19,192.44
Equity (Note No. 10)	15,511.00	15,511.00	15,511.00
Other equity (Note No. 11)	931.07	2,814.81	1,173.74
Total equity	16,442.07	18,325.81	16,684.74
Net Debt to equity ratio	5.3 : 4.7	5.3 : 4.7	5.7 : 4.3

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2017

Note 31: Fair Value Measurements
(i) The carrying amount of financial Instruments by Category are as follow:

(INR In Lakhs)

Particulars	3/31/2017			3/31/2016			01st April 2015		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial Assets									
(i) Receivable from Western Railways under Service concession arrangement	-	-	38.03	-	-	34.34	-	-	31.01
(ii) Trade Receivables	-	-	4,462.19	-	-	5,315.23	-	-	3,752.07
(iii) Cash and cash equivalents	-	-	2,120.94	-	-	2,169.56	-	-	472.25
(iv) Bank Balances other than (ii) above	-	-	7,033.95	-	-	6,597.88	-	-	5,125.67
(v) Security Deposits	-	-	16.35	-	-	16.22	-	-	13.88
(vi) Others	-	-	873.00	-	-	816.54	-	-	621.82
Total Financial Assets	-	-	14,544.46	-	-	14,949.77	-	-	10,016.70
Financial Liabilities				-	-		-	-	
(i) Borrowings	-	-	16,362.44	-	-	17,792.44	-	-	19,192.44
(ii) Trade Payables	-	-	8,128.14	-	-	5,984.47	-	-	3,406.01
(iii) Other financial liabilities	-	-	167.82			44.81			204.60
Total Financial Liabilities	-	-	24,658.40	-	-	23,821.72	-	-	22,803.05

(ii) Comparison by class of the carrying amounts and fair value of the company's financial instruments, other than those with carrying amounts that are reasonable approximates there fair values are not presented since fair value of all financial instruments as on reporting date approximates their carrying value.

(iii) The carrying amounts of trade receivables, cash and cash equivalents and other short term receivables and other financial liabilities are considered to the same as their fair values, due to short term nature.

(iv) Long term variable rate borrowings are evaluated by company on parameters such as interest rates, specific country risk factors and other risk factors. Based on this evaluation the fair value of such payables are not materially different from their carrying amount.

(v) The amortised cost of receivables from railways under service concession arrangement were calculated based on cash flows discounted using lending rate.

Financial risk management

The Company's principal financial liabilities comprises trade payables, borrowing and other payables. The main purpose of these financial liabilities is to finance the company's operations and to provide guarantees to support its operation. The Company's principal financial assets include trade and other receivables and cash and cash equivalents that derive directly from its operations.

The Company is expose to market risk, credit risk and liquidity risk. The company financial risk activities are governed by appropriated policies and procedures and that financial risk are identified, measured and managed in accordance with the companies policies and risk objectives. The board of directors reviews and agrees policies for managing each of these risk, which are summarised below :

D. SINGH & CO. New Delhi Chartered Accountants

a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instruments will fluctuate because of changes in market prices. Market risk comprises Interest rate risk. Financial instruments affected by market risk includes deposits and other non derivative financial instruments.

b) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instruments will fluctuate because of change in market interest rate. The company exposure to the risk of changes in market interest rate relates primarily to the company's exposure to change in market interest rates primarily to the company's long term debt obligating with floting interest rate risk. The company manages its interest risk in accordance with the companies policies and risk objective.

c) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. The company is exposed to credit risk from its financial activities including operating activities (primarily trade receivable) deposits with banks and other financial instruments.

(I) Trade Receivable

Customer credit risk is managed by company's established policy, procedure and control relating to customer credit risk management. Outstanding customer receivable are regularly monitored and an impairment analysis is performed at each reporting date on individual basis for major customer. The company does not hold any collateral as security

(II) Financial Instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed in accordance with the companies policy. Investment of surplus are made only with approved with counterparty on the basis of the financial quotes received from the counterparty.

d) Liquidity risk

Ultimate responsibility for liquidity risk management rest with the board of directors the company manages maintaining adequate banking facilities by continuously monitoring forecast and actual cash flows and by matching the maturities of financial liabilities.

Note 32: Key sources of estimation uncertainty

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

a) Fair valuation measurement and valuation process

The fair values of financial assets and financial liabilities is measured the valuation techniques including the Discounted cash flow model. The inputs to these method are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

b) Useful life of Property, plant & equipment

As described in note 2.6, Useful life of property plant and equipment are based on a number of factors including the effects of obsolesces, demand, competition, internal assessment of user experience and other economic factors and level of maintenance expenditure required to obtain the expected future cash flows from the asset. The Company reviews the useful life of property, plant and equipment at each reporting date.

c) Useful life of Intangible Assets

As described in note 2.7, company has estimated the useful live of intangible assets (Intangible under service concession arrangement) is 30 years for amortisation of intangible assets. As per service concession arrangement if NPV payback equal to equity investment @14% is reached earlier than 30 years, the concession agreement would stand terminated and the project line would be repossessed by railway.

As described in note 2.7 - Intangible Assets other than freight Sharing right ,company has estimated useful life of 3 years in case of computer software.

The financial impact of the above assessment may impact the amortisation expenses in subsequent financial years.

d) Defined benefit plan

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ form actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans , the management considers the interest rates of government bodies in currencies consistent with the currencies of the post-employment benefit obligation.

D. SINGH & CO. New Delhi Chartered Accountants

e) Taxes

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

Note 33: Construction Contracts

In terms of the disclosure required in IND AS-11 "Construction Contracts" as notified in the companies (Accounting Standard) Rules 2016, the amount considered in the financial statements up to the balance sheet date are as follows :

(INR in Lakhs)

Particulars	31st March 2017	31st March 2016
Revenue Recognised on exchanging construction services	64.33	426.30
Aggregate amount of costs incurred and recognised	64.33	426.30

Note 34 Obligation under operating lease

34.1 Lease of office buildings

The Company has taken its corporate office on lease on payment of monthly rental of Rs. 1.47 lakhs plus applicable taxes, for an initial lock-in-period of three (3) years which is up to 10th October 2017. As per the terms of the agreements, the lease can be renewed for another two terms of three years each at the option of the lessee. In case of renewal, the rent payable shall be increased by 15% for each successive three years term over the last paid rent of previous term.

Future minimum rentals payable under non-cancellable operating leases are as follows: (INR in Lakhs)

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Within one year	9.29	17.64	17.64
After one year but not more than five years	-	9.29	26.93
More than five years	-	-	-
	9.29	26.93	44.57

34.2 Leased Assets from Western Railways

Western Railway (lessor) has leased all the existing assets as per concession agreement and the land to be newly acquired with all rights, easements for the project to the company (lessee) for the duration of concession agreement.

Company shall pay to the lessor, an annual lease rental of Rs.1/- p.a. in case of new land acquired by Western Railway and as per extant policy of the Ministry of Railways (as revised from time to time) for the original land of Western Railway, which shall be payable in advance in the first week of January every year . Upon expiry, the Company is required to hand over the leased assets to Ministry of Railways (MoR) free form all encumbrances whatsoever. If the concession period is extended/renewed beyond concession period, the lease agreement shall also to be extended/renewed at terms to be mutually decided by the parties.

The Company has taken lease assets from Ministry of Railways under non-cancellable operating lease.

As rent payable is dependent on the extant policy of Ministry of Railways which changes from time to time, therefore it is not possible for the company to determine and present the future minimum lease rentals payable.

Lease Rental expenses during the year in respect of operating leases :

Particulars	31-Mar-17	31-Mar-16
Gross Lease Rent		
(a) Delhi office	20.31	20.12
(b) Vedodara office	12.95	12.48
(c) Rest house	0.56	3.12
Net Lease Rent	33.62	35.72

D. SINGH & CO. New Delhi Chartered Accountants

Note 35: Contingent Liabilities

Claims not acknowledged as debts by the company

i) M/s Rail Vikas Nigam Limited has demanded management fees of Rs. 1835.17 lakhs (Rs 1833.17 lakhs upto 31st March 2016) Upto (1st April 2015 1814.70 lakhs) towards construction of the project.

ii) The Company had received a Show Cause Notice (SCN) during financial year 2014-15 from tax authorities in the matter of applicability of service tax on the Company in respect of apportioned freight received by the Company from Railways. The SCN covered a period of three years from financial year 2011-12 to financial year 2013-14 and involved service tax of Rs. 1633 lakhs plus interest and penalties. The Company contested the SCN and submitted its positon through a rejoinder thereon to the adjudicating authorities. pleading that no service is rendered by BDRCL to Western Railway that might warrant liability to pay Service Tax. The Company managed to obtain relief from the Commissioner of Service Tax vide her order dated 25.01.2016 and has, therefore, not provided for the amount in the aforesaid claim in its books for the above period. However. the department has filed appeal with CESTAT against the order of Commissioner for the same period, which will be contested on similar lines.

Subsequently, the tax authorities issued another SCN to the Company on the same grounds involving a demand of Rs. 1638 lakhs plus interest and penalties for FY 2014-15. The company has duly submitted its reply to the adjudicating authorities for withdrawal of the claim in the aforesaid SCN on the same grounds as pleaded in the earliar rejoinder. Since the Company's stand is based on sound principles and immutable facts, and it had received a favorable ruling from Commissioner Service Tax, on the earlier occasion, it is confident that no additional liability on account of Service Tax will devolve on it. The Company has not yet received any adjudication order in the matter.

iii) The amount of Rs. 5526.90 Lakhs (Note 12.2) represents the amount payable to Western Railway from the date of operation (i.e. 08th March 2012 to 31st March 2017) towards Land License fees in respect of land leased to BDRCL. The Railway has been computing the Land License fees at 6% of the market value of land. The market value of land is inflated 7% each year. However, this is being contested by BDRCL as contrary to provision in the Concession Agreement.

Further, the rate of recovery has been recently revised upwards by Western Railway by obtaining fresh circle rates for land prices from civil authorities, leading to more than doubling of the annual claim. Accordingly, the total amount recoverable on account of Land License fee has been worked out as Rs. 14535.21 Lakh for the period 25th June 2008 to 31st March 2016 (consider the impact up to 31st March, 2017, the amount increases to Rs. 17526.6 Lakh). Following past practice, the Company has cumulatively provided for Rs. 6025.90 Lakhs (Previous Year Rs. 4578 Lakh & amount of provision as on 01-04-2015 Rs. 3335 Lakh) towards the Land License fees from the date of commercial operation to 31st March, 2017, based on the past practice.

Besides, Western Railway had recovered Rs. 499.00 Lakh towards Land License fee earlier, resulting in net balance amount payable as on 31.03.2017 at Rs. 5526.90 Lakh (Previous Year Rs. 4079.54 Lakh & as on 01-04-2015 an amount of Rs. 2835.85 Lakh).

As has been the consistent view of the management and the practice adopted by the Company in the past, no additional amount is payable before the Date of Commercial Operation (COD). Accordingly, the total claim of Western Railway in respect of Land License Fees before COD amounting to Rs. 4262.40 Lakh (Pravious Year Rs. 3196 Lakh) has not been admitted. Further, since the ravised claim of Western Railway is grossly violative of the provisions in the Concession Agreement, the Company has strongly represented to the Ministry of Railways asking for revision in the decision. Seeing marit in the demand of the Company, Railway Board had set up a Committee to examine a number of issues raised by BDRCL, including the issue of Land License fee, and we have been advised that the matter is under consideration. Accordingly, balance amount of Rs. 7238.30 Lakh (Rs. 17526.6 lakh – Rs. 6025.9 lakh – 4262.4 lakh) has not been provided for. As stated, the whole issue is currently under active consideration in the Ministry of Railway for charging of Lease License fees at nominal value, consistent with provisions contained in the Concession Agreement read along with extant policy of the Ministry applicable to Joint Venture Gauge Conversion SPVs. The final outcome may have a bearing on the capitalized and revenue expenditure values of the project during the current year.

iv) The O&M expenditure pertaining to Bharuch-Chavaj section has been provided in financial statements to the extent information provided by Western Railway and information available with company, remaining O& M will be provided in the year in which information will be received from Railways.

v) Company has terminated some contractual employees, due to misconduct at work place and unauthorised absence from office, Aggrieved by the decision of the company employees have filed application with Labour court for compensation towards their termination. However based on the facts of the case company expects favorable decision. Financial impact of same is not ascertainable.

Note 36: In the opinion of the Board of Directors and to the best of their knowledge and belief, the aggregate value of the Current Assets including Current financial assets on realization in the ordinary course of business will not be less than the amount at which these are stated in the Balance Sheet.

Note 37: Capital commitment

Capital commitment is Estimated at Rs.22 Crore (31st March 2016 5.50 Crores (April 1, 2015 Rs. 11 Crore).

Note 38: Foreign currency transactions

Expenditure in Foreign Currency	Nil (Previous period Nil)
Income in Foreign Currency	Nil (Pravious period Nil)

Note 39: There are no raported Micro, Small and Medium enterprises as defined in the "The Micro, Small & Medium Enterprises Development Act 2006" to whom the company owes any amount .

D. SINGH & CO. New Delhi Chartered Accountants

Note 40 : Related Party Disclosures

40.1 Parties to the joint venture agreement

40.1.1 Related Parties held equity of company

Name of Party	As at 31 March, 2017		As at 31 March, 2016	
	Number of shares held in Lakhs	% holding in that class of shares	Number of shares held in Lakhs	% holding in that class of shares
Rail Vikas Nigam Ltd	550.00	35.46%	550.00	35.46%
Gujarat Industrial Development Corp.	178.60	11.51%	178.60	11.51%
Gujarat Maritime Board	178.60	11.51%	178.60	11.51%
Adani Petronet (Dahej) Port Private Ltd	173.30	11.17%	173.30	11.17%
Gujarat Narmada Valley Fertilizers Company Ltd	135.30	8.72%	135.30	8.72%
Hindalco Industries Limited	135.30	8.72%	135.30	8.72%
Dahej SEZ Ltd	100.00	6.45%	100.00	6.45%
Jindal Rail Infrastructure Ltd	100.00	6.45%	100.00	6.45%
	1,551.10	100.00%	1,551.10	100.00%

40.2 Key Managerial personnel of the entity

Name	Designation
Mr Anirudh Jain (From 17.01.2017 to 31.07.2017)	Director
Mr. Laj Kumar (Ceased on 31.05.2016)	Director
Mr. Rajendra Kashyap (From 12.08.2014)	Managing Director
Mr. Vinay Singh (From 11.01.2014)	Director
Mr. A. K. Singh (From 25.05.2016)	Director
Mr. Sajal Mitra (From 26.11.2015)	Director
Ms. Chavi Jha (From 25.05.2016)	Director
Mr Ajay Bhadoo (From 13.10.2016)	Director
Mr. S. P. Chaturvedi (Ceased on 11.08.2017)	Independent Director
Ms. Bela Banerjee (Ceased on 11.08.2017)	Independent Director
Mr. A. K. Rakesh (Ceased on 22.06.2016)	Director
Ms. D Thara (From 02.08.2016 to 02.08.2017)	Director
Mr. M. K. Singh (Ceased on 25 .05.2016)	Director
Mr. Ashutosh Gangal (Ceased on 25 .05.2016)	Director
Mr. Manoj Aggarwal (Ceased on 02 .08.2016)	Director
Mr. Balkishan Sharma	Chief Financial Officer
Ms. Beena R. Shah	Company Secretary

40.3 Disclosure of transaction with related parties:

INR in Lakhs

Particulars	Transactions (Rs.)	Outstanding Amount Payable/ (Receivable) (Rs.)	Transactions (Rs.)	Outstanding Amount Payable/ (Receivable) (Rs.)	
	Year ended March 31, 2017	As at March 31, 2017	Year ended March 31, 2016	As at March 31, 2016	As at April 1, 2015
Rail Vikas Nigam Limited					
Expenditure of Vadodara office apportioned			-	-	(4.03)
Conference and Seminar Expenses reimbursed	5.00				
Project expenditure in terms of construction agreement	40.04		369.31	-	-
Closing Balance		28.05	-	(11.19)	(180.84)
Gujarat Industrial Development Corp.					
Amount paid towards Lease Rent/ Water Charges	1.39	0.10	1.77	0.13	0.13
Adani Petronet (Dahej) Port Private Ltd					
Installation of weigh Bridge	-	-	24.01	-	-
Loco Hire Charges	12.96	-	-	-	-
Closing Balance	-	5.30	-	23.66	-
Key Managerial Personnel					
Remuneration	45.36	-	41.41	-	-

40.4 Compensation of key management personnel:

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

INR in Lakhs

Particulars	Year ended 31st March 2017	Year ended 31st March 2016
Short-term benefits	45.36	41.41
Post-employment benefits	2.01	1.39
Other long-term benefits	-	-
Total	47.36	42.80

D. SINGH & CO. New Delhi Chartered

Note 41: Payment to Auditors

Payment to the Auditors comprises of the following:

INR In Lakhs

Particulars	Year ended 31st March 2017	Year ended31st March 2016
Audit Fee	3.84	1.70
Tax Audit fees	0.54	0.48
Out of Pocket expenses	0.06	-
Total	4.44	2.18

Note 42: Corporate Social Responsibility

With the enactment of the Companies Act 2013 and the Companies (Corporate Social Responsibility) Rules, 2014 read with various clarification issued by MCA, the company has undertaken activities as per CSR policy. During the financial year 2016-17,the company has incurred a sum of Rs. 16.81 Lakhs towards CSR in accordance with Section 135 of companies Act 2013. Further in compliance of compenies Act 2013, company has made payment of Rs. 16.92 Lakhs to CSR executing agency, however expanditure to the extent of funds utilised by agency is provided in statement of profit and loss and balance unutilised fund of Rs. 0.12 Lakhs is appearing as Advance for Expanses

Note 43: The company has only one reportable segment viz. oparation of freight traffic. Therefore requirement for segment raporting is not applicable.

Nota 44 : The company has accounted for the employee's benefit expenses in accordance with Ind AS 19 "Employee Benefits" notified by the Ministry of Corporate Affairs, Government of India. The summarised position of Post-employment benefits and long-term employee benefits recognised in the Statement of Profit and Loss and Balance sheet as per Ind AS 19 are as under-

44.1 Change in present value of obligation:

(INR in Lakhs)

Particulars	2016-17		2015-16	
	Gratuity	Earned Leave	Gratuity	Earned Leave
				Rs.
Opening Balance	0.96	2.26	0.51	1.37
Interest Cost	0.08	0.18	0.04	0.11
Current service cost	0.43	0.72	0.41	0.98
Benefit paid	-	-0.26	-	-
Actuarial (Gain)/ Loss on obligation	0.13	-0.16	0.00	(0.19)
Closing Balance	1.59	2.74	0.96	2.26

44.2 Change in fair value of Plan Assets (INR in Lakhs)

Particulars	2016-17		2015-16	
	Gratuity	Earned Leave	Gratuity	Earned Leave
Fair value of Plan Assets at the beginning of the year	-	-	-	-
Expected return on Plan Assets	-	-	-	-
Employer's contribution	-	-	-	-
Benefit Paid	-	-	-	-
Actuarial (loss)/ gain on Obligations	-	-	-	-
Closing Balance	-	-	-	-

44.3 Amount Recognised in Balance Sheet (INR in Lakhs)

Particulars	2016-17		2015-16	
	Gratuity	Earned Leave	Gratuity	Earned Leave
Estimated Present Value of obligations as at the end of the year	1.59	2.74	0.96	2.26
Fair value of Plan Assets as at the end of the Year	-	-	-	-
Net Assets/ (Net Liability) recognized in Balance Sheet	1.59	2.74	0.96	2.26

D. SINGH & CO. New Delhi Chartered Accountants

44.4 Expenditure recognised in the Statement of Profit & Loss (INR in Lakhs)

Particulars	2016-17		2015-16	
	Gratuity	Earned Leave	Gratuity	Earned Leave
Current Service Cost	0.43	0.72	0.41	0.98
Interest Cost	0.08	0.18	0.04	0.11
Net Actuarial (Gain) / Loss recognized in the year	-	-0.16	-	-0.19
Total expenses recognized in the Statement of Profit and Loss	0.50	0.74	0.45	0.90

44.5 Expenditure recognised in Other Comprehensive Income (INR in Lakhs)

Particulars	2016-17		2015-16	
	Gratuity	Earned Leave	Gratuity	Earned Leave
Net cumulative unrecognized actuarial gain/ (loss) opening	–	–	–	–
Actuarial gain/ (loss) for the year on PBO	(0.13)	–	(0.00)	–
Actuarial gain/ (loss) for the year on the assets	–	–	–	–
Unrecognized Actuarial gain/ (loss) at the end of the year	(0.13)	–	(0.00)	–

44.6 Principal actuarial assumption at the Balance Sheet Date

(INR in Lakhs)

Particulars	2016-17		2015-16	
	Gratuity	Earned Leave	Gratuity	Earned Leave
Discount Rate	7.54%	7.54%	8%	8%
Expected rate of return on Plan Assets	-	-	-	-
Expected rate of Salary Increase	5.50%	5.50%	5.50%	5.50%
Method used	Project Unit Credit			

44.7 Maturity profile of defined benefit obligation is as follow:

(INR in Lakhs)

Period	Effect on Gratuity obligation	Effect on Earned Leave
April 2017 to March 2018	0.02	0.07
April 2018 to March 2019	0.01	0.06
April 2019 to March 2020	0.03	0.06
April 2020 to March 2021	0.02	0.45
April 2021 to March 2022	0.30	0.05
April 2022 to March 2023	0.03	0.04
April 2023 onwards	1.18	2.02

44.8 Sensitivity Analysis For the year ended 31st March 2017

(INR in Lakhs)

Particulars	Change in assumptions	Effect on Gratuity obligation	Effect on Earned Leave
Discount Rate	0.50%	(0.12)	(0.21)
	-0.50%	0.13	0.24
Salary Growth	0.50%	0.14	0.24
	-0.50%	(0.12)	(0.22)

Sensitivities due to mortality & withdrawals are not material & hence impact of change not calculated.

Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

44.9 Mortality Rates for specimen ages

Mortality rate for both Compensated absences and gratuity are as under-

Age	Mortality rate	Age	Mortality rate	Age	Mortality rate
15	0.000614	45	0.002874	75	0.039637
20	0.000888	50	0.004946	80	0.060558
25	0.000984	55	0.007888	85	0.091982
30	0.001056	60	0.011534	90	0.138895
35	0.001282	65	0.017009	95	0.208585
40	0.001803	70	0.025855	100	0.311628

44.10 The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in employee market.

D. SINGH & CO. New Delhi Chartered Accountants

(85)

44.11 The Company provides for Gratuity for employees as per the Payment of Gratuity Act 1972. Employees who are in continuous service for a period of five (5) years are eligible for gratuity. The amount of gratuity payable on retirement/termination of the employees is last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

44.12 The amount of liabilities is as per the report of a qualified Actuary

Note 45 : Impairment of Assets

On the basis of review, the management is of the opinion that the economic performance of non financial assets of the Company is not lower than expected and therefore there is no impairment of any assets as on the Balance Sheet date.

Note 46 : Specified Bank Note

The company did not hold cash in hand in the form of SBNs and there were no transection of cash during the period from 8th November 2016 to 30th December 2016. Therefore, there are no reportable transection for notification no.GSR308(E) dated 30th March 2017.

Note 47 : Obligation to Restore project assets to specified level of serviceability

In terms of Concession agreement, there is an obligation on the Company to keep the project assets in working condition, including making replacement, as per laid down standards of MOR, of all project assets whose codal lives expire during the concession period. Accordingly, Company is required to provide for in respect of replacement obligations arising during the remaining concession period as per requirement of Appendix A of the Ind AS 11 for best estimate of expenditure required to settle obligation. However, at present there reliable estimate for restoration obligation is not available, therefore provision for same is not provided in financial statements, the same will be provided in the year in which estimate becomes reliable.

D. SINGH & CO.
New Delhi
Chartered Accountants

Note 48 First-time adoption of Ind AS

The financial statements for the year ended 31st March 2017 are the first Ind AS compliant financial statements of the Company. The transition to Ind-AS has been made in accordance with Ind AS 101-First Time adoption of Indian Accounting Standards. For all periods, up to and including the year ended 31st March 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013 read with paragraph 7 of the Companies (Accounts) Rules, 2014 (herein after referred to as "previous GAAP").

In preparing these financial statements, the company's opening balance sheet was prepared as at 1st April 2015 i.e. date of transition to Ind-AS. Accordingly, financial statements for the year 31st March 2016 and the opening Balance sheet as at 1st April, 2015 have been restated in accordance with Ind AS for comparative information purpose.

This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1st April 2015 and the financial statements as at and for the year ended 31st March 2016.

48.1 Exemptions applied

Ind-AS 101 allows first time adopters certain optional exemptions and mandatory exceptions from the retrospective application of creation requirements under Ind-AS

Company has applied the following exemptions:-

48.1.1 Estimates

The estimates at 1 April 2015 and at 31 March 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies). The estimates used by the entity to present these amounts in accordance with Ind AS reflect conditions at 1 April 2015, the date of transition to Ind-AS and as of 31 March 2016.

48.1.2 Deemed Costs

The Company has elected to continue with the previous GAAP carrying value of all Property Plant and Equipment and Intangible Asset as recognised in the previous GAAP financial statements as deemed cost at the transition date, as there is no change in the functional currency of the Company.

48.1.3 Service Concession Arrangement

Appendix A to Ind AS 11 applies to the Company in respect of the Project Railway. The Company has opted to carry previous GAAP carrying amount as at date of transition to Ind AS as the management does not find it practicable to apply this appendix retrospectively.

48.1.4 Classification and measurement of Financial Assets and Liabilities

The company has classified and measured the financial instruments in accordance with the Ind AS 109, on the basis of facts & circumstances that exist at the date of transition to IndAS.

D. SINGH & CO. New Delhi Chartered Accountants

48.2 Reconciliation of Equity (Balance sheet) as at 1st April 2015*

INR In Lakhs

	Particulars	Foot Notes	Previous GAAP*	Adjustments	IND AS
I.	**ASSETS**				
1	**Non-Current Assets**				
	(a) Property, Plant and Equipment	1	33,870.60	(33,790.51)	80.08
	(b) Other Intangible Assets	1	1.30	33,759.51	33,760.81
	(c) Capital Work in Progress	6	8.87	(8.87)	-
	(d) Intangible Assets under Development	6	-	8.87	8.87
	(e) Financial Assets				
	(i) Others	1	10.45	31.01	41.46
	(f) Other Non-Current Assets		185.07	-	185.07
			34,076.29	-	34,076.29
2	**Current assets**				
	(a) Financial Assets				
	(i) Trade Receivables		3,752.07	-	3,752.07
	(ii) Cash and cash equivalents		472.25	-	472.25
	(iii) Bank Balances other than (ii) above		5,125.67	-	5,125.67
	(iv) Others		625.25	-	625.25
	(b) Current Tax Asset (Net)		80.13	-	80.13
	(c) Other Current Assets		27.68	-	27.68
			10,083.05	-	10,083.05
	Total Assets		44,159.34	-	44,159.34
II.	**EQUITY AND LIABILITIES**				
1	**Equity**				
	(a) Equity Share Capital		15,511.00	-	15,511.00
	(b) Other Equity		1,173.74	-	1,173.74
			16,684.74	-	16,684.74
2	**Liabilities**				
(I)	**Non-current liabilities**				
	(a) Financial Liabilities				
	(i) Borrowing		20,492.44	-	20,492.44
	(ii) Trade payables	3	3,657.89	-417.20	3,240.69
	(b) Provisions		1.83	-	1.83
	(c) Deferred Tex liabilities (Net)		1,318.39	-	1,318.39
	(d) Other non current Liabilities	3	-	357.08	357.08
			25,470.55	(60.12)	25,410.43
(II)	**Current liabilities**				
	(a) Financial Liabilities				
	(ii) Trade payables		165.32	-	165.32
	(ii) Other financial liabilities		1,814.60	-	1,814.60
	(b) Other Current Liabilities	3	6.03	60.12	66.15
	(c) Provisions		0.05	-	0.05
	(d) Current tax Liability (Net)		18.05	-	18.05
			2,004.05	60.12	2,064.17
	Total Equity and Liabilities		44,159.34	0.00	44,159.34

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

D. SINGH & CO. New Delhi Chartered Accountants

BHARUCH DAHEJ RAILWAY COMPANY LIMITED

48.3 Reconciliation of Equity (Balance sheet) as at 31st March 2016 *

INR In Lakhs

Particulars		Foot Notes	Previous GAAP*	Adjustments	IND AS
I.	**ASSETS**				
1	**(1) Non-Current Assets**				
	(a) Property, Plant and Equipment	1	31,765.20	(31,685.41)	79.79
	(b) Other Intangibles	1	0.39	32,723.83	32,724.22
	(c) Capital work in progress	6	213.73	(213.73)	-
	(d) Intangible Assets under development	6	-	213.73	213.73
	(e) Financial Assets				
	(i) Others	1	10.55	34.34	44.89
	(f) Other Non-Current Assets		11.39	-	11.39
			32,001.26	1,072.76	33,074.02
2	**Current assets**				
	(a) Financial Assets				
	(i) Trade Receivables		5,315.23	-	5,315.23
	(ii) Cash and cash equivalents		2,169.56	-	2,169.56
	(iii) Bank Balances other than (ii) above		6,597.88	-	6,597.88
	(iv) Others		822.21	-	822.21
	(b) Current Tax Asset (Net)		26.75	-	26.75
	(c) Other Current Assets		7.37	-	7.37
			14,939.00	-	14,939.00
	Total Assets		**46,940.26**	**1,072.76**	**48,013.02**
II.	**EQUITY AND LIABILITIES**				
1	**Equity**				
	(a) Equity Share Capital		15,511.00	-	15,511.00
	(b) Other Equity		2,104.42	710.39	2,814.81
			17,615.42	710.39	18,325.81
2	**Liabilities**				
(I)	**Non-current liabilities**				
	(a) Financial Liabilities				
	(i) Borrowing		18,882.44	-	18,882.44
	(ii) Trade payables	3	5,478.76	-636.05	4,842.71
	(b) Provisions		3.15	-	3.15
	(c) Deferred Tax liabilities (Net)	4	2,103.50	378.98	2,482.46
	(d) Other non current Liabilities	3	-	515.15	515.15
			26,467.85	258.06	26,725.91
(ii)	**Current liabilities**				
	(a) Financial Liabilities				
	(i) Trade payables		1,141.76	-	1,141.76
	(ii) Other financial liabilities		1,654.81	-	1,654.81
	(b) Other Current Liabilities	3	8.07	104.31	112.38
	(c) Provisions		0.07	-	0.07
	(d) Current tax Liability (Net)		52.28	-	52.28
			2,856.99	104.31	2,961.30
	Total Equity and Liabilities		**46,940.26**	**1,072.76**	**48,013.02**

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

D. SINGH & CO. New Delhi Chartered Accountants

BHARUCH DAHEJ RAILWAY COMPANY LIMITED

48.4 Reconciliation of profit and loss for the year ended 31st March 2016*

INR In Lakhs

	Particulars	Foot Notes	Previous GAAP*	Adjustments	IND AS
I	Revenue :				
	Revenue from operations	2	11,136.90	426.30	11,563.20
II	Other income	1, 3	653.17	63.45	716.62
III	**Total Income (I + II)**		**11,790.07**	**489.75**	**12,279.82**
IV	Expenses:				
	Operation and maintenance	2	4,926.03	426.30	5,352.33
	Employee benefits expenses		126.99	0.00	126.99
	Finance costs	3	2,082.50	43.52	2,126.02
	Depreciation and amortization	1	2,344.22	(1,069.42)	1,274.80
	Other Expenses		118.14	-	118.15
	Total Expenses (IV)		**9,597.88**	**(599.60)**	**8,998.29**
V	**Profit/loss Before exceptional items and Tax (III - IV)**		2,192.19	1,089.35	3,281.53
VI	Exceptional items		-	-	-
VII	Profit/(Loss) before tax (V - VI)		2,192.19	1,089.35	3,281.53
VIII	Tax expense:				
	(1) Current tax				
	- For the year		468.82	-	468.82
	- For earlier years (net)		7.58	-	7.56
	(2) Deferred tax (net)	4	785.11	378.96	1,164.07
	Total Tax Expense (VIII)		**1,261.51**	**378.96**	**1,640.47**
IX	**Profit/(loss) for the period from continuing operation (VII - VIII)**		930.66	710.39	**1,641.07**
X	Profit/(loss) from discontinued operations		-	-	-
XI	Tax Expense of discontinued operations		-	-	-
XII	Profit/(loss) from discontinued operations (after tax) (X-XI)		-	-	-
XIII	**Profit/(loss) for the period (IX+XII)**		**930.68**	**710.39**	**1,641.07**
XIV	**Other Comprehensive Income**				
	A. (i) Items that will not be reclassified to profit and loss	5	-	(0.00)	0.00
	(ii) Income Tax relating to items that will not be reclassified to profit and loss	5	-	0.00	(0.00)
	B. (i) Items that will be reclassified to profit and loss		-	-	-
	(ii) Income Tax relating to items that will be reclassified to profit and loss		-	-	-
XV	**Total Comprehensive Income for the period (XIII +XIV) (Comprehensive profit and other comprehensive income for the period)**		**930.68**	**710.39**	**1,641.07**
XVI	Earnings Per Equity Share:				
	(For Continuing Operation)				
	(1) Basic		0.60	0.46	1.06
	(2) Diluted		0.60	0.46	1.06
XVII	Earnings Per Equity Share:				
	(For discontinuing Operation)				
	(1) Basic		-	-	-
	(2) Diluted		-	-	-
XVIII	Earnings Per Equity Share:				
	(For discontinued and continuing Operetion)				
	(1) Basic		0.60	0.46	1.06
	(2) Diluted		0.60	0.46	1.06

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

D. SINGH & CO. New Delhi Chartered Accountants

BHARUCH DAHEJ RAILWAY COMPANY LIMITED

48.5 Reconciliation of Total Equity as at March 31,2016 and April 1,2015

INR In Lakhs

Particulars	Notes	31 March 2016	01 April 2015
Total Equity (shareholder's fund) as per previous GAAP		17,615.42	16,684.74
Adjustments			
Unwinding of discount on deferred overhead charges	3	(43.52)	-
Reversal of Fair Value Adjustment of Financial Liabilities	3	60.12	-
Unwinding of discount on receivable from Western Railways under Service Concession Arrangement	1	3.33	-
Changes in deferred tax obligation	4	(378.96)	-
Depreciation and Amortization	1	1,069.42	-
Total Equity (shareholder's fund) as per Ind-AS		**18,325.81**	**16,684.74**

48.6 Reconciliation of Total Comprehensive Income for the year ended March 31,2016

INR In Lakhs

Particulars	Notes	31 March 2016
Profit as per previous GAAP		**930.68**
Adjustments		
Construction Contract Revenue under Service concession Arrangement	2	426.30
Unwinding of discount on receivable from Western Railways under Service Concession Arrangement	1	3.33
Construction Contract Cost under Service Concession Arrangement	2	(426.30)
Remeasurements of defined benefit obligation recognised in other comprehensive income	5	(0.00)
Depreciation and Amortization	1	1,069.42
Unwinding of discount on deferred overhead charges	3	(43.52)
Reversal of Fair Value Adjustment of Financial Liabilities	3	60.12
Changes in deferred tax obligation	4	(378.96)
Profit after tax as per Ind-AS		**1,641.07**
Other comprehensive income for the year (net of tax)		0.00
Total Comprehensive income as per Ind-AS		**1,641.07**

48.7 Impact of Ind-AS on the Cash flow for the year ended March 31, 2016

There are no material adjustments to statements of cash flows as reported under previous GAAP

D. SINGH & CO. New Delhi Chartered Accountants

48.8 Notes to the reconciliation of equity as at 1st April 2015 and 31st March 2016 and total comprehensive income for the year ended 31st March 2016

Note 1 : Bharuch Dahej Railway Company Limited (BDRCL) has entered in to service concession arrangement with Ministry of Railway for development, maintenance and operation of railway line which is covered under appendix A of Ind AS 11-"Service Concession Arrangements". As per such appendix A of Ind AS-11 development of project assets of BDRCL, operation and maintenance of railway line under service concession arrangement is defined as intangible assets whereas as per the previous GAAP (Accounting Standards) such project assets are recognised as tangible assets. Accordingly closing balance of project assets of Rs. 31,685.41 Lakhs as at 31 March 2016 (01 April 2015: Rs. 33,790.51 lakhs) recognised as tangible assets is recognised as intangible assets as "Revenue Sharing Right" and financial assets. In addition to reclassification from tangible to intangible the depreciation on project assets is recomputed over the life of concession poriod of project assets. It is resulting in decrease in depreciation by Rs. 1069.42 lakhs charged during F.Y. 2015-16 as per previous GAAP and is added to the Intangible Assets (Revenue Sharing Right).Therefore intangible assets as "Revenue Sharing Right" is recognised at Rs. 32,723.82 Lakhs (01 April 2015: Rs. 33,790.51 lakhs) and fair value of land of Rs. 34.34 Lakhs (01 April 2015: Rs. 31.01 Lakhs) as financial assets. During F.Y. 2015-16 "Unwinding of discount on receivable from Western Railways under Service Concession Arrangement" of Rs. 3.33 Lakhs as other income is recognised, this has resulted in increase in Receivable from Western Railway under service concession arrangement by corresponding amount.
This has resulted in increase in equity by Rs 1072.75 lakhs as on 31st March 2016 and profit by corresponding amount for the year ending 31st March 2016.

Note 2 : As per Appendix A to Ind AS-11 "Construction Contracts" , Construction Contract Cost under Service Concession Arrangement incurred during the Financial Year, 2015-16 of Rs. 426.30 lakhs on projects assets under construction has been recognised as contract cost under the Service Concession Arrangement. Contract revenue to same extant has been recognized.

Note 3: As per Ind AS 109 Overhead Cost Payable to Western Railway of Rs. 822.04 Lakh as at 01 April 2015 is covered under the definition of financial liabilities, therefore it is recognized at fair value of Rs. 404.84 Lakhs as at 01 April 2015 and the difference in carrying value and fair value of Rs. 417.20 Lakh as at 01 April 2015 is deferred and presented as "Fair Value Adjustment of Financial Liability" in financial statement and will be provided in statement of profit and loss account as "Reversal of Fair Value Adjustment of Financial Liabilities" on straight line basis over the period of re-payment of overhead costs payable. There is no Impact on equity as on 01st April 2015.
During the F Y 2015-16, additional deffered overhead charges of Rs. 577.18 lakh has been recognised at fair value of Rs. 314.80 Lakh and difference of Rs. 262.37 lakh is deferred and presented as "Fair Value Adjustment of Financial Liabilities.
During the F.Y. 2015-16, Rs. 43.52 Lakhs has been recognised as finance cost as "Unwinding of discount on deferred overhead costs charges" and out of total deferred liability of Rs. 417.20 Lakhs, an amount of Rs. 60.12 Lakhs has been recognised as Other Income as "Reversal of Fair Value Adjustment of Financial Liabilities". This has resulted in net increase in equity as on 31st March 2016 and profit & loss for the year ending 31st March 2016 by Rs. 16.6 Lakhs.

Note 4 : Ind AS-12 "Income Taxes" require the recognition of deferred tax using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. Various transitional adjustments lead to temporary differences. This has resulted in increase in net deferred tax liability of Rs. 378.96 Lakhs have been recognised during the F.Y. 2015-16. This has resulted in decrease in equity for F Y 2015-16 by corresponding amount.

Note 5 :- Under Ind AS, remeasurements i.e. actuarial gains & losses of Rs. 321 and related tax Rs. 111, on the net defined benefit liability are recognised in the other comprehensive income which was earlier recognised in profit and loss under previous GAAP. However, due to reclassification of this items of Profit and Loss as Other Comprehensive income, there is no impact on total equity.

Note 6 : As per appendix A of Ind AS-11 Service Concession arrangements , closing balance of project assets under development of Rs.213.73 Lakhs (01 April 2015 : Rs.8.87 lakhs) recognised as Capital Work in Progress (CWIP) as per previous GAAP is recognised as Intangible assets under development as "Revenue Sharing Right" under development and financial assets. It has resulted in decrease in value of CWIP by Rs. 213.73 Lakhs (01 April 2015 : Rs. 8.87 lakhs) and the corresponding increase in intangible assets under development (Revenue sharing right under development) for Rs. 213.73 Lakhs (01 April 2015 : Rs. 8.67 lakhs).

Note 7: Other equity has increased by Rs. 710.39 Lakhs as at 31st March 2016 (Nil as at 1st April 2015) consequent to the above Ind AS transition adjustments..

D. SINGH & CO. New Delhi Chartered Accountants

AUDITORS' REPORT

D. SINGH & CO.
Chartered Accountants

C-97, Panchsheel Enclave,
New Delhi – 110017.
Phones : 41748880
Telefax : 011-26496284
Mob. No.: 9818692412, 9810331579
Email : dsinghco1959@gmail.com
: d_singhco@rediffmail.com

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BHARUCH DAHEJ RAILWAY COMPANY LIMITED

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Bharuch Dahej Railway Company Limited. ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss (including the statement of Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information. (herein after referred to as "Ind AS financial statements").

Management's Responsibility for the Ind AS financial statements

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

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

Auditors' Responsibility

Our responsibility is to express an opinion on these Ind AS 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.

We conducted our audit in accordance with the Standards on Auditing as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

D. SINGH & CO. New Delhi Chartered Accountants

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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

Qualified 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 section of our report, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017 and its loss, including other comprehensive income, its cash flows and changes in equity for the year ended on that date.

Basis for Qualified Opinion

a. Reference is drawn to Note No. 12.2.1 of the Ind AS financial statements. Western Railways has raised a claim towards recovery of Land License fees in respect of land leased to the Company for Rs. 14535.21 Lakh for the period 25th June 2008 to 31st March 2016 (consider the impact up to 31st March, 2017, the amount increases to Rs. 17526.6 Lakh) along with interest thereon. Out of the aforesaid claim, the company has accrued Rs. 5526.90 Lakhs (previous year Rs. 4,079.54 Lakhs) and has classified the same under Financial Liabilities – Non Current in the Ind AS financial statements. As per information and explanations provided, the company has contested the claim as violative of the provisions in the Concession Agreement and the matter is currently under consideration in the Railway Board. Considering the pendency of matter as on date of signing of this report, we are unable to ascertain the actual liability that may eventually crystalize in the case and consequently the impact if any, of the above on the Ind AS financial statements of the company is not ascertainable. Further it is noted that subsequent to raising the demand, Western Railways has not apportioned and remitted the share of Revenue to the company till the date of signing of this report. However, in absence of any confirmation from Western Railways on the recovery made so far, the impact of same on the Ind AS financial statements of the Company could not be ascertained.

b. Reference is drawn to Note No. 19 and Note No 8.1 to the Ind AS financial statements. The Income from Railway Operations of Rs 5159.37 lakhs (previous year 11136.90 lakhs) includes revenue amounting to Rs. 418.98 lakhs (previous year Rs. 2296.97 lakhs) pertaining to Bharuch-Chavaj section computed on provisional basis. The revenue recognized is outstanding as Trade Receivable of Rs. 2715.95 lakhs as on the balance sheet date. As per information and explanations provided, the revenue apportionment by Western Railways does not

D. SINGH & CO. New Delhi Chartered Accountants

include the apportionments for share of revenue towards the Bharuch - Chavaj section and that there is no written confirmation on account of Revenue from the Western Railways for support the above claim. Further, the company has also recognized the 'Intangible assets' pertaining to this section as the freight sharing rights of the company. However, the concession agreement executed with the Ministry of Railways dated 25th June 2008 does not include the said section as it was not envisaged at the time of agreement. Based on the audit procedures performed and queries made, we are unable to ascertain whether the company should recognize the corresponding revenue and Intangible asset in accordance with Ind AS 18 – Revenue and Ind AS 11- Construction Contracts respectively. Accordingly, we are unable to ascertain the amount of the consideration that will be derived from the above claim, the extent of recoverability of the same and consequential impact of the same on the Ind AS financial statements.

c. Reference is drawn to Note No. 47 of the Ind AS financial statements on Obligation to Restore project assets to specified level of serviceability. In terms of Concession agreement, there is an obligation on the Company to keep the project assets in working condition, including making replacement, as per laid down standards of Ministry of Railways, of all project assets whose lives expire during the concession period. Accordingly, Company is required to provide for in respect of replacement obligations arising during the remaining concession period as per requirement of Appendix A of the Ind AS 11 at the best estimate of expenditure required to settle the obligation. However, the company has not estimated and provided for the aforesaid obligation in the financial statements. In the absence of information, we are unable to ascertain the impact of the above on the Ind AS financial statements of the company.

d. Reference is drawn to Note No. 4 and Note No. 48 to the Ind AS financial statements. The financial statements for the year ended March 31, 2017 are the first Ind AS compliant financial statements of the Company. In preparing these financial statements, the company's opening balance sheet was prepared as at 1st April 2015 considered as date of transition to Ind AS. Appendix A to Ind AS 11 applies to the Company in respect of the Project Railway service concession arrangement. The Company has opted to apply this appendix from the transition date prospectively as the management does not find it practicable to apply this appendix retrospectively. Based on audit procedures and queries made, we are unable to obtain sufficient appropriate audit evidence to ascertain that retrospective application of Appendix A to Ind AS 11 is impracticable as defined in Ind AS 8 to avail the exemption of Ind AS 101. Consequently, we are unable to ascertain the impact, of the above on the Ind AS financial statements of the company.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note No. 19 & Note No. 21 to the Ind AS 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. The Company has however recognized the operating income and expenses arising out of this arrangement which is yet to be formalized.

D. SINGH & CO. New Delhi Chartered Accountants

We further draw attention to Note No.19 and Note No. 21 to the Ind AS financial statements. 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, including the Statement of other Comprehensive Income, the Statement of Cash Flow and Statement of Charges in Equity dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Relevant Rules issued thereunder

e) On the basis of the written representations received from the directors as on March 31, 2017 taken of record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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.

With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The company does not have any pending litigations which would impact its financial position.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. the Company has provided requisite disclosures in its Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note No 46 to the Ind AS financial statements

D. SINGH & CO. New Delhi Chartered Accountants

(96)

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 direction issued by the comptroller and Auditor-General India, in terms of sub section (5) of section 143 of the Act, we give in the compliance in the "Annexure C"

For **D. Singh & Co.**
Chartered Accountants
Firm Registration No. 001351N

D. SINGH & CO. New Delhi Chartered Accountants

Simran Singh
Partner
Membership No. 98641

Place: New Delhi
Date: 20-09-2017

Annexure - A to the Auditors' Report

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 31 March 2017 in conjunction with our audit of the Ind AS 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 maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). 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 judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the

D. SINGH & CO. New Delhi Chartered Accountants

preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017 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.

For **D. SINGH & CO**
Chartered Accountants
Firm's Registration Number : 1351N

Simran Singh
Partner
Membership Number: 098641

New Delhi
Date: 20-09-2017

Annexure - B to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the Ind AS financial statements for the year ended March 31, 2017,

We report that :

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed Assets.

(b) According to 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.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) The Company does not hold any inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company and hence not commented for.

(iii) 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 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 information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.

(vii) (a) According to the information and explanations given to us and the records of thé 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 31, 2017 for period of more than six months from the date they became payable.

D. SINGH & CO. New Delhi Chartered Accountants

(b) According to the information and explanations given to us, the following are the Statutory dues pending on account of disputes :

Name of Statute	Nature of Dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where the dispute is pending
Service Tax	Service Tax, interest and penalty	1633	2011-12 to 2013-14	CESTAT
Service Tax	Service Tax, interest and penalty	1638	2014-15	Commissioner Service Tax

(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.

(ix) Based on our audit procedures and as per the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable Indian accounting standards.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

D. SINGH & New Delhi Chartered Accountants

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **D. SINGH & CO**
Chartered Accountants
FRN : 1351N

D. SINGH & CO.
New Delhi
Chartered Accountants

Simran Singh
Partner
Membership No. 098641

New Delhi
Date: 20-09-2017

Annexure – C to the Auditors' Report

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	Not applicable
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.	According to information and explanations given to us and based on our examination of the records of the company there are no cases of waiver/ write off of debts/ loans/interest etc.	No action required	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 **D. SINGH & CO**
Chartered Accountants
FRN: 1351N

Simran Singh
Partner
Membership No. 098641
New Delhi
Date: 20-09-2017

COMMENTS OF THE C&AG AND MANAGEMENT REPLIES

CONFIDENTIAL/ गोपनिय

भारतीय लेखा एवम् लेखा परीक्षा विभाग
प्रधान निदेशक लेखा परीक्षक, रेलवे–वाणिज्यिक का कार्यालय
काफमो, भारतीय रेल, तिलक ब्रिज,नई दिल्ली – 110 002
INDIAN AUDIT AND ACCOUNTS DEPARTMENT
OFFICE OF THE PRINCIPAL DIRECTOR OF AUDIT,
RLY-COMMERCIAL,
COFMOW, INDIAN RAILWAYS, TILAK BRIDGE, NEW DELHI- 110002

No: PDA/RC/RPSU/32-94/BDRCL/2017-18/85 दिनांक: 21|Sep|17

सेवामें,

प्रबंधनिदेशक,
भरुच दहेज रेलवे कम्पनी लि०
नई दिल्ली

विषय: 31 मार्च 2017 को समाप्त वर्ष के लिए भरुच दहेज रेलवे कम्पनी लि० के वित्तीय विवरणों पर कंपनी अधिनियम 2013 की धारा 143 (6)(b) के अन्तर्गत भारत के नियंत्रक-महालेखापरीक्षक की टिप्पणियाँ।

महोदय,

मैं, भरुच दहेज रेलवे कम्पनी लि० के 31 मार्च 2017 को समाप्त वष के वित्तीय विवरणों पर कंपनी अधिनियम 2013 की धारा 143 (6)(b) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ अग्रेषित कर रहा हूँ।

कृपया इस पत्र की संलग्नकों सहित प्राप्ति की पावती भेजी जाए।

भवदीय,

संलग्न: यथोपरि।

(बी आर मोण्डल)
प्रधाननिदेशक / आर.सी.

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 2017.

The preparation of financial statements of Bharuch Dahej Railway Company Limited for the year ended 31 March 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act is responsible for expressing opinion on these 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 20 September 2017.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of Bharuch Dahej Railway Company Limited for the year ended 31 March 2017 under section 143 (6) (a) of the Act.

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

(B.R. Mondal)
Principal Director of Audit
Railway Commercial, New Delhi

Place: New Delhi
Dated: 21 September, 2017

Route MAP
Venue of Ninth AGM of BDRCL