



## Indian Port Rail Corporation Ltd.

Registered Office: 1st Floor, South Tower, NBCC Place, Bhishma Pitamah Marg, Lodhi Road, New Delhi - 110 003.

Corporate Office: 4th Floor, Nirman Bhavan, Mumbai, Port Trust Building, M.P. Road, Mazgaon(E), Mumbai - 400 010. Tel.: 022-66566343



Designed by Sai Advertisers - 2017

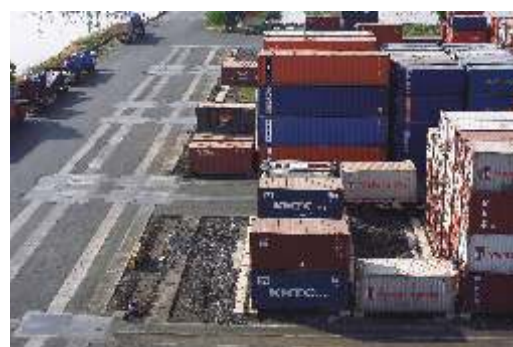


## Annual Report 2016-2017



## Indian Port Rail Corporation Ltd.

(A Government of India Enterprise)  
CIN No: U60300DL2015GOI282703







# CORPORATE INFORMATION



## BOARD OF DIRECTORS

Chairman (Secretary, Ministry of Shipping)	} Shri Rajive Kumar (Up to 27/06/2017) Shri Ravikant (w.e.f. 27/06/2017)
Managing Director	: Shri Anoop Kumar Agrawal
Government, Nominee Director	} Shri Sanjeev Ranjan (Up to 03/05/2017) Dr. Pradeep Kumar (03/05/2017 - 16/08/2017) Smt. Leena Nandan (w.e.f. 16/08/2017)
Promoter Directors	: Shri Sanjay Bhatia (Nominee of MbPT) Shri M. T. Krishna Babu (Nominee of VPT) Dr. Monica Agnihotri (Nominee of RVNL)

**COMPANY SECRETARY**  
Mr. Amaresh Pradhan

**STATUTORY AUDITOR**  
K. Prasad & Company  
Chartered Accountants, New Delhi

**SECRETARIAL AUDITOR**  
NSP & Associates  
Company Secretaries  
New Delhi

**BANKER**  
State Bank of India

**REGISTERED OFFICE**  
1st Floor, South Tower, NBCC Place,  
Bhisham Pitamah Marg, Lodhi Road,  
New Delhi-110003

**CORPORATE OFFICE**  
4<sup>th</sup> Floor, Nirman Bhavan,  
Mumbai Port Trust Building,  
M.P. Road, Mazgaon (E),  
Mumbai - 400010

Ph. : 022-66566343  
Email : cs.iprcl@gmail.com

## CONTENTS

Sr. No.	Particulars	Page No.
1.	AGM Notice	2 - 4
2.	Directors' Report	5 - 25
3.	C & AG Comments	26 - 27
4.	Secretarial Auditors' report	28 - 31
5.	Auditors' Report	32 - 39
6.	Annual Financials	40 - 55



# AGM NOTICE

## NOTICE

NOTICE is hereby given that the Second Annual General Meeting of the Indian Port Rail Corporation Limited is to be held on Friday, the 22nd day of September 2017 at 12.30 p.m. at Conference Room of Ministry of Shipping, Govt. of India, 4th Floor, Transport Bhawan, New Delhi-110001 to transact the following businesses:

### ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2017, together with the reports of the Board of Directors and the Auditors thereon.
2. To authorize the Board of Directors to fix the remuneration of Statutory Auditors to be appointed by the C & AG for Financial Year 2017-18.

By order of the Board  
For Indian Port Rail Corporation Limited

Anoop Kumar Agrawal  
Managing Director  
DIN: 07508525  
19, Sangam  
MbPT Officers' Colony,  
Dumayne Road, Colaba,  
Mumbai - 400005.

Amaresh Pradhan  
Company Secretary  
Mem. No: 17501

Date : 29th August, 2017  
Place : New Delhi

### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETINGS IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE ON A POLL ONLY, INSTEAD OF HIMSELF AND A PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT (48) HOURS BEFORE THE MEETING.
2. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) MEMBERS AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT (10%) OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT (10%) 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 RELATIVE EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 IN RESPECT OF THE BUSINESS UNDER ITEM SET OUT ABOVE IS ANNEXED HERETO.
4. CORPORATE MEMBERS INTENDING TO SEND THEIR AUTHORIZED REPRESENTATIVE TO ATTEND AND VOTE AT THE MEETING ARE REQUESTED TO ENSURE THAT THE AUTHORIZED REPRESENTATIVE CARRIES A DULY CERTIFIED TRUE COPY OF THE BOARD RESOLUTION, POWER OF ATTORNEY OR SUCH OTHER VALID AUTHORIZATIONS UNDER THE COMPANIES ACT, 2013 IN INDIA, AUTHORIZING THEM TO ATTEND AND VOTE AT THE MEETING. IN TERMS OF THE PROVISIONS OF THE COMPANIES ACT, 2013, THE REPRESENTATIVES OF CORPORATE MEMBERS WITHOUT PROPER AUTHORIZATION, SUCH AS BOARD RESOLUTION OR POWER OF ATTORNEY OR SUCH OTHER VALID AUTHORIZATION, MAY NOT BE ABLE TO ATTEND THE MEETING.
5. THE REGISTERS OF THE DIRECTORS AND KEY MANAGERIAL PERSONNEL AND THEIR SHAREHOLDING UNDER SECTION 170 OF THE COMPANIES ACT, 2013, WILL BE AVAILABLE FOR INSPECTION BY THE MEMBERS AT THE ANNUAL GENERAL MEETING.



# AGM NOTICE

## 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 : U60300DL2015GOI282703  
Name of the Company : Indian Port Rail Corporation Limited  
Regd. Office : 1<sup>st</sup> Floor, NBCC Place, Bhishma Pitamah Marg, Lodhi Road, New Delhi-110003  
Email: cs.iprcl@gmail.com  
Website :  
Phone : 022-66566343

Name of the Member(s):	
Registered Office:	
E-mail Id:	
Folio No.	

I / We, being the Member(s) of shares of the above named company, hereby appoint: Name: \_\_\_\_\_ Address: \_\_\_\_\_ or failing him; Name: \_\_\_\_\_ Address: \_\_\_\_\_ as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the Second Annual General Meeting of the Company, to be held on 22nd Day of September, 2017 at 12:30 P.M. at Conference Room of Ministry of Shipping, Govt. of India, 4th Floor, Transport Bhawan, New Delhi - 110001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Resolutions	For	Against
Ordinary Business:			
1.	To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2017, together with the reports of the Board of Directors and the Auditors thereon.		
2.	To authorize the Board of Directors to fix the remuneration of Statutory Auditors to be appointed by the C & AG for Financial Year 2017-18.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2017

Signature of the Shareholder \_\_\_\_\_

Signature of Proxy holder(s) \_\_\_\_\_

Please affix the  
Revenue  
Stamp of Re. 1

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 (Forty Eight) hours before the commencement of the meeting.





# AGM NOTICE

## Indian Port Rail Corporation Limited

1<sup>st</sup> Floor, NBCC Place, Bhishma Pitamah Marg,

Lodhi Road, New Delhi-110003

CIN: U60300DL2015GOI282703

Email id: cs.iprcl@gmail.com

Phone: 022- 66566343

## ANNUAL GENERAL MEETING

Please fill this attendance slip and hand it over at the entrance of the venue of the meeting.

Name of the Shareholder	
Address	
No. of Shares Held	
Registered Folio No.	

I certify that I am an authorized representative for the abovenamed shareholder of the Company. I hereby record my presence at the Second Annual General Meeting of Indian Port Rail Corporation Limited to be held on 22nd Day of September, 2017 at 12:30 P.M. at Conference Room of Ministry of Shipping, Govt. of India, 4th Floor Transport Bhawan, New Delhi - 110001.

Name of Shareholder

Name of the Member / Proxy (in block letters)

Signature of the Member / Proxy

## Road Map Land Mark: Transport Bhawan

Road Map: From Indira Gandhi International Airport, New Delhi to the Venue of AGM



# DIRECTORS' REPORT

To

The Members

Indian Port Rail Corporation Limited

Your Directors take pleasure in presenting the Second Directors' Report of your Company for the financial year ended 31st March, 2017.

## 1 FINANCIAL STATEMENTS & RESULTS

### a. Financial Results:

The Company's performance for the year ended 31st March, 2017 is as follows:

Particulars	As at March 31, 2017 (Rs. In Lakhs)	As at March 31, 2016 (Rs. In Lakhs)
Total Revenue	7168.52	91.33
Total Expenses	5852.75	77.27
Profit Before Tax	1315.77	14.05
Tax Expense including deferred tax	461.79	4.34
Profit for the Period	853.98	9.71

During the financial year ended March 31, 2017, your company has recorded Total Revenue of Rs. 7168.52 lakhs. Further, your company has also recorded a Profit after Tax of Rs. 853.98 lakhs in the second year of operations.

The turnover and profit of your Company has substantially increased, compared the last year due to the fact that the previous year was the first year of operation of the Company and the time was spent on capacity building, stabilizing the company and as well as identifying and taking up projects. Current year is the full year of operation. Therefore, the two periods are not comparable in the present form.

### b. Background :

In order to provide efficient rail evacuation systems to Major Ports and thereby enhancing their cargo handling capacity and efficiency, a proposal seeking approval of Cabinet to form a Special Purpose Vehicle (SPV) was mooted by the Ministry of Shipping. The Cabinet approved the proposal of formation of SPV on 25th March, 2015. The objective of the company is:

- To undertake last mile rail connectivity projects for Major Ports, and for Non-major ports (If the same are viable)
- To undertake modernization of the rail infrastructure at ports (Major)
- To operate and manage the internal port railway system
- To leverage the extant participative model of IR to enhance last mile rail connectivity as well as enhancement of capacity in the embedded hinterland
- To raise financial resources for funding
- To assess intermodal gaps in handling rail cargo of Major Ports and develop suitable solutions to enable seamless flow of Cargo
- EFC (Expenditure Finance Committee observed that IPRCL is having an option of taking up Critical Road Connectivity Projects wherever feasible

Based on this decision, Indian Port Rail Corporation Ltd. (IPRCL), was incorporated on 10th July, 2015 under Companies Act, 2013, in which the subscribed share capital of Rs. 100 Crore has been contributed by 11 Major Ports and Rail Vikas Nigam Limited (RVNL). The authorized share capital of the company is Rs. 500 Crore.



# DIRECTORS' REPORT

## c. Operations:

During the financial year 2016-17, following works were undertaken across various major ports.

Sr. No.	Particulars	No. of Works	Cost (approx) INR Crores
A	Works commenced during 2016-17	11	356
B	DPR Finalized, BIDS Invited to be finalized	4	465
C	DPRs submitted, Works under review	2	40
D	Works under discussion, planning and development	14	16150
E	Works of non-major ports, IWAI under planning	6	1850
	TOTAL	37	18861

With the anticipated steady growth of Indian Economy led by "Port Led Development", Indian Port Sector has to grow at a faster pace in the coming years and therefore the Company is expected to get a steady stream of projects involving augmentation and upgradation of rail infrastructure within Ports, improving last mile connectivity to Major Ports as well as large scale projects for enhancing the hinterland connectivity of Major Ports. The Sagarmala Programme, the flagship initiative of Ministry of Shipping, Government of India anticipates rail connectivity projects worth thousands of crores in the coming years.

More detail is provided in Management Discussion and analysis report placed at Annexure -I

## d. Dividend:

The Board of Directors have not recommended any dividend on equity shares so as to conserve the resources for future expansion and consequently, no amount has been transferred to reserve.

## e. Report on Performance of Subsidiaries, Associates and Joint Venture Companies:

During the year under review, your Company did not have any subsidiary, associate and Joint Venture Company. However, one MOU was signed during Maritime India Summit dated 14th April 2016 for strategic partnership between DB International GmbH fully owned by Deutsche Bahn AG, Germany (A Company 100% owned by Government of Germany) for sharing technology, skill and expertise in ensuring rapid development of transport related infrastructure, especially for critical connectivity / capacity enhancement at various major ports in India. Later due to restructuring the name of DB International GmbH was changed to DB Engineering and Consulting GmbH, which is still a 100% subsidiary company of Deutsche Bahn AG. Efforts have been made to identify areas and projects where DB and the Company can work together for Improvement of Rail Infrastructure in Major Ports.

## f. Deposits:

The Company has not accepted any amount falling within the purview of provisions of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rules, 2014 during the year under review. Hence, the requirement for furnishing of details relating to deposits covered under Chapter V of the Companies Act, 2013 or the details of deposits which are not in compliance with the Chapter V of the Companies Act, 2013 is not applicable.

## g. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:

The particulars as required under the provisions of Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 in respect of conservation of energy, technology absorption, foreign exchange earnings and outgo, etc. are furnished in 'Annexure-II' which forms part of this Report.



# DIRECTORS' REPORT

## h. Particular of Contracts or Arrangement with Related Parties:

The details of transactions/contracts/arrangements referred to in Section 188(1) of Companies Act, 2013 entered by the Company with related party(ies) as defined under the provisions of Section 2(76) of the Companies Act, 2013, during the financial year under review, are furnished in Form AOC-2 and is attached as 'Annexure-III' and forms part of this Report.

## i. Extract of Annual Return:

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013, Extract of the Annual Return for the financial year ended 31st March, 2017 made under the provisions of Section 92(3) of the Companies Act, 2013 is attached as 'Annexure-IV' which forms part of this Report.

## j. Particulars of Investments, Loans, Guarantees and Securities:

During the year, your Company has neither given any loan, guarantee and security nor made any investment covered under the provisions of Section 186 of the Companies Act, 2013.

## k. Disclosures under Section 134(3)(l) of the Companies Act, 2013:

There are no material changes and commitments affecting the financial position of your Company which have occurred from the financial year ended 31st March, 2017 till the date of this Report. During the year under review, there was no change in nature of the business of your Company.

## l. Disclosure of Internal Financial Controls:

The Internal Financial Controls with reference to financial statements as designed and implemented by your Company are adequate. During the year under review, no material or serious observation has been received from the Statutory Auditors of the Company for inefficiency or inadequacy of such controls.

## m. Board Meetings:

The Board of Directors met 5 times during the financial year ended 31st March, 2017 in accordance with the provisions of the Companies Act, 2013 and the rules made thereunder. The details of the same are as mentioned under:-

Sr. No.	Date of Meeting	Total No. of Directors on the Date of Meeting	No. of Directors Attended
1.	1st June, 2016	Six	Five
2.	7th September, 2016	Six	Five
3.	13th October, 2016	Six	Five
4.	21st December, 2016	Six	Six
5.	30th March, 2017	Six	Six

# Attendance through video conferencing is considered





## 2 MATTERS RELATED TO DIRECTORS AND KEY MANAGERIAL PERSONNEL:

a. During the year, the following Directors cease to hold office:

SN	Name	DIN/PAN	Designation	Date of Appointment	Date of Cessation
1.	Ravi Manubhai Parmar	07039943	Nominee Director	28/12/2015	01/06/2016
2.	Rabindra Kumar Agarwal	00365865	Director	10/07/2015	09/05/2016

b. The following Directors cease to hold office after the closure of Financial Year:

SN	Name	DIN/PAN	Designation	Date of Appointment	Date of Cessation
1.	Sanjeev Ranjan	02977371	Nominee Director	28/12/2015	03/05/2017
2.	Rajive Kumar	06620110	Chairman and Director	10/07/2015	27/06/2017
3.	Pradeep Kumar	05125269	Nominee Director	03/05/2017	16/08/2017

c. The following Directors and KMPs are holding Office on the date of this report:

SN	Name	DIN/PAN	Designation	Date of Appointment
1.	Ravikant	03092250	Chairman and Director	27/06/2017
2.	Tirumala Krishna Babu Movva	02795668	Nominee Director	28/12/2015
3.	Leena Nandan	07491926	Nominee Director	16/08/2017
4.	Monica Agnihotri	06953119	Nominee Director	28/12/2015
5.	Anoop Kumar Agrawal	07508525	Managing Director	09/05/2016
6.	Sanjay Satyapal Bhatia	00084672	Nominee Director	01/06/2016
7.	Amaresh Pradhan	AMPPP1045B	Company Secretary	01/09/2016

## 3 AUDITORS' REPORT:

The Comptroller and Auditor General (C & AG) of India has appointed M/s. K. Prasad & Co, Chartered Accountants as the Statutory Auditors of the Company for the year 2015-16 and 2016-17. The Statutory Auditors' Report to accounts, which is self-explanatory and also the clarifications wherever necessary have been included in the 'Notes to Financial Statements'. However, there has been no qualification reported by the Auditors.

Secretarial Auditor's Report as submitted by M/s. NSP & Associates, firm of Company Secretaries contain remarks which are self-explanatory and are noted by the Board and the management is taking steps to comply with the same in coming Financial Year.

### Comments of Comptroller & Auditor General of India:

The office of The Comptroller and Auditor General has issued a Supplementary Audit under Section 143(6)(b) vide their letter No. PDCA/CA-II/IPRCL/2016-17/119 dated 04/08/2017. There is no such adverse comment.

## 4 OTHER DISCLOSURES:

a. Directors' Responsibility Statement:

In terms of Section 134 (5) of the Companies Act, 2013, in relation to the audited financial statements of your Company for the year ended 31st March, 2017, the Board of Directors hereby confirms that:

- In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- Such accounting policies have been selected and applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at 31st March, 2017 and of the profit/loss of the Company for that year.
- Proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities.
- The annual accounts of the Company have been prepared on a going concern basis.
- Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

b. Corporate Social Responsibility:

Being the second financial year, the Company has crossed the threshold limit of net profit of ₹ 5.00 crores for the first time. The Company would take effective steps to create a CSR committee and comply with the criteria as mentioned in Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014. Hence, provision of Corporate Social Responsibility is not applicable to the Company for financial year 2016-17.

c. Prevention of Sexual Harassment Policy:

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and the Rules made thereunder, your Company has constituted an Internal Complaints Committees. During the financial year 2016-2017, no case was reported.

d. Disclosure under Section 54(1)(d) of the Companies Act, 2013:

The Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of Section 54(1) (d) of the Companies Act, 2013 read with Rule 8 (13) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

e. Disclosure under Section 62(1)(b) of the Companies Act, 2013:

The Company has not issued any equity shares under Employees Stock Option Scheme during the year under review and hence no information as per provisions of Section 62(1)(b) of the Companies Act, 2013 read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

f. Disclosure under Section 67(3) of the Companies Act, 2013:

During the year under review, there were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Companies Act, 2013 read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014 is furnished.

g. Appointment of Auditors:

The Comptroller and Auditor General (C & AG) of India has appointed M/s. Jayesh Dadia & Associate LLP, as the Statutory Auditors of the Company for the Financial Year 2017-18.



# DIRECTORS' REPORT

## h. Human Resource and Recruitment:

During the period the Company followed the HR policy of RITES as mandated by the Board. The company prepared the HR policy taking into consideration of other PSUs operating in the same field like RITES, RVNL, IRCON, KPL etc. After deliberation at the committee constituted for this purpose, the initial HR policy of the company was approved at the 7th Board Meeting held on 21.12.2016.

During the year for the day to day working and smooth functioning of administrative, project, accounts and HR needs, the company relied on retired officials with specific expertise in a relevant field and contact employees through outsourcing agency.

The company has approval of 19 cadre strength vide the 4th Board Meeting which was subsequently increased to 30 consisting of various categories and pay-band till March 2018. During the period the Company has recruited/selected the following official on the approved cadre.

1. Managing Director
2. Director (Finance) - Clearance from CVC obtained & processed for ACC clearance
3. Director (Works) - Clearance from CVC obtained & processed for ACC clearance
4. GM (Projects), Bhubaneswar on 5 years tenure basis an Ex IRSE officer
5. AGM (Projects), Bhubaneswar on absorption
6. Company Secretary on 3 years tenure basis
7. Sr. Manager (Civil) on Deputation from Railways
8. DGM (HR) on absorption basis
9. Sr. Manager (Project) from IRCON on absorption basis

Employment of Retired personnel with relevant expertise for six months to one year contract basis for specific works:

1. Advisor (Transport)
2. Advisor (Projects)
3. Advisor (Finance)
4. Consultant Liaison at New Delhi
5. Consultant PS to HOD

## i. Disclosure of Orders Passed by Regulators or Courts or Tribunal:

No orders have been passed by any Regulator or Court or Tribunal which can have impact on the going concern status and the Company's operations in future.

## 5 CORPORATE GOVERNANCE:

Your Corporation believes that for a company to be successful, it must maintain global standards of corporate conduct towards all its stakeholders. Your Company believes that the principles of fairness, transparency and accountability are the cornerstones for good governance. It is the Company's endeavour to continue to achieve the highest levels of governance and to benchmark itself with the best governed companies in the similar trade. The application for categorization of the Company is pending with DPE. On approval of categorization the company would follow the required guidelines of DPE in this regard.



# DIRECTORS' REPORT

## 6 ACKNOWLEDGEMENTS AND APPRECIATION:

The Directors wish to place on record their sincere thanks for the guidance and cooperation extended by the Hon'ble Minister of Shipping, Government of India. Thanks, are also placed on record to Hon'ble Minister of State for Shipping, Govt. of India. The Directors also wish to thank the Secretary, Special Secretary, Joint Secretaries and other officials of the Ministry of Shipping, Ministry of Railways and Railway Board and their officials, Chairmen and other officials of all major Ports, shareholders, RITES and RVNL, bankers, business partners/associates, for their consistent support and encouragement to the Company.

For Indian Port Rail Corporation Limited

Sd-  
**ANOOP KUMAR AGRAWAL**  
Managing Director  
DIN - 07508525

Sd-  
**MONICA AGNIHOTRI**  
Director  
DIN - 06953119

Date : 29th August, 2017  
Place: New Delhi





## ANNEXURE-I

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

#### Industry Structure and Development:

##### Industry Prospects and Outlook:

India has a 7,500 km long coastline and 14,500 km of potentially navigable waterways. 12 major and 200 non-major ports located along the Western and Eastern coastlines have so far been responsible for 90% of India's trade by volume. Over 1 billion tonnes of cargo was handled across Indian ports in Financial Year FY 2015-16. Projected cargo volume by 2025 is estimated to be over 2.5 billion tonnes - this massive increase calls for substantial capacity augmentation of the existing ports and building of new ports in the next 10 years. Facilitating swifter and superior connectivity is key to cargo handling for which efficient modes of evacuation of both Export/Import cargo is required. There is also an immense scope for reduction in transportation and logistics costs and boosting export competitiveness through developing port-proximate industrial clusters.

The long term outlook for the sector is positive, especially in view of recent Government initiatives like Sagarmala. As per Ministry of Shipping (MoS) estimates, the capacity at Indian Ports is expected to increase to 3500 mt while the cargo traffic is expected to reach 2500 mt by the year 2025.

In the short term, the overall EXIM trade is expected to grow at a moderate rate along with slight increase in global trade projections. The Mid-year Economic Survey has pegged the world trade growth at 3.8 per cent and 3.9 per cent in 2017 and 2018, respectively. Further, with the slowly improving world economic situation, India's exports turned positive at 12.3% in 2016-17 after a gap of two years.

The current demand factors like growing demand for Coal and other commodities, increasing crude imports and growth container traffic due to increased trade are being supported by industry positive Government policies like National Maritime Development Agenda, National Perspective Plan for Sagarmala, 100% FDI in the Port Sector under automatic route and incentives to private players including addressing their concerns through improvements in Model Concession Agreement.

These developments are driving increased investments in the port development and related activities as well as involvement of foreign players leading to expansion of port development and distribution facilities using modern technology and global best practices in project development/ management.

##### Growth Drivers:

- Improving Global and Domestic Macroeconomic Environment
  - o The medium to long-term growth projections for Indian economy remain strong. According to RBI, Indian economy is expected to gain momentum from 2015-16 onwards facilitated by pick-up in economy activity supported by monetary policy easing.
  - o The International Monetary Fund (IMF) has projected Indian GDP growth rate at 7.2% in 2017-18 and 7.7% in 2018-19.
  - o The outlook for World GDP growth is at 3.5% in 2017 and 3.6% in 2018. The global economy grew at 3.2% in 2016. The Indian economy expanded by 7.1% in 2016-17.
- Government Initiatives
  - o Launch of Sagarmala with a comprehensive view on the port-led development
  - o Guidelines for Undertaking Dredging at Major Ports, 2015
  - o Extension of 24\*7 customs clearance facility to total 18 ports
  - o Customs and excise duty exemption in the use of bunker fuels
  - o Withdrawal of 13 archaic rules under the Merchant Shipping Act, 1958

- Focus on New Areas of Growth
  - o Ports diversifying into the new areas to offset the fluctuation in cargo volumes due to global slowdown and policy uncertainty
  - o Cruise shipping, bunkering, liquefied natural gas, and roll-on, roll-off facilities have emerged as new growth areas for Indian ports
  - o Though the contribution of these segments in total revenue of the ports is quite insignificant, the situation is expected to change going forward
- Increased focus on Coastal Shipping and Inland Waterways
  - o Renewed focus on coastal shipping and IWT, and that too, on a much bigger scale
  - o Declaration of 106 inland waterways as NWs under the National Waterways Bill, 2015
  - o Cabotage relaxation for Ro-Ro and LNG vessels, to promote coastal shipping
  - o Launch of incentive scheme for shifting cargo from roads and railways to coastal shipping

The Sagarmala initiative, launched by the Government of India in July 2015, aims to promote port-led development and is expected to guide the developments in the Port and ancillary sectors in the mid-to-long term. The impact of this initiative will be significant on the growth prospect of the Company.

#### Industry Structure and Development:

##### a. Need for Indian Port Rail Corporation Ltd

Ports serve as the interface between maritime and inland transportation, and play a significant role in the economic development of a country. India has a vast coastline of around 7,517 km and close to 95 per cent of India's global merchandise trade by volume and 70 per cent by value are carried through the sea route. Thus, India's 12 major ports and more than 200 non-major ports play a critical role in development of the country.

The efficiency of the ports and utilization of the cargo handling capacity is largely dependent on how quickly the cargo can be evacuated from the ports. Therefore, road and rail connectivity forms an integral part of the port infrastructure. Inadequate rail and road connectivity, lead to delayed evacuation of cargo and this in turn leads to port congestion. Port connectivity has ramifications that go beyond the operation of a port alone. If a port, for example, lacks or has underdeveloped rail connectivity for evacuation of cargo, then it forces the industry to use road for transporting cargo such as dry-bulk or containers that is best suited for movement by rail. This not only adds to the already congested road network but also increases the cost of export and imports. This adversely impacts the competitiveness of Indian industry.

The twelve major ports in India handle bulk of the maritime cargo in the country. They depend heavily on road and rail sectors for evacuation of cargo. The railways play a crucial role in movement of cargo constituting around 30 per cent of the modal share. Although, all major ports have internal rail network, in most of them, the rail network have evolved over the past 4 to 5 decades and are in a dire need of modernization, augmentation, up gradation, repair and professional management. Most ports have the exchange yard system which is antiquate and inefficient, also the present internal rail systems at many major ports suffer from constraints such as inadequate full length lines, poor maintenance of tracks and signaling infrastructure, limited electrification of the internal network, etc.

Despite having adequate capacity and modern handling facilities, the ports are hard-pressed to ensure a quicker turnaround of ships (the average turnaround time at major ports in 2014-15 was 4.01 days) and handle additional traffic because of slow evacuation of cargoes from the ports by railway. This undermines the competitiveness of major ports compared not only to other ports in neighbouring countries/ regions but also compared to non-major ports. The non-major ports are able to load/offload cargoes at a much faster rate compared to major ports and their rail evacuation systems too are at multiples of efficiency compared to those at major ports.





# DIRECTORS' REPORT

Therefore, it is important that internal rail connectivity of major ports with the hinterland be augmented, modernized, and professionally managed not only to ensure smooth flow of traffic at the present level but also to meet the requirements of projected increase in traffic and capacity. Further, the evacuation of cargo from the port and movement to the port areas has to be properly synchronized so that the inter-modal network should function smoothly.

Considering the importance of internal rail connectivity in evacuation of the cargo from Port, Government of India took a decision to form a special-purpose company with equity participation of all major ports to implement rail connectivity projects aimed at improving supply chain services to ports. The SPV (special-purpose vehicle) would work in close coordination with Indian Railways and leverage the existing participative model of Railways for enhancing last-mile connectivity to ports. The work of the SPV is expected to result in substantial reduction in dwell time of cargo at ports and bring down the overall logistics costs for trade.

## b. Role of Indian Port Rail Corporation Limited

Indian Port Rail Corporation Limited has been incorporated as a public limited company under Companies Act, 2013. It is a Joint Venture between eleven Major Ports and Rail Vikas Nigam Limited (RVNL), with the administrative control resting under the Ministry of Shipping. The primary objective of the company is to provide efficient rail evacuation systems to Major Ports and thereby enhance their capacity and throughput.

The main objectives of the company include:

- Connectivity - IPRCL may take up last mile rail connectivity projects at major ports, based on the recommendation of Technical Consultant. Such projects are not limited to Major ports alone and the company may consider similar viable projects at non-major ports as well.
- Modernization - The major ports already have substantial railway infrastructure in place. However, much of this infrastructure has evolved over several years. The technology adopted is either outdated or ill-suited to carry out operations on a large scale. This requires that the infrastructure assets be augmented and modernized in-order to handle more traffic and help achieve greater level of efficiency.
- Improve Efficiency and assist in Better Managing of Internal Rail Network of Ports - A key objective of setting up IPRCL is to bring in efficiency in the operation and maintenance of the internal railway systems at major ports. The railway operations are an integral part of the port system but nonetheless do not form a part of core activity of seaports. IPRCL can assist the ports in better management of their rail networks by benchmarking and introduction of best practices from India and abroad.
- Financial Resources - Company can leverage its strong equity capital to borrow funds from the market and employ them in executing the rail/road connectivity projects on behalf of the ports. This will help free up funds with the ports for other capital intensive projects.
- Intermodal Gaps - Company can act as an independent agency for assessing the gaps in handling the rail cargo of major ports. These gaps may either be Infrastructure related or procedural in nature. After assessing the issues, the company will develop a suitable solution which will enable seamless flow of cargo through the major ports.

Although the focus of the company will be on railway systems at major ports, the company can also undertake connectivity projects at minor, intermediate or private ports. The company can even venture into executing road connectivity projects.



# DIRECTORS' REPORT

## Vision and Strategic Role :

### Vision Statement

To emerge as most efficient Rail Infrastructure Service provider, to the ports in the country by incorporating best global operational practices leading to efficient project execution and operations.

### Mission Statement

To provide efficient and sustainable rail based infrastructure to all Ports in the country for smoother regional and national economic development.

- To promote and facilitate improvements for enhancing the connectivity of all Major Ports.
- To deliver effective and optimum commercial results to the Major Ports through operation and management of internal Port Railway systems.
- To assist in managing the environmental impacts of port operations by optimising, augmenting and modernizing the evacuation infrastructure in Ports
- To collaborate with multiple stakeholders in developing multipurpose port logistic facilities with a commitment to deliver and excel in management, supervision, execution and continuous improvement of mission critical activities

### Values

IPRCL to inculcate values for performance, customer service, teamwork, professionalism and safety, across all levels of the organization.

### Positioning

The role and positioning of IPRCL is envisaged to emanate out of some of the needs and gaps in the rail infrastructure at ports and requirements for enhanced last-mile and hinterland connectivity.

Being the first dedicated company floated by Major Ports that has expertise in Railways, it will enable pooling of resources and provide economies of scale.

**IPRCL to play a strategic role and position itself as a complementary agency, acting as mentor and coordinator for railway systems of Major Ports**

In this context, company would focus on following key aspects:

- Interface with Government departments/ agencies and autonomous bodies on strategic issues and also work with consultants for removing bottlenecks
- It will act as the centre of communication between Ports, Railway and various other authorities. IPRCL will assist the Major Ports in deciding the size, outlay, scope of the required projects, as well as prioritize the various works to derive the maximum efficiency gains in the shortest possible time frame.
- Attract investors and financial resources for port evacuation infrastructure projects
- Act as consultant for bringing in best practices in areas of IT, processes, systems and other areas
- Develop technical and financial competence for undertaking DPR/PMC work

**Company will undertake up gradation and modernization of rail related infrastructure at Major Ports.**

The current rail infrastructure at most major ports are in urgent need for upgradation to enable them to handle increased cargo traffic. Modernization of these assets and induction of latest technology to increase their efficiency is also a priority for and in the best interests of the ports and port users. A dedicated company for carrying out these activities can bring in rapid improvements in the internal port railway systems. The



# DIRECTORS' REPORT

company may also play a key role in effectively interfacing with the Indian Railways for addressing issues such as supply of rakes, pre-project approvals and post-project certifications.

Company will undertake projects focusing on providing last-mile connectivity at Major Ports and enhancement in embedded Hinterland connectivity

This is one of the key roles envisaged for the Company. It will facilitate and coordinate the development, design, construction, operation and maintenance of effective, efficient and competitive rail evacuation systems to Ports in India and in particular the Major ports by way of creating last mile connectivity of the ports. The Company may also assist in the creation of new and enhancement of capacity in embedded hinterland connectivity.

The Company may contribute to the role of a think-tank to develop scalable, workable models in port infrastructure for evacuation of cargo. The Company can prepare the necessary tool-kits (model concession agreements, project structures, financial models, bid documents etc.) which will help build capacity in major as well as non-major ports. The Company may demonstrate the development of such models by providing end-to-end services to ports.

It is envisaged that the Company can take up this role considering that it has linkages with Ministry of Shipping, Major Ports and Rail Vikas Nigam Limited (RVNL). RVNL in particular has strong experience, network and understanding of infrastructure development across Ports and Railways sector. IPRCL can leverage the experience and expertise of these various organizations to build a strong base in the initial years of its existence. Additionally, being a public-sector entity it can inspire the necessary trust from the various organizations.

## Cautionary Statement:

*Statements in the Management Discussion and analysis report describing the Company's Strengths, Strategy and estimates are forward looking Statements and progressive within the meaning of applicable laws and regulations. Actual result may vary from those expressed or implied, depending upon economic conditions, Government policies and other incidental factors. Readers are cautioned not to place undue reliance on the forward-looking statement.*



# DIRECTORS' REPORT

## ANNEXURE-II

### Disclosure Pursuant to Section 134 (3) (M) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014

#### (A) Conservation of Energy:

Steps taken or impact on conservation of energy	a. Improvement in energy efficiency by installing energy efficient lights in the corporate office; b. Controlling the lighting operation for regular operations post office hours, during weekends and holidays; c. IPRCL is conscious of the limited nature of conventional sources and the importance of using the energy resources wisely. Initiatives taken to create awareness amongst employees.
Steps taken by the company for utilizing alternate sources of energy	Considering the nature of activities of the company, there is no possibility of utilizing alternate sources of energy.
Capital investment on energy conservation equipment	Not applicable as explained above

#### (B) Technology Absorption :

Efforts made towards technology absorption	Considering the nature of activities of the company, there was no requirement with regard to technology absorption during the year 2016-17.
Benefits derived like product improvement, cost reduction, product development or import substitution	
In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):	
Details of technology imported	Not Applicable
Year of import	Not applicable
Whether the technology has been fully absorbed	Not applicable
If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	Not applicable
Expenditure incurred on Research & Development	Nil

#### (C) Foreign Exchange Earnings and Outgo :

Particulars	Amount (in Rupees)
Actual Foreign Exchange Earnings	NIL
Actual Foreign Exchange Outgo	13,845







# DIRECTORS' REPORT

## ANNEXURE-III

Form No. AOC-2

### Pursuant to Clause (h) of Sub-Section (3) of Section 134 of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014

Form for Disclosure of Particulars of Contracts / Arrangements entered into by the Company with Related Parties referred to in Sub-Section (1) of Section 188 of the Companies Act, 2013 including certain Arm's Length Transactions under Third Proviso thereto

(A) Details of Contracts or Arrangements or Transactions Not At Arm's Length Basis : Not Applicable

Particulars	Particulars
Name(s) of the related party and nature of relationship	NIL
Nature of contracts / arrangements / transactions	N/A
Duration of the contracts / arrangements / transactions	N/A
Salient terms of the contracts or arrangements or transactions including the value, if any	N/A
Justification for entering into such contracts or arrangements or transactions	N/A
Date(s) of approval by the Board	N/A
Amount paid as advances, if any	N/A
Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	N/A

(B) Details of Material Contracts or Arrangement or Transactions At Arm's Length Basis:

Particulars	Particulars
Name(s) of the related party and nature of relationship	NIL
Nature of contracts / arrangements / transactions	NIL
Duration of the contracts / arrangements / transactions	NIL
Salient terms of the contracts or arrangements or transactions including the value, if any	NIL
Date(s) of approval by the Board, if any	NIL
Amount paid as advances, if any	NIL

For Indian Port Rail Corporation Limited

ANOOP KUMAR AGRAWAL  
Managing Director  
DIN - 07508525

MONICA AGNIHOTRI  
Director  
DIN - 06953119



# DIRECTORS' REPORT

## ANNEXURE-IV

FORM NO. MGT 9

### EXTRACT OF ANNUAL RETURN

As on financial year ended on 31/03/2016

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

#### I. REGISTRATION AND OTHER DETAILS:

1.	CIN	U60300DL2015GOI282703
2.	Registration Date	10/07/2015
3.	Name of the Company	Indian Port Rail Corporation Limited
4.	Category/Sub-category of the Company	Company limited by shares / Union Govt Company
5.	Address of the Registered office & contact details	1st Floor, South Tower, NBCC Place, Bhishma Pitamah Marg, Lodhi Road, New Delhi - 110003  Corporate Office : 4th Floor, Nirman Bhawan, Mumbai Port Trust Office, Mazgaon (East), Mumbai - 400010. Email : cs.iprcl@gmail.com, Phone No. : 022-66566335.
6.	Whether listed company	No
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	NA

#### 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

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Engineering activity and related technical consulting	7110	100

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/Associate	% of Shares Held	Applicable Section
NA	NA	NA	NA	NA



# DIRECTORS' REPORT

## IV. SHARE HOLDING PATTERN:

(Equity Share Capital Breakup as Percentage of Total Equity)

### A. Category-wise Share holding:

[The Company was incorporated on 10/07/2015]

Category of Shareholders	No. of Shares held at the beginning of the year [01-April-2016] (In Crore)				No. of Shares held at the end of the year [As on 31-March-2017] (In Crore)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	10	10	100	-	10	10	100	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A) (1)		10	10	100		10	10	100	
(2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-Total (A) (2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	-	10	10	100	-	10	10	100	-
B. Public Shareholding									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-



# DIRECTORS' REPORT

Category of Shareholders	No. of Shares held at the beginning of the year [01-April-2016] (In Crore)				No. of Shares held at the end of the year [As on 31-March-2017] (In Crore)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital up to ` 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of ` 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2)	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)= (B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	10	10	100	-	10	10	100	-





# DIRECTORS' REPORT

## B. Shareholding of Promoter -

S N	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share- holding during the year
		No. of Shares (In Crore)	% of Total Shares of the company	% of Shares Pledged/ encumb- ered to total shares	No. of Shares (In Crore)	% of Total Shares of the company	% of Shares Pledged/ encumb- ered to total shares	
1.	Jawaharlal Nehru Port Trust	1.53	15.3	-	1.53	15.3	-	-
2.	Visakhapatnam Port Trust	1.08	10.8	-	1.08	10.8	-	-
3.	Kolkata Port Trust	1.08	10.8	-	1.08	10.8	-	-
4.	Paradip Port Trust	1.08	10.8	-	1.08	10.8	-	-
5.	New Mangalore Port Trust	0.72	7.2	-	0.72	7.2	-	-
6.	Chennai Port Trust	0.72	7.2	-	0.72	7.2	-	-
7.	Kandla Port Trust	0.72	7.2	-	0.72	7.2	-	-
8.	Kamarajar Port Limited	0.72	7.2	-	0.72	7.2	-	-
9.	Mumbai Port Trust	0.45	4.5	-	0.45	4.5	-	-
10.	V.O Chidambaranar Port Trust	0.45	4.5	-	0.45	4.5	-	-
11.	Mormugao Port Trust	0.45	4.5	-	0.45	4.5	-	-
12.	Rail Vikas Nigam Limited	1	10	-	1	10	-	-
	Total	10	100.00	-	10	100	-	-

## C. Change in Promoters' Shareholding (please specify, if there is no change) : - No Change

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares (In Crore)	% of total shares of the company	No. of shares (In Crore)	% of total shares of the company
	At the beginning of the year	10	100	10	100
	Date wise Increase / Decrease in Promoters' Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	10	100	10	100



# DIRECTORS' REPORT

## D. Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding 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	-	-	-	-
	Date wise Increase / Decrease in Promoters' Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-

## E. Shareholding of Directors and Key Managerial Personnel: NIL

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding 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	-	-	-	-
	Date wise Increase / Decrease in Promoters' Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-





# DIRECTORS' REPORT

## V. INDEBTEDNESS :

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	-	-	-	-
I) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	NIL	NIL	NIL	NIL
Change in Indebtedness during the financial year				
*Addition	-	-	-	-
*Reduction	-	-	-	-
Net Change				
Indebtedness at the end of the financial year				
I) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	NIL	NIL	NIL	NIL

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager: NIL

SN.	Particulars of Remuneration	Anoop Kumar Agrawal, Managing Director	Total Amount
1	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	23,69,405/-	23,69,405/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NIL	NIL
2	Stock Option	NIL	NIL
3	Sweat Equity	NIL	NIL
4	Commission - as % of profit - others, specify...	NIL	NIL
5	Others, please specify	NIL	NIL
	Total (A)	23,69,405/-	23,69,405/-
	Ceiling as per the Act	Not applicable as Co. is a Govt. Co.	NA



# DIRECTORS' REPORT

## B. Remuneration to other directors :

All the business activities contributing 10 % or more of the total turnover of the company shall be stated

SN.	Particulars of Remuneration	Name of Directors				Total Amount
		NA	NA	NA	NA	
1	Independent Directors	NIL	NIL	NIL		NIL
	Fee for attending board committee meetings					
	Commission					
	Others, please specify	NIL	NIL	NIL		NIL
	Total (1)					
2	Other Non-Executive Directors	NIL	NIL	NIL		NIL
	Fee for attending board committee meetings					
	Commission					
	Others, please specify					
	Total (2)	NIL	NIL	NIL	NIL	NIL
	Total (B)=(1+2)	NIL	NIL	NIL	NIL	NIL
	Total Managerial Remuneration	NIL	NIL	NIL	NIL	NIL
	Overall Ceiling as per the Act	NA	NA	NA	NA	NA

## C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD [NIL]

SN	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO/MD	CS	CFO	
1	Gross salary	23,69,405/-	6,21,240/-	NIL	29,90,645/-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961				
2	Stock Option	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL
4	Commission - as % of profit others, specify...	NIL	NIL	NIL	NIL
5	Others, please specify	NIL	NIL	NIL	NIL
	Total	23,69,405/-	6,21,240/-	NIL	29,90,645/-

## PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :

No penalties/punishment/compounding of offences were levied under Companies Act, 2013.

For Indian Port Rail Corporation Limited

**ANOOP KUMAR AGRAWAL**  
Managing Director  
DIN - 07508525

**MONICA AGNIHOTRI**  
Director  
DIN - 06953119

Date : 29th August, 2017  
Place : New Delhi



**भारतीय लेखापरीक्षा तथा लेखा विभाग**  
कार्यालय प्रधान निदेशक वाणिज्यिक लेखापरीक्षा  
तथा पदेन सदस्य, लेखापरीक्षा बोर्ड-I, मुंबई



**INDIAN AUDIT & ACCOUNTS DEPARTMENT**  
OFFICE OF THE PRINCIPAL DIRECTOR OF  
COMMERCIAL AUDIT & EX-OFFICIO MEMBER,  
AUDIT BOARD-I, MUMBAI

04 AUG 2017

गोपनीय/शीघ्र डाक

संख्या: पीडीसीए/सीए-11/आयपीआरसीएल/लेखा/2016-17/119

प्रबंध निदेशक,  
इंडियन पोर्ट रेल कॉर्पोरेशन लिमिटेड,  
4 थी मंजिल, निरमान भवन,  
मुंबई पोर्ट ट्रस्ट इमारत,  
एम. पी. रोड, माझगांव (ईस्ट)  
मुंबई 400 010

विषय: 31 मार्च 2017 को समाप्त वर्ष हेतु इंडियन पोर्ट रेल कॉर्पोरेशन लिमिटेड (IPRCL), मुंबई के वित्तीय विवरणों पर कंपनी अधिनियम 2013 की धारा 143(6)(बी) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ।

महोदय,

31 मार्च 2017 को समाप्त वर्ष हेतु इंडियन पोर्ट रेल कॉर्पोरेशन लिमिटेड, मुंबई के वित्तीय विवरणों पर कंपनी अधिनियम 2013 की धारा 143(6)(बी) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक के द्वारा दी गई टिप्पणियाँ इस पत्र के साथ संलग्न हैं। टिप्पणियों को मुद्रित वार्षिक प्रतिवेदन के विषयमूची में उचित संकेत सहित सांविधिक लेखापरीक्षक के प्रतिवेदन के आगे रखा जाये।

वार्षिक सामान्य बैठक के समापन के पश्चात, वित्तीय विवरण, सांविधिक लेखापरीक्षक का प्रतिवेदन तथा भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियों को अपनाते हुए वार्षिक सामान्य बैठक को कार्यवाही की एक प्रतिलिपि इस कार्यालय को अविलंब अग्रेषित की जाए। मुद्रित वार्षिक रिपोर्ट की दस प्रतियाँ भी इस कार्यालय को भेजी जायें।

कृपया इस पत्र एवं संलग्नकों की प्राप्ति की सूचना दें।

भवदीया,



(रूप राशि)

प्रधान निदेशक वाणिज्यिक लेखापरीक्षा तथा  
पदेन सदस्य, लेखापरीक्षा बोर्ड -I, मुंबई

संलग्नक: यथोपरि।

1

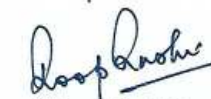
सातवीं मंजिल, आर.टी.आई. बिल्डिंग, प्लॉट नं. सी-2, जी.एन. ब्लॉक, एशियन हार्ट इन्स्टिट्यूट के पीछे, बान्द्रा-कुर्ला कॉम्प्लेक्स, बान्द्रा (पूर्व), मुंबई-400 051  
Seventh Floor, R.T.I. Building, Plot No. C-2, G.N. Block, Behind Asian Heart Institute, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051.  
प्रशासन : 26520873 • प्रतिवेदन : 26502843 • फॅक्स : 26527165 • ई-मेल : mabMumbai1@cag.gov.in  
Admin : 26520873 • Report : 26502843 • Fax : 26527165 • E-mail : mabMumbai1@cag.gov.in

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF INDIAN PORT RAIL CORPORATION LIMITED, MUMBAI FOR THE YEAR ENDED 31 MARCH 2017**

The preparation of Financial Statements of Indian Port Rail Corporation Limited, Mumbai for the year ended 31 March 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (the Act) is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the Financial Statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 20 June 2017.

I, on behalf of the Comptroller and Auditor General of India, have conducted a Supplementary Audit under Section 143(6)(a) of the Act of the Financial Statements of Indian Port Rail Corporation Limited, Mumbai for the year ended 31 March 2017. This Supplementary Audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' report.

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



(Roop Rashi)  
Principal Director of Commercial Audit and  
Ex-officio Member, Audit Board-I, Mumbai.

Place: Mumbai  
Date: 4 August 2017

3





**NSP & Associates**  
Practicing Company Secretaries

709, 7<sup>th</sup> Floor, Vikram Tower,  
Rajendra Place, New Delhi - 110008  
+91-9990756359  
naveen4657.shreel@gmail.com

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2017  
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies  
(Appointment and Remuneration Personnel) Rules, 2014]

## SECRETARIAL AUDIT REPORT

For the Financial Year ended 31<sup>st</sup> March, 2017

To,  
The Members,  
**INDIAN PORT RAIL CORPORATION LIMITED**  
(U60300DL2015GOI282703)  
1<sup>st</sup> Floor, South Tower, NBCC Place,  
Bhisham Pitamah Marg, Lodi Road,  
New Delhi - 110003

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Indian Port Rail Corporation Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company, books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2017, the Company has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent based on the management representation letter/ confirmation, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2017, according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulations) Act, 1999 and the rules made thereunder is not applicable as the shares of the Company are not listed with any of the Stock Exchanges;
- (iii) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder is not applicable. There was no Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings during the period under review.

For NSP AND ASSOCIATES

  
Proprietor

- (iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder are not applicable as the shares of the Company are not registered with any of the depository mentioned under the said Act;
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India.
- (vi) Any other applicable Laws like Employees Provident Fund Act, Employee State Insurance Act, Minimum Wages Act, The Building and other Construction Worker (Regulations of Employment and Condition of Service) Act, 1996, Building and other Construction Workers Welfares Cess Act, 1996, Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, Right to Information Act, 2005 and other applicable Labour Laws.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India with effect from 01<sup>st</sup> July, 2015.

During the period under review the Company as per explanations and clarifications given to us and representations made by the Management, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines etc. mentioned above except that:

1. The composition of the Board as proposed in the Articles of Association of the company has proper balance of Executive Directors and non-Executive Directors. However, the appointment of two Functional Directors is still in process after incorporation of the company in July 2015;
2. There was no Independent Director on the Board of the Company who are to be appointed by the Ministry of Shipping, Government of India; in furtherance of the same separate meeting of Independent Director has not been convened as required under schedule IV of the Companies Act, 2013.
3. In the absence of Independent Directors, Audit Committee & Nomination and Remuneration Committee could not be formed as per the applicable provision of the Companies Act, 2013.
4. The Company needs to appoint the Chief Financial Officer. (Section 203 of the Companies Act, 2013)
5. DPE Guidelines for Corporate Governance to be followed as the Company is a Government Company on its scheduling which is pending before DPE.

## We further report that:

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.

For NSP AND ASSOCIATES

  
Proprietor





# Secretarial Auditors' Report

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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.

For NSP & Associates  
Company Secretaries  
For NSP AND ASSOCIATES  
Naveen Shree Pandey  
Proprietor  
(Proprietor)  
Membership No.: FCS-9028  
C. P. No.: 10937

Place: New Delhi

Date: 17<sup>th</sup> July, 2017

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



# Secretarial Auditors' Report

"Annexure A"

To,  
The Members,  
**Indian Port Rail Corporation Limited**  
(U60300DL2015GOI282703)  
1<sup>st</sup> Floor, South Tower, NBCC Place,  
Bhisham Pitamah Marg, Lodi Road,  
New Delhi - 1100003

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company and we have reported on the basis of signed and audited Financial Statement for the Financial Year ended 31<sup>st</sup> March, 2017.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulation and happening of events etc.
5. The Compliance of the provisions of corporate and other applicable laws, rules, regulations, standards are the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. 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 affairs of the Company.

For NSP & Associates,  
Company Secretaries

For NSP AND ASSOCIATES  
Naveen Shree Pandey  
Proprietor

Proprietor  
FCS No.: 9028  
C P No.: 10937

Place: New Delhi  
Date: 17<sup>th</sup> July, 2017







**K. PRASAD & COMPANY**  
Chartered Accountants

G-1, Ground Floor, South Extension-II, New Delhi-49  
Ph.: 011-41649623, 41649624, 41649625, 41649626  
E-mail : agarwalkm@rediffmail.com  
fca.rsgupta@gmail.com

**Independent Auditor's Report**  
**To the Members of Indian Port Rail Corporation Limited**

## Report on the Financial Statements

We have audited the accompanying financial statements of **Indian Port Rail Corporation Limited** ('the Company'), which comprise the balance sheet as at 31 March 2017, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these 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 there under.

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

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

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



## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017 and its Profit and its cash flows for the year ended on that date.

## Emphasis of Matter Paragraph

We draw attention to the matter in the Notes to the financial statements:

Note 20 (IX) Balances of Sundry debtors, creditors, advances given and advances received are subject to confirmation except of advance given of Rs 4.00 crore to one party and advance received of Rs 78.67 crore from two parties. In absence of balance confirmation and reconciliation of main creditor RITES Limited it could not be ensured whether all purchase and sales have been accounted for.

Note no 20 (VI) regarding disputed / contingent liability of Rent Rs 117.70 lacs of Mumbai Port trust due to rent agreement not executed and property, other taxes and interest charged by the party.

## Report on Other Legal and Regulatory Requirements

1. 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 Act, we give in the Annexure-A, a statement on the matters specified in the paragraph 3 and 4 of the order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) In pursuance to the notification no G.S.R.463 ( E ) dated 05.06.2015 issued by the Ministry of corporation affairs, Section 164 (2) of the Companies Act 2013 pertaining to disqualification of Directors, is not applicable to the Government Company.
  - (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 B"; and
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the pending litigation which have impacts on its financial position in its financial statements. Refer note No 20(VI) of financial statements.
    - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses, and





- iii. There were no amount 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 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 12 to the financial statements.

3. As required by section 143 (5) of the Act, we give Annexure "C" a statement on the matters specified by the Comptroller and Auditor General of India for the Company.

**For K Prasad & Company**  
Chartered Accountants  
FRN: 002755N

*R.S Gupta*

**R.S Gupta**  
Partner  
Membership No: 072666

Place: New Delhi  
Date: 20<sup>th</sup> June 2017



## Annexure A to the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2017, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) Fixed assets has been physically verified by the Management and according to explanation given to us no material discrepancies have been noticed on such verification.
  - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company does not have any Immovable property.
- (ii) Company does not have any inventory at the end of the year except of WIP of project service so clause (ii) is not applicable.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnership or other parties covered in the register maintained u/s 189 of the Companies Act 2013 hence clause (iii) is not applicable to the company.
- (iv) According to the information and explanations given to us, the Company does not have loans, investments, guarantees and security so clause (iv) is not applicable to the company.
- (v) The Company has not accepted any deposits from the public within the meaning of sections 73 to 76 of the Act, 2013 and rules framed there under.
- (vi) Maintenance of cost records prescribed by the Central Government under section 148(1) of the Companies Act 2013 is not applicable to the company.
- (vii) a) According to the information and explanations given to us and according to the records of the Company, the company is regular in depositing undisputed statutory dues in respect of Provident fund, TDS, Income tax, Service tax, with the appropriate authorities subject to delay in deposit of TDS. Other statutory dues i.e Employees State insurance, Sales tax, Value added tax, Custom duty and Excise duty are not applicable to the company. There are no arrears of outstanding statutory dues as at 31<sup>st</sup> March 2017 for a period of more than six months from the date they became payable.
  - b) According to the information and explanations given to us and according to the records of the Company there are no dues of Income tax, Sales Tax, value added tax, service tax, custom duty and excise duty which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) The company does not have any loan and borrowings from Bank, financial institution, government or dues to debenture holders during the year.
- (ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and has not taken any term loan during the year.





- (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) Section 197 of the Companies Act 2013 not applicable to Government company hence the clause of managerial remuneration is not applicable to the company.
- (xii) The Company is not a nidhi company so the provision of clause (xii) are not applicable to the company.
- (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 financial statements as required by the applicable accounting standards
- (xiv) According to the information and explanations given 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.
- (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 any non-cash transactions with directors or persons connected with him.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For K Prasad & Company  
Chartered Accountants  
FRN: 002755N

R.S Gupta  
Partner  
Membership No: 072666

Place: New Delhi  
Date: 20<sup>th</sup> June 2017



## Annexure - B to the Independent 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 **Indian Port Rail Corporation Limited** ("the Company") as of 31 March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and 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

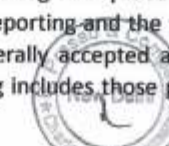
Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on 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 financial statements, whether due to fraud or error.

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

### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:-







# Auditors' Report

- 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 authorizations of management and directors of the company; and
- 3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls over Financial Reporting

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

## Opinion

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

For K Prasad & Company  
Chartered Accountants  
FRN: 002755N

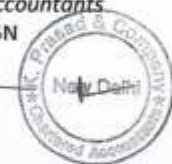
R.S. Gupta

Partner

Membership No: 072666

Place: New Delhi

Date: 20<sup>th</sup> June 2017



# Auditors' Report

## Annexure C to The Independent Auditor's Report

Referred to in our report of even date to the members of Indian Port Rail Corporation Limited on the accounts for the year ended 31st March 2017

S.NO	Directions u/s 143(5) of the Companies Act, 2013	Auditor's reply on action taken on the directions	Impact on financial statement
1	Whether the Company has clear title/lease deeds for freehold and leasehold land respectively? If not, please state the area of the freehold and leasehold land for which title/ lease deeds are not available.	The company does not have any freehold and leasehold land.	Nil
2	Whether there are any cases of waiver/write off of debts/loans/ interest etc., if yes, the reasons thereof and the amount involved.	There are no cases of waiver/write off of debts/ loans/interest etc	Nil
3	Whether proper records are maintained for inventories lying with third parties & assets received as gift from Govt. or other authorities?	As explained to us, there are no Inventories lying with third parties and no assets were received as gift from Govt. or other authorities during the year.	Nil

For K Prasad & Company  
Chartered Accountants  
FRN: 002755N

R.S. Gupta

Partner

Membership No: 072666

Place: New Delhi

Date: 20<sup>th</sup> June 2017







# Annual Financials

## INDIAN PORT RAIL CORPORATION LIMITED BALANCE SHEET AS AT 31st MARCH 2017

Rs in INR

PARTICULARS	Note No.	As at 31st March 2017	As at 31st March 2016
<b>I EQUITY AND LIABILITIES</b>			
(1) Shareholders' Funds			
(a) Share Capital	2	1,000,000,000	924,878,000
(b) Reserves and Surplus	3	86,369,667	971,055
<b>SUB-TOTAL (1)</b>		<b>1,086,369,667</b>	<b>925,849,055</b>
(2) Non-current liabilities			
(a) Long-term Provisions	4	334,364	-
<b>SUB-TOTAL (2)</b>		<b>334,364</b>	<b>-</b>
(3) Current liabilities			
(a) Trade Payables	5	96,743,030	1,527,919
(b) Other Current Liabilities	6	986,061,791	1,879,457
(c) Short-term Provisions	7	6,072	-
<b>SUB-TOTAL (3)</b>		<b>1,082,810,893</b>	<b>3,407,376</b>
<b>TOTAL (1)+(2)+(3)</b>		<b>2,169,514,924</b>	<b>929,256,431</b>
<b>II ASSETS</b>			
(1) Non-current assets			
(a) Fixed Assets			
(i) Tangible Assets	8	13,383,108	-
(ii) Intangible Assets		13,383,108	-
(b) Deferred Tax Asset (net)	9	762,116	-
(c) Other Non Current Assets			
Preliminary Expenses		11,796,682	17,695,024
<b>SUB-TOTAL (1)</b>		<b>25,941,906</b>	<b>17,695,024</b>
(2) Current assets			
(a) Inventories	10	1,069,769	16,920,079
(b) Trade Receivables	11	170,166,381	-
(c) Cash and Bank Balances	12	1,649,766,128	877,493,099
(d) Short Term Loans and Advances	13	300,124,425	3,064,975
(e) Other Current Assets	14	16,547,973	8,184,912
(f) Preliminary Expenses		5,898,342	5,898,342
<b>SUB-TOTAL (2)</b>		<b>2,143,573,018</b>	<b>911,561,407</b>
<b>TOTAL (1)+(2)</b>		<b>2,169,514,924</b>	<b>929,256,431</b>

Significant Accounting Policies

1

Other Notes to Financial Statements

20

The accompanying notes form an integral part of financial statements

As per our report of even date  
For K Prasad & Company

Chartered Accountants  
(FRN: 002755N)

R.S. Gupta  
Partner

Membership No: 072666

Place : New Delhi  
Dated : 20.06.2017

For and on behalf of the Board of Directors  
of Indian Port Rail Corporation Limited

Anoop Kumar Agrawal  
(Managing Director)  
(DIN : 07508525)

Sanjay Bhatia  
(Director)  
(DIN : 00084672)

Amarendra Pradhan  
(Company Secretary)  
(Membership No: A17501)



# Annual Financials

## INDIAN PORT RAIL CORPORATION LIMITED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2017

Rs in INR

PARTICULARS	Year Ended 31.03.2017	Period Ended 31.03.2016
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax	131,577,708	1,405,290
Adjustments for :		
Depreciation	4,364,146	-
Interest on FDR	(78,354,975)	(9,132,569)
Preliminary Expenses	5,898,342	5,898,342
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>63,485,221</b>	<b>(1,828,937)</b>
Adjustments for :		
(Increase)/Decrease in Inventories	15,850,310	(16,920,079)
(Increase)/Decrease in Trade Receivables	(170,166,381)	-
(Increase)/Decrease in Loan and Advances	(286,206,363)	(2,585,950)
Increase/(Decrease) in Trade Payables	95,215,111	1,527,919
Increase/(Decrease) in Other liabilities	984,182,334	1,879,457
Increase/(Decrease) in Provisions	340,436	-
<b>CASH FLOW FROM OPERATIONS BEFORE TAX</b>	<b>702,700,668</b>	<b>(17,927,590)</b>
Less: Taxes Paid (Net)	(57,794,299)	(913,260)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>644,906,369</b>	<b>(18,840,850)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Deposit in FDR	(725,637,932)	(829,318,196)
Interest Received	69,991,914	947,657
Purchase of Fixed Assets	(17,747,254)	-
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>(673,393,272)</b>	<b>(828,370,539)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Issue of Share Capital	75,122,000	924,878,000
Preliminary Expenses	-	(29,491,708)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>75,122,000</b>	<b>895,386,292</b>
<b>NET CHANGE IN CASH &amp; CASH EQUIVALENT (A+B+C)</b>	<b>46,635,097</b>	<b>48,174,903</b>
Add: Opening Cash and Cash Equivalent	48,174,903	-
Closing Cash and Cash Equivalent	<b>94,810,000</b>	<b>48,174,903</b>
<b>Closing Cash and Cash Equivalent Comprises of :-</b>		
1 Cash in hand	-	-
2 Balance with Banks in current accounts	94,810,000	48,174,903
<b>TOTAL</b>	<b>94,810,000</b>	<b>48,174,903</b>

As per our report of even date  
For K Prasad & Company  
Chartered Accountants  
(FRN: 002755N)

R.S. Gupta  
Partner

Membership No: 072666

Place : New Delhi  
Dated : 20.06.2017

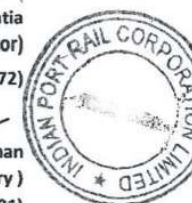


For and on behalf of the Board of Directors  
of Indian Port Rail Corporation Limited

Anoop Kumar Agrawal  
(Managing Director)  
(DIN : 07508525)

Sanjay Bhatia  
(Director)  
(DIN : 00084672)

Amarendra Pradhan  
(Company Secretary)  
(Membership No: A17501)





**INDIAN PORT RAIL CORPORATION LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2017**

Rs in INR

S.NO.	Particulars	Note No.	Year ended 31st March 2017	Period ended 31st March 2016
I	Revenue From Operations	15	638,369,026	-
II	Other Income	16	78,483,319	9,132,569
III	Total Revenue (I+II)		716,852,345	9,132,569
IV	Expenses			
	Construction Expenses		341,330,814	-
	Project Management Fees		39,315,510	2,943,629
	Detailed Project / Feasibility Report Fees		152,771,590	13,976,450
	(Incease) / Decrease in Work in Progress Inventory	17	15,850,310	-16,920,079
	Employee Benefits Expense	18	6,138,469	-
	Depreciation Expense		4,364,146	-
	Other Expenses	19	25,503,798	7,727,279
	Total Expenses		585,274,637	7,727,279
V	Profit/ Before Tax (III - IV)		131,577,708	1,405,290
VI	Tax Expense:			
(1)	Current Tax		46,941,212	434,235
(2)	Deferred Tax		(762,116)	-
VII	Profit After Tax		85,398,612	971,055
VIII	Profit for the Year		85,398,612	971,055
	Earning per Share (Basic / Diluted )		0.85	0.01
	Face value of Rs. 10/- each			

Significant Accounting Policies 1  
Other Notes to Financial Statements 20

The accompanying notes form an integral part of financial statements

As per our report of even date  
For K Prasad & Company

Chartered Accountants  
(FRN: 002755N)

R.S. Gupta  
R.S. Gupta

Partner  
Membership No: 072666

Place : New Delhi  
Dated : 20.06.2017



Anoop Kumar Agrawal  
(Managing Director)  
(DIN : 07508525)

For and on behalf of the Board of Directors  
of Indian Port Rail Corporation Limited

Sanjay Bhatia  
(Director)  
(DIN :00084672)

Amresh Pradhan  
(Company Secretary)  
(Membership No: A17501)



**INDIAN PORT RAIL CORPORATION LIMITED**

Notes to Financial Statements as at and for the period ended 31<sup>st</sup> March 2017

**Note – 1 – SIGNIFICANT ACCOUNTING POLICIES**

**A. BACKGROUND**

Indian Port Rail Corporation Limited was incorporated as a Public Limited Company on 10<sup>th</sup> July, 2015 under the Companies Act, 2013. The Company's principal activity is to provide, develop, design, construct, operate and maintain effective, efficient and competitive rail evacuation systems to ports in India and in particular the major ports by way of creating last mile connectivity of the ports; modernization of the rail infrastructure at ports (Major); creating and managing the internal port railway system; creation of new and enhancement of capacity in embedded hinterland connectivity; construction of road and other multimodal transportation or transit system. The company is under the administrative control of the Ministry of Shipping, Government of India

**B. SIGNIFICANT ACCOUNTING POLICIES**

**I. Presentation of Financial Statements**

The financial statements have been prepared in compliance to the requirements of the Companies Act 2013, applicable Accounting Standards and the requirement of schedule III of the Companies Act, 2013.

**II. Basis Of Preparation Of Financial Statements**

The financial statements are prepared in accordance with the Indian Generally Accepted Accounting Principles (GAAP), applicable under the historical cost convention, on accrual basis as a going concern

**III. Use of estimates**

The preparation of financial statements require estimates and assumptions to be made that affect the reported amount of asset and liabilities on the date of the financial statements and the reported amount of the revenue and the expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which the results are known/materialized.

**IV. Recognition Of Income / Expenditure**

- All incomes and expenditure having a material bearing on the financial statements are recognized on an accrual basis.
- Purchase / Sales is deemed to be accruing based on milestone completion of project
- Interest on Fixed deposits / investments is accounted on accrual basis.
- Insurance and other claims/refunds are accounted for as and when admitted by appropriate authorities.
- Revenue on account of variations, claims and incentives are recognized on settlement basis.

**V. Inventories**

The service against which bill has been received but the same could not be billed to Port is considered in the inventory.

**VI. Preliminary Expenses**

Preliminary expenses are written off over a period of 5 years from the year of commencement of business.





## INDIAN PORT RAIL CORPORATION LIMITED

Notes to Financial Statements as at and for the period ended 31<sup>st</sup> March 2017

### VII. Taxes On Income

- Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act 1961, and based on expected outcome of assessments/appeals and on the basis of changes adopted by the company in accounting policies & estimates.
- Deferred tax is recognized on timing differences between the accounting income and the taxable income for the period, and quantified using the tax rates and laws enacted or subsequently enacted as on the Balance Sheet date.
- Deferred tax assets are recognized and reassessed at each reporting date and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

### VIII. Fixed Assets and Depreciation

- Fixed assets shall be stated at cost less accumulated depreciation. Such cost includes acquisition cost, duties and taxes and incidental expenses related to acquisition.
- Depreciation of fixed assets is provided as per the manner provided in Schedule II of Companies Act, 2013 following written down value method. Depreciation for assets purchased/sold during the year is charged on prorata basis. Useful life of the assets are as per the Schedule II of the Companies Act 2013 except for renovation / furnishing in rented building over the estimated useful life of 10 years.

### IX. Claims

Claims receivable are accounted for depending on the certainty of receipt and claims payable are accounted for at the time of acceptance.

### X. EMPLOYEE BENEFITS

- Provident Fund is a defined contribution scheme and the contribution wherever required by the statute are charged to the Statement of Profit & Loss as incurred.
- Un-availed Leave Liability is a defined obligation and is not funded. Company account for liability for future leave benefits based on an actuarial valuation as at the Balance Sheet date.
- Gratuity is a defined obligation and is not funded. Company account for liability for future gratuity benefits based on an actuarial valuation as at the Balance Sheet date.

### XI. Provisions, Contingent Liabilities and Contingent Assets

A provision is made when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made based on technical valuation and past experience. Provisions are not discounted to their present value and are determined based on management estimate required to settle the obligation at the balance sheet date.

No provision is made for liabilities arising from transactions and events whose future outcome cannot be ascertained with reasonable certainties. Such contingent liabilities are not recognized but are disclosed in the note of contingent liability on the basis of judgment of the management/independent expert. These are reviewed at each balance sheet date and adjusted to reflect the current management estimate.

AS



AS

## INDIAN PORT RAIL CORPORATION LIMITED

Notes to Financial Statements as at and for the period ended 31<sup>st</sup> March 2017

### XII. Earnings Per Share

The basic and diluted earnings per share are computed by dividing the net profit / loss attributable to the equity shareholders for the year with the weighted average number of equity shares outstanding during the year.

### XIII. Cash and cash equivalents

Cash and cash equivalents comprise cash and cash on deposit with banks. The company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

### XIV. Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are aggregated.

AS



AS







# Annual Financials

INDIAN PORT RAIL CORPORATION LIMITED  
Notes to the financial statements for the Year ended 31st March 2017

**Note 2 : Share Capital**

Rs in INR

Particulars	As at 31st March 2017	As at 31st March 2016
<b>Authorised Capital</b>		
50,00,00,000 Equity Share of Rs. 10/- each	5,00,00,00,000	5,00,00,00,000
<b>Issued &amp; Subscribed Capital</b>		
10,00,00,000 Equity Share of Rs. 10/- each	1,00,00,00,000	1,00,00,00,000
<b>Subscribed &amp; Paid up Capital</b>		
10,00,00,000 Equity Share of Rs. 10/- each	1,00,00,00,000	1,00,00,00,000
Less : Recoverable share capital money	-	7,51,22,000
<b>TOTAL</b>	<b>1,00,00,00,000</b>	<b>92,48,78,000</b>

a) Reconciliation of equity shares outstanding

Particulars	31st March 2017		31st March 2016	
	No. of Shares	Rs in INR	No. of Shares	Rs in INR
Equity shares at the beginning of the Year	10,00,00,000	1,00,00,00,000	-	-
Equity Shares Issued during the Year	-	-	10,00,00,000	1,00,00,00,000
Equity Shares at the end of the Year	10,00,00,000	1,00,00,00,000	10,00,00,000	1,00,00,00,000

b) Shares in the Company held by each shareholder holding more than 5% shares

Particulars	31st March 2017		31st March 2016	
	No. of Shares	% of Holding	No. of Shares	% of Holding
<b>Shareholders</b>				
Jawaharlal Nehru Port Trust	1,53,00,000	15.30	1,53,00,000	15.30
Paradip Port Trust	1,08,00,000	10.80	1,08,00,000	10.80
Visakhapatnam Port Trust	1,08,00,000	10.80	1,08,00,000	10.80
Kamarajar Port Limited	72,00,000	7.20	72,00,000	7.20
Rail Vikas Nigam Limited	1,00,00,000	10.00	1,00,00,000	10.00
New Mangalore Port Trust	72,00,000	7.20	72,00,000	7.20
Kandla Port Trust	72,00,000	7.20	72,00,000	7.20
Kolkata Port Trust	1,08,00,000	10.80	1,08,00,000	10.80
Chennai Port Trust	72,00,000	7.20	72,00,000	7.20
	<b>8,65,00,000</b>	<b>86.50</b>	<b>8,65,00,000</b>	<b>86.50</b>

**Terms/Rights attached to Equity Shares:**

The Company has only one class of issued equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share.

*[Handwritten signatures and stamps]*

*[Circular stamp: K. Prasad & Company, Chartered Accountants, New Delhi]*

*[Circular stamp: INDIAN PORT RAIL CORPORATION LIMITED]*



# Annual Financials

INDIAN PORT RAIL CORPORATION LIMITED  
Notes to the financial statements for the Year ended 31st March 2017

**Note 3 : Reserves & Surplus**

Rs in INR

S.No.	Particulars	As at 31st March 2017	As at 31st March 2016
(I)	<b>Profit and Loss Account</b>		
i)	Opening Balance	971,055	-
ii)	Add: Profit transferred from Profit & Loss Statement	85,398,612	971,055
	<b>Closing Balance</b>	<b>86,369,667</b>	<b>971,055</b>

**Note 4: Long term Provisions**

S.No.	Particulars	As at 31st March 2017	As at 31st March 2016
i)	Gratuity	121,918	-
ii)	Leave Encashment	212,446	-
		<b>334,364</b>	<b>-</b>

**Note 5 :Trade Payables**

S.No.	Particulars	As at 31st March 2017	As at 31st March 2016
i)	MSMED	-	-
ii)	Others	96,743,030	1,527,919
	<b>TOTAL</b>	<b>96,743,030</b>	<b>1,527,919</b>

**Note 6 : Other Current Liabilities**

S.No.	Particulars	As at 31st March 2017	As at 31st March 2016
i)	Statutory dues Payable	10,692,528	1,879,457
ii)	Security Deposit from Contractors	57,596	-
iii)	Project Advance Received	975,311,667	-
	<b>TOTAL</b>	<b>986,061,791</b>	<b>1,879,457</b>

**Note 7: Short term Provisions**

S.No.	Particulars	As at 31st March 2017	As at 31st March 2016
i)	Gratuity	2,284	-
ii)	Leave Encashment	3,788	-
	<b>TOTAL</b>	<b>6,072</b>	<b>-</b>

*[Handwritten signatures and stamps]*

*[Circular stamp: K. Prasad & Company, Chartered Accountants, New Delhi]*

*[Circular stamp: INDIAN PORT RAIL CORPORATION LIMITED]*



INDIAN PORT RAIL CORPORATION LIMITED  
Notes to the financial statements for the Year ended 31st March 2017

Note 8: Fixed Assets & Depreciation									
Particulars	Gross Block			Depreciation				Net Block	
	As at 01.04.2016	Additions during the Year	Deductions/ Adjustments during the year	As at 31.03.2017	upto 31.03.2016	For the Year	Deductions/ Adjustments	Upto 31.03.2017	As at 31/03/2017
Office Establishment	-	10,426,249	-	10,426,249	-	2,366,559	-	2,366,559	8,059,690
Office Equipments	-	1,541,355	-	1,541,355	-	541,014	-	541,014	1,000,341
Furniture & Fixtures	-	1,394,503	-	1,394,503	-	270,555	-	270,555	1,123,948
Electrical Fittings & Installation etc	-	2,784,777	-	2,784,777	-	632,091	-	632,091	2,152,686
Computers, Servers & Networking	-	1,600,370	-	1,600,370	-	553,927	-	553,927	1,046,443
<b>TOTAL</b>	-	<b>17,747,254</b>	-	<b>17,747,254</b>	-	<b>4,364,146</b>	-	<b>4,364,146</b>	<b>13,383,108</b>
Previous Year	-	-	-	-	-	-	-	-	-

*Handwritten signature and stamp of K. Prasad & Company, New Delhi.*



INDIAN PORT RAIL CORPORATION LIMITED  
Notes to the financial statements for the Year ended 31st March 2017

Note 9: Deferred Tax Assets (Net)			
S.No.	Particulars	As at 31st March 2017	As at 31st March 2016
i)	Deferred Tax assets on account of timing differences	-	-
ii)	On Depreciation	644,298	-
	On amount to be claimed on Payment basis	117,818	-
	<b>TOTAL</b>	<b>762,116</b>	<b>-</b>

Note 10: Inventories			
S.No.	Particulars	As at 31st March 2017	As at 31st March 2016
i)	Of Work in Progress project service	-	-
	Detailed Project Report	1,069,769	13,976,450
	Project Management Consultancy	-	2,943,629
	<b>TOTAL</b>	<b>1,069,769</b>	<b>16,920,079</b>

Note 11 : Trade Receivables (Unsecured, Considered Good)			
S.No.	Particulars	As at 31st March 2017	As at 31st March 2016
	Overdue for more than Six Months	-	-
i)	Others	170,166,381	-
	<b>TOTAL</b>	<b>170,166,381</b>	<b>-</b>

Note 12 : Cash and Bank Balances			
S.No.	Particulars	As at 31st March 2017	As at 31st March 2016
(I)	Cash on hand	-	-
(II)	Balances with Banks	-	-
i)	In Current Accounts	94,810,000	48,174,903
(III)	Other Bank Balances	-	-
i)	Deposits with original maturity more than three months but less than twelve months	1,554,956,128	829,318,196
	<b>TOTAL</b>	<b>1,649,766,128</b>	<b>877,493,099</b>

Note: Following is the disclosure in terms of notification issued by the Ministry of Corporate Affairs dated 30th March 2017:

Particulars	Specified Bank Notes	Other denomination Notes	Total
Closing cash in hand as on 08.11.2016	9,000	2,885	11,885
(+) Permitted receipts	-	45,908	45,908
(-) Permitted payments	-	44,011	44,011
(-) Amount deposited in Banks	9,000	-	9,000
Closing cash in hand as on 30.12.2016	-	4,782	4,782

Note 13 : Short Term Loans & Advances

S.No.	Particulars	As at 31st March 2017	As at 31st March 2016
	Unsecured, considered good	-	-
i)	Service Tax receivable	10,095,933	2,585,950
ii)	Project Advances Given	278,685,684	-
iii)	Prepaid Income Tax (Net of Provision)	10,853,087	-
iv)	Income Tax Refund F.Y. 2015-16	479,025	479,025
v)	Others	10,696	-
	<b>TOTAL</b>	<b>300,124,425</b>	<b>3,064,975</b>

*Handwritten signature and stamp of K. Prasad & Company, New Delhi.*



INDIAN PORT RAIL CORPORATION LIMITED  
Notes to the financial statements for the Year ended 31st March 2017

**Note 14 : Other Current Assets**

Rs in INR

S.No.	Particulars	As at 31st March 2017	As at 31st March 2016
i)	Interest Receivable on FDR	16,547,973	8,184,912
	<b>TOTAL</b>	<b>16,547,973</b>	<b>8,184,912</b>

**Note 15 : Revenue from Operations**

S.No.	Particulars	Year ended 31st March 2017	Period ended 31st March 2016
i)	Detailed Project / Feasibility Report Fees	242,705,033	-
ii)	Project Management Consultancy Fees	54,333,179	-
iii)	Construction Revenue	341,330,814	-
	<b>TOTAL</b>	<b>638,369,026</b>	<b>-</b>

**Note 16 : Other Income**

S.No.	Particulars	Year ended 31st March 2017	Period ended 31st March 2016
i)	Interest On Fixed Deposits	78,354,975	9,132,569
ii)	Tender Fees	34,780	-
iii)	Liability No Longer Required	93,564	-
	<b>TOTAL</b>	<b>78,483,319</b>	<b>9,132,569</b>

**Note 17 : Increase / Decrease in Work in Progress Inventory**

S.No.	Particulars	Year ended 31st March 2017	Period ended 31st March 2016
i)	<u>Opening Work in Progress</u>		
	Detailed Project Report	13,976,450	-
	Project Management Consultancy	2,943,629	-
ii)	<u>Closing Work in Progress</u>		
	Detailed Project Report	1,069,769	13,976,450
	Project Management Consultancy		2,943,629
	<b>Increase / (Decrease) in stock</b>	<b>-15,850,310</b>	<b>16,920,079</b>



*AK*



*h*

INDIAN PORT RAIL CORPORATION LIMITED  
Notes to the financial statements for the Year ended 31st March 2017

**Note 18 : Employee Benefit Expenses**

Rs in INR

S.No.	Particulars	Year ended 31st March 2017	Period ended 31st March 2016
i)	Salary & Allowance to Employees	3,239,477	-
ii)	Provident Fund Contribution	248,195	-
iii)	Entertainment Expenses	75,870	-
iv)	Staff Welfare	67,246	-
v)	Provident Fund Administrative Charges	29,949	-
vi)	Telephone Assistant & Dak Khalasis Expense	128,245	-
vii)	Gratuity	124,202	-
viii)	Pension etc	50,600	-
ix)	Leave Encashment	216,234	-
x)	Outsourced Staff Salary	1,958,451	-
	<b>TOTAL</b>	<b>6,138,469</b>	<b>-</b>

As per Accounting Standard 15 "Employee Benefits", the disclosures as defined in the Accounting Standard are given

Particulars	Gratuity		Leave Encashment	
	Year ended 31st March 2017	Period ended 31st March 2016	Year ended 31st March 2017	Period ended 31st March 2016
<b>Changes in Present Value of Benefit Obligations</b>				
Present Value of Benefit Obligation on 1-4-2016				
Current Service cost	124,202	-	216,234	-
Interest cost	-	-	-	-
Benefits Paid	-	-	-	-
Actuarial losses (gains)	-	-	-	-
<b>Present Value of Benefit Obligation on 31-3-2017</b>	<b>124,202</b>	<b>-</b>	<b>216,234</b>	<b>-</b>
<b>Bifurcation of Present Value of Benefit Obligation</b>				
Current	2,284	-	3788	-
Non-Current	121,918	-	212,446	-
<b>Total</b>	<b>124,202</b>	<b>-</b>	<b>216,234</b>	<b>-</b>
<b>Amounts recognised in Balance Sheet</b>				
Present Value of Benefit Obligation on 31-3-2017	124,202	-	216,234	-
Fair Value of Plan Assets on 31-3-2017	-	-	-	-
<b>Net Liability / (Asset) recognised in Balance Sheet</b>	<b>124,202</b>	<b>-</b>	<b>216,234</b>	<b>-</b>
<b>Amounts recognised in Statement of Profit and Loss</b>				
Current Service cost	124,202	-	216,234	-
Interest cost	-	-	-	-
Expected Return on Plan assets	-	-	-	-
<b>Net actuarial losses (gains) recognised in the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenses recognised in Statement of Profit and Loss</b>	<b>124,202</b>	<b>-</b>	<b>216,234</b>	<b>-</b>

*AK*



*h*





INDIAN PORT RAIL CORPORATION LIMITED  
Notes to the financial statements for the Year ended 31st March 2017

**Note 19 : Other Expenses**

Rs in INR

S.No.	Particulars	Year ended 31st March 2017	Period ended 31st March 2016
i)	Rent	2,388,614	1,128,620
ii)	Electricity	184,227	100,000
iii)	Repairs & Maintenance	743,974	
iv)	Payment to Auditors		
	Statutory Audit Fees	100,000	50,000
	Tax Audit Fees	40,000	
v)	Legal & Professional	7,175,186	392,491
vi)	Travelling & Conveyance	3,978,231	-
vii)	Printing & Stationary	354,426	
viii)	Telephone & Internet	263,173	-
ix)	Advertisement	1,761,500	155,785
x)	Business Promotion	759,459	-
xi)	Share Issue Expenses	1,000,000	-
xii)	Bank Charges	5,436	1,196
xiii)	Interest On Service Tax	5,079	-
xiv)	Interest On TDS	438,710	-
xv)	Miscellaneous Expense	407,441	845
xvi)	Preliminary Expenses w/off	5,898,342	5,898,342
	<b>TOTAL</b>	<b>25,503,798</b>	<b>7,727,279</b>

*Handwritten signature*



*Handwritten signature*

INDIAN PORT RAIL CORPORATION LIMITED

Notes to Financial Statements as at and for the period ended 31<sup>st</sup> March 2017

**Note 20 : OTHER NOTES TO FINANCIAL STATEMENTS**

NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

- Earnings in foreign exchange for period ended 31<sup>st</sup> March 2017 – Nil (PY Nil)
- Expenditures in Foreign Currency of travelling Rs. 13,845 (P.Y Nil)
- Sales invoices has been raised after 22<sup>nd</sup> December 2016 after approval of charge of fess by IPRCL 2.5% on overall basis by board in 7<sup>th</sup> meeting held on 21.12.2016.
- Segment Reporting: The Company's main business is to provide, develop, design, construct, operate and maintain effective, efficient and competitive rail evacuation systems to ports in India and the company does not have more than one reportable segment in terms of Accounting Standard 17 issued by the Institute of Chartered Accountants of India.
- Disclosures of Related Parties and Related Party Transactions:

**a. Key Managerial Personnel**

- Sh. Anoop Kumar Agarwal appointed as Managing Director w.e.f 09<sup>th</sup> May 2016
- Sh. Amaresh Pardhan ( Company Secretary) w.e.f 01.09.2016

Particulars of Transactions	For the year ended 31 <sup>st</sup> March, 2017	For the period ended 31 <sup>st</sup> March, 2016
<b>Remuneration</b>		
Managing Director	23,69,405	-
Company Secretary	6,21,240	-

**c. Balance outstanding of related parties Nil (P.Y Nil)**

Note: Related parties are identified by the company and relied upon by the auditors.

*Handwritten signature*



*Handwritten signature*





## INDIAN PORT RAIL CORPORATION LIMITED

Notes to Financial Statements as at and for the period ended 31<sup>st</sup> March 2017

### VI. Disputed / Contingent liability

a) Rent agreement with Mumbai port trust has not been executed and rent has been paid as follows against the bills raised by Mumbai Port trust as follows:

Particulars	Amount (Rs)	
	Demand Raised for the Period 14.08.2015 to 31.03.2017	Rent Paid / provided
Service Charges	3,872	
License Fees/Nominal Rent	33,19,367	32,72,978
Property Taxes	73,50,849	
Water Benefit Taxes	8,08,356	
Sewerage Benefit Taxes	4,85,014	
Emp. Guarantee cess	97,003	
Maharashtra State Edu. Cess	3,70,698	
Tree Cess	15,446	
Street Tax	5,16,412	
Interest of Arrears of Bills Since Paid	20,15,272	
Service Tax	4,83,068	4,90,946
Service Tax Interest	65,426	
Swatch Bharat Cess	1,524	
Krishi Kalyan Cess	1,524	
<b>Total</b>	<b>1,55,33,832</b>	<b>37,63,924</b>

b) Supervision charges of Mumbai Port trust has been provided 7.5 % Rs 11,30,478 on the capitalization of fixed assets Rs 1,50,73,019 on the basis of proposed by the MbPT to board against earlier demand of 25% Rs 37,68,254 by letter dated 11.05.2016.

VII. In accordance with AS 20 "Earning Per share" notified u/s 133 of the Companies Act 2013, read with rule 7 of the companies (Accounts) Rule 2014, the basis & diluted earnings per share is being calculated as under:-

Particulars	For the year ended 31st March 2017	For the period ended 31st March 2016
Net profit attributable to Equity Shareholders	8,53,98,612	9,71,055
Weighted average No of Shares	10,00,00,000	10,00,00,000
Nominal value per share	10	10
Basic / Diluted per share	0.85	0.01

VIII. Prior Period Sales of Rs 3,81,26,602 and Purchase against thereof of Rs 3,48,06,224, and Rent Rs 370300 related to F.Y 2015-16 booked in Current F.Y 2016-17 due to bills late raised and received.

IX. Balances of Sundry debtors, creditors, advances given and advances received are subject to confirmation except of advance given of Rs 4,00,00,000 to one party and advance received of Rs 78,67,00,000 from two parties.

*(Signatures and Stamps)*

## INDIAN PORT RAIL CORPORATION LIMITED

Notes to Financial Statements as at and for the period ended 31<sup>st</sup> March 2017

X. Previous year figure have been regrouped and rearranged wherever is necessary.

As per our report of even date  
Chartered Accountants  
(FRN: 002755N)

*(Signature)*  
R.S. Gupta  
Partner  
Membership No: 072666



Place: New Delhi  
Date: 20<sup>th</sup> June 2017

For and on behalf of the Board of Directors of  
Indian Port Rail Corporation Limited

*(Signature)*  
Anoop Kumar Agrawal  
(Managing Director)  
(DIN: 07508525)

*(Signature)*  
Sanjay Bhatia  
(Director)  
(DIN: 00084672)



*(Signature)*  
Amresh Pradhan  
(Company Secretary)  
(Membership No. : A17501)

## Photo Gallery

Work in progress for Providing Railway Track between Marshalling Yard and Hare Island at Vo Chidambaranar Port Trust



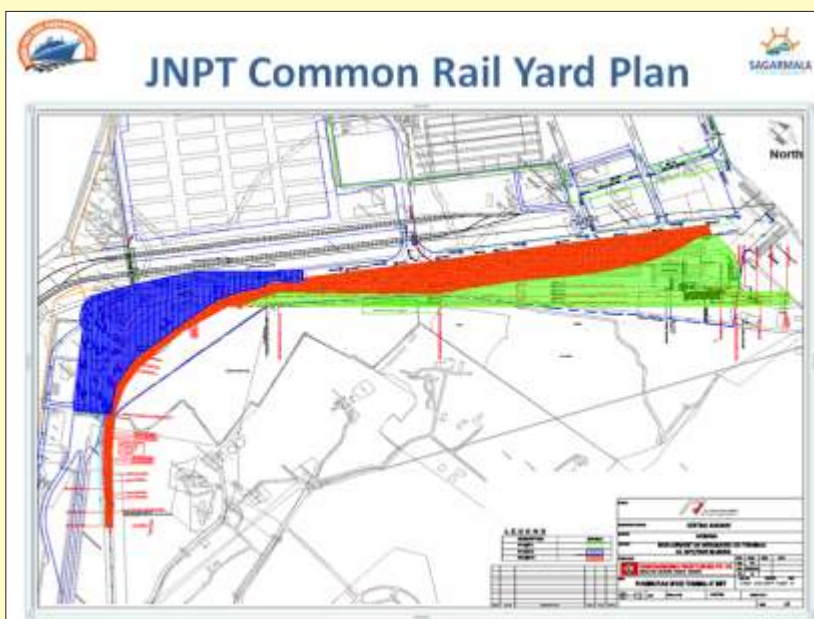


# Photo Gallery

Laying of New Track and Paving Block at Chennai Port Trust



Upgrading of Track at Kolkata Port Trust



# Photo Gallery

Foundation Stone Laying Ceremony by Shri Nitin Gadkari, Hon'ble Minister of Road Transport, Highways & Shipping, Govt. of India on 30/05/2017



During 1st Annual General Meeting, Chaired by Shri Rajive Kumar at Delhi, 21/12/2016

