

# CHHATTISGARH EAST RAILWAY LIMITED

(A Subsidiary of South Eastern Coalfields Limited)

## 2nd Annual Report 2014-15



## CONTENTS

● Reference Information	02
● Board of Directors	03
● Notice of Annual General Meeting	05
● Chairman's Statement	11
● Directors' Profile	14
● Directors' Report	17
● Information under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014.	28
● Information relating to Contracts/Arrangements with related parties in Form No. AOC-2	29
● Extract of Annual Return of the Company in Form No. MGT-9	32
● Comments of the Comptroller and Auditor General of India	40
● Auditors' Report	42
● Balance Sheet as at 31st March, 2015	47
● Statement of Profit and Loss for the year ended 31st March, 2015.	49
● Cash Flow Statement for the year ended 31st March, 2015	50
● Notes forming part of the Balance Sheet and Statement of Profit & loss	51
● Annexure-I & IX under Clause 41 of Listing Agreement (as per SEBI guidelines)	66
● CEO & CFO Certification	70

## REFERENCE INFORMATION

### REGISTERED OFFICE :

Chhattisgarh East Railway Limited  
Mahadev Ghat Road,  
Raipura Chowk  
Raipur- 492013 (Chhattisgarh)

### BOARD OF DIRECTORS :

Shri A. P. Panda	-	Chairman	(w.e.f. 10.08.2013)
Shri R.P. Thakur	-	Director	(w.e.f. 12.12.2013)
Dr. R.S. Jha	-	Director	(w.e.f. 08.11.2014)
Shri K. K. Garg	-	Director	(w.e.f. 12.03.2013)
Shri Sanjay Rastogi	-	Director	(w.e.f. 12.03.2013)
Shri Sunil Mishra	-	Director	(w.e.f. 04.05.2013)
Shri Debaraj Panda	-	Part-time Director	(w.e.f. 29.12.2014)

CHIEF EXECUTIVE OFFICER : Shri Biswajit Choudhury

CHIEF OPERATING OFFICER : Shri Rajesh Khare

CHIEF FINANCIAL OFFICER : Shri Rajneesh Narain

#### STATUTORY AUDITORS:

M/s. Agrawal Gupta &  
Associates  
Chartered Accountants,  
Mesnet-6, Sector-I,  
Shankar Nagar,  
Raipur (Chhattisgarh)

#### BANKERS:

State Bank of India  
Sundarnagar Branch  
Raipur  
PIN-492013

#### PRACTISING COMPANY SECRETARY:

M/s. AGR Reddy & Co.  
Company Secretaries  
#202, Pavani Annexe  
Banjara Hills, Road No.2  
Hyderabad - 500034

## BOARD OF DIRECTORS

(DURING 2014-15)

### CHAIRMAN (2014-15)

**Shri A.P. Panda,**  
Director (Finance), SECL

(w.e.f. 10.08.2013)

### DIRECTORS (2014-15)

**Shri R.P. Thakur**  
Director (Technical) Operations, SECL

(w.e.f. 12.12.2013)

**Shri A.K. Singh**  
Director (Personnel), SECL

(Up to 30.06.2014)

**Dr. R.S. Jha**  
Director (Personnel), SECL

(w.e.f. 08.11.2014)

**Shri K.K. Garg**  
Director (Finance), IRCON

(w.e.f. 12.03.2013)

**Shri Sanjay Rastogi**  
Executive Director, IRCON

(w.e.f. 12.03.2013)

**Shri Sunil Mishra**  
Managing Director, CSIDCL

(w.e.f. 04.05.2013)

**Shri A.P. Singh**  
Divisional Railway Manager, SECR

(Up to 29.12.2014)

**Shri Debaraj Panda**  
Divisional Railway Manager, SECR

(w.e.f. 29.12.2014)

## BOARD OF DIRECTORS

(AS ON 21.05.2015)

### CHAIRMAN



Shri A.P. Panda,  
Director (Finance), SECL

### DIRECTORS



Shri R.P. Thakur  
Director (Technical)  
Operations, SECL



Dr. R.S. Jha  
Director  
(Personnel), SECL



Shri K.K. Garg  
Director  
(Finance), IRCON



Shri Sanjay Rastogi  
Executive Director,  
IRCON



Shri Sunil Mishra  
Managing Director, CSIDCL



Shri Debaraj Panda  
Divisional Railway Manager, SECR

## NOTICE OF ANNUAL GENERAL MEETING

To,

All Members,

Notice is hereby given to all the Shareholders of **CHHATTISGARH EAST RAILWAY LIMITED** that the Second Annual General Meeting of the Company will be held on Thursday, the 21<sup>st</sup> May, 2015 at 11:30 A.M at the Registered Office of the Company at MAHADEV GHAT ROAD, RAIPURA CHOWK, RAIPUR - 492 013 (Chhattisgarh), to transact the following business :

### ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Financial Statements for the year ended 31<sup>st</sup> March, 2015 together with the Reports of Board of Directors and Auditors thereon and comments of the Comptroller & Auditor General of India.
2. To re-appoint Shri Sanjay Rastogi (DIN: 06486684), as Director, who is liable to retire by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.
3. To re-appoint Shri Sunil Mishra (DIN: 06596121), as Director, who is liable to retire by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS :

4. To Increase the Authorized Share Capital of the Company to ₹4,00,00,00,000.00 (Four Hundred Crores Only) and Alteration of the Capital Clause of the Memorandum of Association of the Company.

To consider and if thought fit, to pass, with or without modification, the following Resolutions as a Special Resolution.

**“RESOLVED THAT** pursuant to the provisions of Section 61, 64 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) and the rules framed there under, approval of members of the Company be and is hereby accorded to increase the Authorized Share Capital of the Company from existing ₹5,00,00,000 (Rupees Five Crores Only) divided into 50,00,000 (Fifty Lacs) Equity Shares of ₹10.00 each to ₹4,00,00,00,000.00 (Rupees Four Hundred Crores Only) divided into 40,00,00,000 (Forty Crores) Equity Shares of ₹10.00 each by creation of additional 39,50,00,000 (Thirty Nine Crores and Fifty Lakhs) Equity Shares of ₹10.00 each ranking pari passu in all respect with the existing Equity Shares of the Company.”

**“RESOLVED FURTHER THAT** pursuant to the provisions of Section 13, 61, 64 and other applicable provisions of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) and the rules framed thereunder, approval of members of the Company be and is hereby accorded, for substituting Clause V of the Memorandum of Association of the Company with the following clause:

“V. The Authorised Share Capital of the Company is ₹ 4,00,00,00,000.00 (Rupees Four Hundred Crores only) divided into 40,00,00,000 (Forty Crores) Equity Shares of face value of ₹ 10/- (Rupees Ten) each,

with the rights, privileges and conditions attaching thereto as are provided by the regulations of the Company for the time being into several classes and attach thereto respectively. Such preferential rights, privileges or conditions as may be determined by or in accordance with the regulations of the company and vary, modify or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the Companies Act, 2013 or provided by the regulations of the company.”

“**RESOLVED FURTHER THAT** Shri A.P. Panda, Chairman and Shri Rajneesh Narain, CFO, be and are hereby authorised to do all acts, deeds, matters and things as they in their absolute discretion consider necessary and expedient to do so including filing of necessary forms and returns and payment of stamp duty with the RoC, to give effect to the above resolutions.”

5. To approve the modified Articles of Association (AoA) of CERL in line with the Companies Act, 2013.

To consider and if thought fit, to pass, with or without modification, the following Resolutions as a Special Resolution.

“**RESOLVED THAT** pursuant to the applicable provisions, if any, of the Companies Act, 2013 and rules framed there under approval of members of the Company, be and is hereby accorded to replace the Article 1 to 72 of the existing Articles of Association of the company as set out in the explanatory note, with the modified Articles of Association of the company as per the requirements of the new Companies Act, 2013, as set out in the explanatory note.”

“**RESOLVED FURTHER THAT** Shri A.P. Panda, Chairman and Shri Rajneesh Narain, CFO, be and are hereby authorised to do all acts, deeds, matters and things as they in their absolute discretion consider necessary and expedient to do so including filing of necessary forms and returns and payment of stamp duty with the RoC, to give effect to the resolution.”

**By order of the Board of Directors  
For Chhattisgarh East Railway Limited**

Sd/-  
(A. P. Panda)  
Chairman  
DIN: 06664375

**Registered Office :**  
Mahadev Ghat Road, Raipura Chowk,  
Raipur (CG) - 492013  
Dated: 15<sup>th</sup> May, 2015.

**NOTES :**

1. The Shareholders are requested to give their consent for calling the Annual General Meeting at a shorter notice pursuant to the provisions of the section 101 (1) of the Companies Act, 2013.
2. A member is entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the Company. The proxy(ies) in order to be valid must be duly filled in and must reach the registered office of the Company not less than 48 hours before the commencement of the Annual General Meeting. The appointment of proxy shall be in the Form No. MGT.11 annexed herewith.
3. Corporate Member(s) are requested to send to the Registered Office of the Company, a duly certified copy of the Board Resolution, pursuant to section 113 of the Companies Act, 2013, authorizing their representative to attend and vote at the Annual General Meeting.
4. Relevant Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of Special Business, as set out above is also annexed hereto.
5. All documents referred to in the notices and annexure thereto along with other mandatory registers/documents are open for inspection at the registered office of the Company on all working days (except Saturdays and Sundays) between 11:00 AM to 1:00 PM, prior to the date of 2<sup>nd</sup> Annual General Meeting.

**DISTRIBUTION :**

1. Shri Om Prakash, CMD, SECL, Bilaspur.
2. Shri A.P. Panda, D(F), SECL & Chairman (CERL).
3. Shri R.P. Thakur, D(T)O, SECL & Director (CERL).
4. Dr. R.S. Jha, D(P), SECL & Director (CERL).
5. Shri K.K. Garg, D(F), IRCON & Director (CERL).
6. Shri Sanjay Rastogi, ED (IRCON) & Director (CERL).
7. Shri Sunil Mishra, MD (CSIDCL) & Director (CERL).
8. All Directors of CERL.
9. M/s Agrawal Gupta & Associates, Statutory Auditor, Raipur.
10. M/s AGR Reddy & Co., Practising Company Secretaries, Hyderabad.

## EXPLANATORY STATEMENT

Pursuant to Section 102 (1) of the Companies Act, 2013

### ITEM NO. (4) :

The Company is undertaking the construction of New BG Electrified Rail Line over SECR- East Corridor: Kharsia -Dharamjaygarh upto Korba with a Spur from Gharghoda to Donga Mahua to connect mines of Gare Pelma Block. The present Authorized Capital of the Company is ₹ 5.00 crores only. The paid-up Equity Share Capital of the Company is ₹ 4,05,50,000.00. As agreed in the Memorandum of Understanding (MoU) dated 03.11.2012, South Eastern Coalfields Limited, IRCON International Limited & Government of Chhattisgarh (GoCG) has subscribed 64%, 26% & 10% respectively towards share capital of the Company. However, as per Clause 3 of the said MoU, GoCG's (Represented by CSIDC) share of equity in the JVC shall correspond to the value of land provided by the State Govt. or 10% whichever is more.

For undertaking the project, the Project Execution Agreement was signed between the Company and IRCON International Limited on 18.01.2014, IRCON being the Project Execution Agency (PEA). The scope of work of the PEA encompasses physical study, preparation of Detailed Project Report (DPR) and assistance in construction of Rail line project. Accordingly, the DPR was prepared and submitted by IRCON and was approved by South East Central Railway (SECR). As per the DPR, the cost of construction has been worked out at ₹1,646.60 crores and total cost of the project has been worked out at ₹2322.74 crores.

Subsequently, M/s CARE Kalypto Risk Technologies & Advisory Services PVT Ltd, Mumbai, was appointed for financial appraisal of the project. The Financial Appraiser had submitted its final report on 16.12.2014 and as per the financial appraisal report, the cost of construction has been worked out at ₹1,646.60 crores and the total completion cost of the project considering inflation and Interest during Construction (IDC) has been estimated at ₹2,323.00 Crores with a Debt-Equity ratio of 80:20 and accordingly the equity contribution has been worked out.

CERL Board at its 11<sup>th</sup> Meeting held on 23.12.2014 (Item No. 11:4:3) after detailed deliberations approved the subject DPR and recommended for seeking approval of SECL/CIL. SECL has agreed with the DPR of East Corridor at a total Project Cost of ₹2323.00 Crore, submitted by M/s. IRCON and approved by SEC Railway, Bilaspur, and CERL, along with the Financial Appraisal Report of M/s. CARE Advisory, and has obtained approval of CIL for 1<sup>st</sup> year expenditure of ₹105 Crores (SECL's share) to go ahead with the project.

It is to be noted that the present Authorized Capital of the Company is ₹5.00 Crores only. Therefore, the Authorized Capital of the Company is required to be enhanced to ₹ 400.00 Crores only to achieve the desired equity contribution as required as per the DPR, Financial Appraisal Report by M/s CARE Advisory and M/s IRCON.

The members are therefore, requested to consider and, if thought fit, to pass with or without modification(s), the following Resolutions as Special Resolution:-

**“RESOLVED THAT** pursuant to the provisions of Section 61, 64 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) and the rules framed there under, approval of members of the Company be and is hereby accorded to increase the Authorized

Share Capital of the Company from existing ₹ 5,00,00,000 (Rupees Five Crores Only) divided into 50,00,000 (Fifty Lacs) Equity Shares of ₹10.00 each to ₹ 4,00,00,00,000.00 (Rupees Four Hundred Crores Only) divided into 40,00,00,000 (Forty Crores) Equity Shares of ₹ 10.00 each by creation of additional 39,50,00,000 (Thirty Nine Crores and Fifty Lakhs) Equity Shares of ₹ 10.00 each ranking pari passu in all respect with the existing Equity Shares of the Company.”

**“RESOLVED FURTHER THAT** pursuant to the provisions of Section 13, 61, 64 and other applicable provisions of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) and the rules framed thereunder, approval of members of the Company be and is hereby accorded, for substituting Clause V of the Memorandum of Association of the Company with the following clause:

“V. The Authorised Share Capital of the Company is ₹ 4,00,00,00,000.00 (Rupees Four Hundred Crores only) divided into 40,00,00,000 (Forty Crores) Equity Shares of face value of ₹ 10/- (Rupees Ten) each, with the rights, privileges and conditions attaching thereto as are provided by the regulations of the Company for the time being into several classes and attach thereto respectively. Such preferential rights, privileges or conditions as may be determined by or in accordance with the regulations of the company and vary, modify or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the Companies Act , 2013 or provided by the regulations of the company.”

**“RESOLVED FURTHER THAT** Shri A.P. Panda, Chairman and Shri Rajneesh Narain, CFO, be and are hereby authorised to do all acts, deeds, matters and things as they in their absolute discretion consider necessary and expedient to do so including filing of necessary forms and returns and payment of stamp duty with the RoC, to give effect to the above resolutions.”

None of the director, manager, key managerial personnel, or their relatives are concerned or interested, financial or otherwise, in respect of the above resolution.

#### **ITEM NO. (5) :**

Articles are the Rules & Regulations for the Management of internal affairs of the Company. It constitutes contract between the Company and its Members and Members inter se. A Company's Articles of Association (AoA) is a document which, along with the Memorandum of Association form the company's constitution, defines the duties and responsibilities of the directors, the kind of business to be undertaken, and the means by which the shareholders exert control over the Board of Directors.

The existing Articles of Association (AoA) of CERL has been in force since incorporation of the company on 12.03.2013 under the Companies Act, 1956. Now, the new Companies Act, 2013 has come into force with effect from 01.04.2014 which necessitates amendment of the AoA of the company in line with the Companies Act, 2013.

Sub-section (6) of Section 5 of the Companies Act, 2013, provides that the articles of a company shall be in respective forms specified in Tables, F, G, H, I and J in Schedule I of the Companies Act, 2013 as may be applicable to such company. Further, Sub-section (9) of section 5 of the Companies Act, 2013 provides that nothing in Section (5) shall apply to the articles of a company registered under any previous law unless amended under the Companies Act, 2013.

Since many provisions of Companies Act, 2013 require specific clauses in the Articles to carry out operations of any organization; therefore, it warrants that the Articles should be altered in line with the new requirements as various provisions themselves require specific clauses to be incorporated in the Articles.

As per Section 14(1) of the Companies Act 2013, Articles of Association (AoA) can be modified/amended/alterd by a Special Resolution in General Meeting. Hence, the modified Articles of Association of CERL (Enclosed as ANNEXURE-I) for replacement of the existing Articles of Association of CERL (Enclosed as ANNEXURE-II), has been approved by the Board of Directors of CERL at its 13<sup>th</sup> Meeting held on 06.05.2015 (Item No. 13:4:1) and recommended for the approval of Shareholders in a general meeting.

The members are therefore, requested to consider and, if thought fit, to pass with or without modification(s), the following Resolutions as Special Resolution:-

**“RESOLVED THAT** pursuant to the applicable provisions, if any, of the Companies Act, 2013 and rules framed there under approval of members of the Company, be and is hereby accorded to replace the Article 1 to 72 of the existing Articles of Association of the company as set out in the explanatory note, with the modified Articles of Association of the company as per the requirements of the new Companies Act, 2013, as set out in the explanatory note.”

**“RESOLVED FURTHER THAT** Shri A.P. Panda, Chairman and Shri Rajneesh Narain, CFO, be and are hereby authorised to do all acts, deeds, matters and things as they in their absolute discretion consider necessary and expedient to do so including filing of necessary forms and returns and payment of stamp duty with the RoC, to give effect to the resolution.”

None of the director, manager, key managerial personnel, or their relatives are concerned or interested, financial or otherwise, in respect of the above resolutions.

**By order of the Board of Directors  
For Chhattisgarh East Railway Limited**

Sd/-  
**(A. P. Panda)**  
Chairman  
DIN: 06664375

**Registered Office:**  
Mahadev Ghat Road  
Raipur - 492 013 (CG)  
Dated : 15<sup>th</sup> May, 2015.



## CHAIRMAN'S STATEMENT

Dear Shareholders,

It gives me immense pleasure to welcome all the shareholders on behalf of the Board of Directors to the 2<sup>nd</sup> Annual General Meeting of Chhattisgarh East Railway Limited and present to you the Annual Report of your Company for the financial year 2014-15. The Directors' Report and the Audited Balance sheet of your Company for the period ended 31<sup>st</sup> March, 2015 have already been provided to the shareholders of the Company. With your permission, I take them as read.

Financial year 2014-15, has been a year of reckoning to visualize the development of rail corridor on ground. After signing the project execution agreement, many progressive steps were taken to ascertain the take off point on the Howrah- Mumbai route, which enabled the company to add the initial length of Kharsia to Gurda to the East Rail corridor along with a spur in the 1<sup>st</sup> phase. It was felt that movement of rakes on either side would not be possible without touching Howrah- Mumbai rail route. Further, the spur up to Donga-Mahua sector, as per MOU, has also been taken up in this phase to realise the potential coal offtake from the upcoming mines. Infrastructure in this sector in the form of railway stations, platforms, sidings, wharf walls etc. to facilitate movement of goods and passenger traffic shall make a visible difference to the way of life. In other words, nation is going to be immensely benefitted by appending few kilometers to the dedicated rail track in the region.

### Economic Outlook

GDP forecasts by international institutions like IMF and World Bank peg India's economic growth at 7.50 percent during 2015-16, whereas UN survey and Budget Assumptions, expect India to grow at more than 8 percent over the period. The economic prospects would be uneven around globe and global growth is expected to be moderate at 3.5 percent. The decline in oil prices will provide space to consolidate imbalances and boost economic activities. Protracted low inflation or deflation in some advanced economies, uncertainties in European Union, conflicts in various regions causing geopolitical tensions etc. shall continue to pose threat to the economic factors at play.

Macroeconomic fundamentals of domestic economy have improved in 2014-15 and strengthened by indicators such as expansion in GDP, decline in inflation, fall in global oil and gas prices, reduction in fiscal deficit, steady inflow of FII funds and forex repatriations, stability in exchange rate, contraction in current account deficit etc. Further, the steps like make in India initiative, possible roll out of GST, greater devolution of tax revenue to the states, higher tax-GDP ratio, expected growth in non-tax revenues, reduction in non-plan expenditure, decline in proportionate external debt, greater commitment to fiscal consolidation etc. are expected to boost the economic activities in medium to long run.

Wholesale Price Index (WPI), declined on a y-o-y basis for the sixth consecutive month in April 2015 and the deflation is measured at 2.7 per cent. Fuel inflation has turned negative in November 2014 and reached a negative in double-digits from January 2015. The manufactured products such as food products, edible oils, sugar, cotton and man-made textiles, leather, rubber, chemicals and metals group and primary

articles saw a 0.5 per cent deflation in prices in April 2015. Similarly, the primary food and non-food articles saw a deflation in prices at 0.3 percent.

All India Consumer Price Index (AICPI), declined to 4.9 per cent in April 2015 from 5.3 per cent in the preceding month. Inflation in rural and urban India declined to 5.4 per and 4.4 percent respectively mainly due to drop in food inflation.

In 2014-15, Industrial production (IIP) grew by 2.8 per cent as compared to a contraction of 0.1 per cent in the preceding year. In March 2015, manufacturing sector and power generation grew by 2.2 percent and 2.0 percent respectively, whereas mining sector grew marginally by 0.9 per cent as compared to the same month a year ago.

### **Railway Infrastructure**

Indian Railways has emerged as the main vehicle for the country's socio economic development. It caters to the transportation needs of the country and promotes national integration by uniting the diversified cultures. It facilitates long-distance travel, movement of bulk commodities, energy efficient and environment friendly mode of transport. It is among world's largest railway network with more than 64,000-km railway line, spreading across more than 7,000 stations and operating 19,000 trains daily.

Realizing the huge potential to contribute towards economic expansion, Govt. has issued guidelines to permit domestic and FDI in the construction, operation and maintenance of Railway infrastructure in the areas such as dedicated freight and passenger terminals, Suburban corridors through public private partnership (PPP), rolling stock procurement including trains sets and locomotive/coaches, high speed train projects, railway electrification and signaling system, non-conventional sources of energy, technological solutions to improve safety and reduce accidents etc. Such guidelines will encourage deployment of funds by foreign and domestic investors. The government has allowed 100 per cent FDI through automatic route in railway infrastructure sans operations, which does not require prior government approval.

Recently LIC has signed a pact with Indian Railways pledging an investment of ₹ 1.5 lakh crore, which may potentially end the fund crisis of the national transporter.

### **Coal evacuation and Rail Network**

Coal India Limited (CIL) contributes about 81% of the overall coal production in India. SECL, a subsidiary of CIL, is a major contributor in the coal extraction and dispatch. Its coal extraction has crossed 128 million Tones in FY15 to meet the rising demand of power sector and provide energy security to the economy. SECL dispatches about 70% of its coal to Power sector through various modes like Rail, Merry -Go- Round, Belt conveyor etc. Company has chalked out ambitious plans to augment production and dispatch from the existing as well as new coalfields. Higher productions pose logistic challenges and demands faster evacuation of coal by modernizing the loading facilities such as introduction of rapid loading system (RLS), high capacity Silos etc. and environment friendly transport system from mines. SECL has been emphasizing the need for improvement in rail infrastructure to evacuate coal faster from its mines and minimize

pollution in the environment. SECL shares the commitment of CIL to provide annually one billion ton of coal to the nation by 2020. Such an assurance requires a matching evacuation mechanism by simultaneous development of rail infrastructure.

### **Joint Venture**

SECL, IRCON and CSIDC have joined hands to improve rail connectivity in the Chhattisgarh by forming a Joint Venture Company i.e., Chhattisgarh East Railway Limited (CERL). Such a venture creates synergy by seeking Administrative support from Central and State Govt., Technical support from Railways and Commercial support from SECL to meet the logistic challenges. CERL has been incorporated to establish East Rail Corridor i.e. Kharasia - Dharamjaygarh - Korba with a spur. It has been conceptualized to sustain in the venture through a participative business model by investing in rail infrastructure and sharing of revenue generated from the traffic out of rail corridor.

### **Acknowledgements**

I acknowledge the support of stakeholders in all spheres to develop the Rail Corridor in this region. Progress so far in the Corridor, would not have been possible without the unstinted efforts of those, who believed in the venture and extended their hands to join our commitment.

I express my sincere appreciation on behalf of the Board of Directors, Shareholders and the management of the Company, to Ministry of Coal, Ministry of Railways, Government of Chhattisgarh, South East Central Railway, Coal India Limited and South Eastern Coalfields Limited, for their constant guidance and support. I shall continue to seek the same in future too. I also sincerely thank all officials and associates for their dedication and hard work in this venture.

Thanking you,

Sd/-  
(A. P. Panda)  
Chairman  
DIN : 06664375

## DIRECTORS' PROFILE



**Shri A.P. Panda** (47 Years), D(F), SECL took the charge of Chairman, Chhattisgarh East Railway Limited on 10<sup>th</sup> August, 2013. Shri Panda is a qualified Cost Accountant and also holds the qualification of MBA (Finance). He is a Fellow Member (FCMA) of the Institute of Cost Accountants of India. Prior to his joining as Director (Finance) SECL and Chairman, CERL, he has worked with Rastriya Ispat Nigam Limited (RINL) in various capacities. He has rich and varied experience in financial management of the company. He has specialization in Foreign Exchange Risk Management.

He is a strategic planner with proven ability to improve operations, impact business growth and maximize profits through achievement in Finance Management, Cost reductions, internal controls, and productivity/efficiency improvement. He has vast experience of more than 23 years in Financial Domain. He is a keen analyst and committed management functionary with exceptional relationship management and negotiation skills with proven abilities in liasoning with Government Departments, regulatory authorities and external agencies including Registrar of Companies (RoC), Banks, Financial Institutions, etc.

In addition, Shri Panda also holds the charge of the Chairman of Chhattisgarh East-West Railway Limited, a subsidiary of SECL and a sister concern of CERL.



**Shri R.P. Thakur** (58 years), D(T)O, SECL joined as a Director on the Board of CERL on 12.12.2013. Shri Thakur, a Mining Graduate from Indian School of Mines, Dhanbad also holds PG Diploma in Computer Application from XISS, Ranchi. He has completed his MBA in (Marketing & Finance) from BIT Mesra, Ranchi in the year 1990. He joined Central Coalfields Limited (CCL), a subsidiary of Coal India Limited as a JET (Mining) in the year 1977 and worked in different capacities in the fields and at the corporate level till last part

of November, 2013, when he was relieved of from CCL as Chief General Manager (Operations-Coordination) to take charge of DT(O),SECL. He has rich and varied experience of over 37 years in the field of mining.

In addition, Shri Thakur also holds the charge of Nominee Director of Andhra Pradesh Heavy Machinery and Engineering Ltd. and Director of Chhattisgarh East-West Railway Limited, a subsidiary of SECL and a sister concern of CERL.



**Dr. R. S. Jha** (54 years), D(P), SECL joined as a Director on the Board of CERL on 08.11.2014. Dr. Jha is a versatile human resource executive with hands-on-experience in diverse industries, in all facets of personnel functions. He holds Degree in MA in Labour & Social Welfare (Topper), LLB and Ph.D. He has contributed in various organisations in different capacities which includes Bihar State Sugar Corporation, Hindustan Zinc Limited (Schedule-A CPSU), Vedanta/Sterlite Group of Companies, NMDC (a Navaratna Company) in the States of Bihar, Jharkhand, Orissa, Maharashtra and Chhattisgarh.

He joined Coal India Limited (CIL) on 21.06.2011 at Western Coalfields Limited (Headquarter), Nagpur as General Manager (Personnel). Thereafter, he joined Mahanadi Coalfields Limited, Sambalpur, as General Manager (Personnel/Administration) in December, 2011 where he headed departments like Manpower, Recruitment, Executive Establishment, and Skill Development General Administration etc. He has also worked as CPIO/ Grievance Officer of the Company. During his tenure, he has proved to be a strategic professional who displays participative management style in fast-paced diverse work force. He has been instrumental in Manpower Rationalization, Skill Development initiatives and other challenging assignments of HR Department. He has also attended Advanced Management Programme for General Managers of CIL at Indian Institute of Management, Kolkata, Frankfurt School of Finance & Management, Germany and Stockholm School of Economics, Sweden from 04.05.2014 to 21.05.2014.

In addition, Dr. Jha also holds the charge of Director of Chhattisgarh East-West Railway Limited, a subsidiary of SECL and a sister concern of CERL.



**Shri K.K. Garg** (59 years), D(F) Ircon joined as a Director on the Board of CERL on 12.03.2013. Shri Garg is a B.Com Graduate from Punjab University, Patiala, in 1976. He is a fellow member of the Institute of Chartered Accountants of India (ICAI), and has over 34 years of rich experience in various fields of finance. He started his career as Accounts Officer in Punjab State Electricity Board in 1982. He has worked in various capacities in NHPC Limited for eleven years.

Thereafter, he joined Ircon International Limited as Addl. General Manger (Finance) in December, 1997 on deputation from NHPC limited and rose to become Executive Director (Finance) in February, 2006 and continued till May, 2007. During his tenure of nine years and six months in Ircon, he was in-charge of Corporate Accounts, Corporate Taxation, Corporate MIS and Budgetary Control, Commercial due-diligence and financial viability analysis for bidding of the projects on BOT/Annuity basis both in India and abroad, preparation of financial model, sensitivity analysis and financial closure on award of work.

He has worked as Director (Finance) of Satluj Jal Vidyut Nigam Limited (now called SJVN Limited) for about 2 years and six months. He is Director (Finance) of Ircon w.e.f. 3<sup>rd</sup> November 2009. He has also been nominated from time to time as Director for Indian Subsidiary and Joint Venture Companies of Ircon i.e. Ircon Infrastructure & Services Limited, Chhattisgarh East Railway Limited, Chhattisgarh East-West Railway Limited, and also foreign joint venture company CCFB, in Mozambique.



**Shri Sanjay Rastogi** (54 years), ED, IRCON, being a subscriber to Memorandum of Association of the company, took charge of Director, CERL on 12.03.2013. Shri Rastogi, a B. Tech. (Civil Engineering) is a 1983 batch officer of Indian Railways Service of Engineers (IRSE) cadre. During his 31 years of service, he has executed important projects of Raipur-Vizianagaram Doubling, Aligarh-Ghaziabad third rail line Project, etc. Besides working as Chief Track Engineer, Chief Track Machines Engineer, he has also worked in the field of Urban Planning in RITES Ltd. He also has exposure in Bus Rapid Transit Systems in

China and Indonesia. He is heading the team executing the challenging Udhampur-Srinagar-Baramularail line project.

In addition, Shri Rastogi also holds the charge of the Director of Chhattisgarh East-West Railway Limited, a subsidiary of SECL and a sister concern of CERL.



**Shri Sunil Mishra** (49 years), MD, CSIDCL joined as a Director on the Board of CERL on 04.05.2013. Shri Mishra a post graduate in Zoology is an Indian Forest Services (IFS) Officer of Chhattisgarh cadre. During his tenure in Forest Department, he did excellent work on poverty alleviation in around 400 villages by implementing 'Integrated Village Development Model' which was adopted as role model by Indian Forestry Congress, 2011. He has been awarded Green Guard Award in 2008 for work done in the field of water conservation and eco-tourism in Barnavapara Sanctuary. Presently, he is holding

the post of Managing Director, Chhattisgarh State Industrial Development Corporation Limited (A Government of Chhattisgarh undertaking) which is involved in overall industrial development of Chhattisgarh State by establishing and maintaining industrial areas and sector specific industrial parks for allotment of land to industrial units, industrial promotion and to assist local small scale industries by providing raw material viz. coal, iron and steel.

In addition, Shri Mishra also holds the charge of the Director of Chhattisgarh East-West Railway Limited, a subsidiary of SECL and a sister concern of CERL.



**Shri Debaraj Panda** (53 years), DRM, SECR, Bilaspur joined as a part time Director on the Board of CERL on 29.12.2014. Shri Panda, a Post Graduate in Economics from JNU is an IRTS officer of 1985 batch. Before his joining as DRM, SECR, Bilaspur division, he was worked as the DRM at Sambalpur Division of East Coast Railway. He has also worked as the Sr. Deputy General Manager (SDGM) in East Coast Railways (ECoR). Thereafter, he joined in IRCTC as Group General Manager (GGM) at Kolkata and then he worked as Chief Freight Transportation Manager (CFTM) of ECoR. He has also taken training in Strategic

Management organized for UIC at HEC Paris and Johannesburg.

In addition, Shri Panda also holds the charge of the Director of Chhattisgarh East-West Railway Limited, a subsidiary of SECL and a sister concern of CERL.

## DIRECTORS' REPORT

Dear Members,

On behalf of the Board of Directors of your Company, it is my privilege and honour to present, the 2<sup>nd</sup> Annual Report and Audited Statements of Accounts of your Company for the year ended 31<sup>st</sup> March, 2015, together with the Auditors Report and Comments on the Accounts by the Comptroller & Auditor General (CAG) of India.

### 1.0 HIGHLIGHTS OF PERFORMANCE :

The fiscal year 2014-15 has set the path for development of rail infrastructure in the Mand-Raigarh region for common good. After protracted discussions and several rounds of meetings with all concerned, the rail alignment for the first phase of the project was crystallized. The initial envisaged starting point of Gurda to Dharamjaygarh (10-74 km) in the 1<sup>st</sup> Phase had to be revised for additional connectivity up to Kharasia on the Howrah-Mumbai main line i.e., Kharasia to Gurda ( 0-10 km) along with a spur of 28 km from Gharghoda to Donga Mahua.

Although challenges were many, the significant milestones achieved by your company during the year are briefly mentioned below:

1. The Detailed Project Report (DPR) for Phase-I of the Project from Kharasia-Dharamjaygarh with a spur from Gharghoda to Donga Mahua to connect Mines of Gare-Pelma Block has been approved at a total Project Cost of ₹2,322.74 Crores.
2. After land survey and verification of land records, notification has been issued for transfer of 212.585 Hectares of Private Land (10-74 Kms) to be acquired under the Railways Act, 1989. In response to the Demand note, an amount of ₹82.50 Crores has been deposited with Land Acquisition Officer.
3. The transfer of 26.402 Hectares of Government Land for 18 villages (10-74 Km) has been approved by the Government of Chhattisgarh.
4. Stage-I Forest Clearance for 76.099 Hectares has been obtained for diversion of Forest Land. In compliance to the prescribed conditions, payment has been made towards NPV, Compensatory Afforestation etc. and preparation of 'wild life conservation plan' has been entrusted to Tropical Forest Research Institute (TFRI), Jabalpur.
5. Land survey and verification of land records for the balance part of 1<sup>st</sup> phase including spur is in progress for acquisition in a similar manner.
6. Rehabilitation & Resettlement Policy has been approved by competent authority and MOU has been signed.
7. M/s SBI Capital Markets, Mumbai has been appointed to facilitate debt syndication services and arrange borrowing from banks/financial institutions.

## 2.0 ORGANIZATION :

The Company being a joint venture company of South Eastern Coalfields Limited, IRCON International Limited and Government of Chhattisgarh (represented by CSIDC) was incorporated for developing the rail network and to facilitate coal traffic movement from Kharsia to Dharamjaygarh upto Korba with a spur from Gare-Pelma Block region of SECL in Northern Region of Chhattisgarh to meet the logistic challenges foreseen on account of coal evacuation and to meet the growing coal needs of the country. Ministry of Railways (Government of India) had notified the East Rail Corridor in the State of Chhattisgarh as a ‘**Special Railway Project**’ to provide national infrastructure for a public purpose and directed for acquisition of land under The Railways Act, 1989.

## 3.0 ROLE OF PROMOTER COMPANIES :

The proposed joint venture creates synergy by addressing the requirements of the partners with a national cause in mind. As per the MOU dated 03.11.2012, JV partners have agreed to conduct feasibility study and establish bankability of the project apart from extending necessary financial support in the desired form of equity /debt etc. by forming a company, where, GoCG’s share of equity shall correspond to the value of land provided by the State Government. The company (CERL) has been formed by equity contribution from SECL, IRCON and GoCG. The role of promoters is to bring the necessity of rail infrastructure and its establishment to a common platform so that the desired objective can be achieved by an association for a limited period. While discharging the promoters’ role, SECL looks for eco-friendly coal evacuation process through Rail, IRCON shares the technical expertise for movement on Rail and GoCG provides the necessary space to lay the Rail. In order to initiate the process, a Project Execution Agreement was signed on 18.01.2014 by CERL with IRCON, having domain expertise on execution of railway projects to act as a Project Management Consultant for undertaking the construction work of the proposed rail project in two phases i.e., Kharasia to Dharamjaygarh along with a spur from Gharghoda to Donga Mahua in the First phase and subsequently, upto Korba in the Second phase.

## 4.0 DETAILED PROJECT REPORT :

Detailed Project Report (DPR), Phase-I, for construction of New BG Electrified Double Line over SECR- East Corridor: Kharasia-Dharamjaygarh with a spur from Gharghoda to Donga Mahua to connect Mines of Gare-Pelma Block has been approved by South East Central Railway (SECR) and Ministry of Railway (MoR) covering a route length of 102 Kms approximately. The project is expected to be completed as per the specified timeline and the cost of construction has been worked out at ₹1,646.00 Crores at current prices. The total Project Cost has been worked at ₹2,322.74 Crores including a factor for inflation and interest during construction.

Upon the approval of the DPR by SECR, your Company had appointed CARE Kalypto Risk Technologies and Advisory Services Private Limited as Financial Appraiser for the project and it completed the Financial Appraisal of Phase-I of the Project on December, 2014 which included evaluation and assessing the financial viability of the project taking into consideration the risk factors with mitigation mechanism and conducting the sensitivity analysis.

The Debt-Equity ratio has been suggested at 80:20 taking into consideration the total project cost of ₹2,322.74 Crores in the Financial Appraisal Report. In compliance to the extant guidelines, the DPR has also been accepted/approved by the Boards of holding company (SECL) and later, by Coal India Limited.

## 5.0 PROJECT FINANCING :

SBI Capital Markets, Mumbai has been appointed by your Company to facilitate debt syndication services and arrange borrowings to finance the Phase-I of the project. Their presence and expertise in arranging debt funds from banks/financial institutions at competitive rates will help in mitigating the unforeseen risk of non-availability of funds during execution through a binding mechanism by achieving financial closure for the project.

## 6.0 CAPITAL STRUCTURE :

During the year under review, there was no change in the Authorised Capital of the Company, which stood at ₹5.00 Crores. During the year under review, 40,05,000 Nos. of Equity Shares of the Company were issued to SECL and IRCON in their shareholding proportion of 64% and 26% respectively. The shares have been fully subscribed and fully paid up. The equity contribution of CSIDC shall be in the form of cost of land. The equity shareholding pattern of the promoters companies are as follows:

Name of the Company	Shareholding Pattern As on 31-03-2015	Shareholding Pattern As On 31-03-2014
South Eastern Coalfields Limited	71.02%	64%
IRCON International Limited	28.85%	26%
CSIDC(representing Government of Chhattisgarh)	0.13%	10%
<b>Total</b>	<b>100%</b>	<b>100%</b>

## 7.0 FINANCIAL RESULTS :

The Financial Results for the Financial Year 2014-15 as compared to the previous year are given below:

Particulars	For the Year Ended 31-03-2015 (₹)	For the Period From 12-03-2013 to 31-03-2014 (₹)
<b>Profit/Loss for the Year</b>	<b>(4,45,418.00)</b>	<b>(14,18,055.00)</b>
Profit/Loss brought forward from previous year	(14,18,055.00)	-
<b>Balance Carried to Balance Sheet</b>	<b>(18,63,473.00)</b>	<b>(14,18,055.00)</b>

**8.0 CAPITAL EXPENDITURE :**

- i. During the year under report, investment to the tune of ₹1,48,88,146.00 was made in the acquisition and furnishing of Office Building and procurement of office furniture, computers etc.
- ii. Further, investment to the tune of ₹35,34,69,892.00 was made as capital expenditure towards execution of the Phase-I of the project.

**9.0 CONTRIBUTION TO THE EXCHEQUER: NIL****10.0 LOAN FUND :**

Your company has agreed to borrow ₹ 150 crores in the form of subordinate debt from the joint venture partners in proportion to their shareholding pattern pending finalization of the funding pattern and resources for the project. Accordingly during the Year under Review, the Company has entered into the Loan Agreement with SECL and IRCON for obtaining the loan amounting to ₹ 96.00 Crores and ₹ 39.00 Crores respectively. The subordinate debt has infused the pace to the project by allowing time to gear up for arranging funds in the form of equity/debt without compromising with the timeline for execution of the project.

**LOAN AGREEMENT WITH SECL ON 11-09-2014**

Unsecured Loan				(₹ in Crores)
Name of the Company	Balance as on 01.04.2014	Loan availed during the year	Repayment of Loan during the year	Balance of Loan as 31.03.2015
SECL	NIL	96.00	NIL	96.00
IRCON	NIL	30.00	NIL	30.00
Total	NIL	126.00	NIL	126.00

## 11.0 STATUS OF LAND ACQUISITION :

### I. Private Land :

Ministry of Railways (Government of India) vide S.O. 3198(E) dated 15<sup>th</sup> December, 2014, has notified 525.295 acres of Private Land (10-74 Kms) to be acquired under the Railways Act, 1989 for the execution of Special Railway Project. In response to the Demand Note, an amount of ₹82.50 Crores has been deposited with SECR and remitted, in turn to district administration for disbursement of compensation towards Revenue Land. The award of land for 17 villages out of 28 villages has been issued and disbursement of Land Compensation is in progress.

### II. Government Land :

The transfer of 26.402 Hectares of Govt. Land for 18 villages (10-74 Km) has been approved by the Government of Chhattisgarh in March 2015. The process for taking possession of Government Land is under progress.

### III. Forest Land :

Stage-I Forest Clearance for 76.099 Hectares of diversion of Forest Land (10-74 Km) has been received and the Compliance required for obtaining Stage-II clearance has also been submitted to Ministry of Environment and Forest. In compliance to stage I clearance, Tropical Forest Research Institute (TFRI), Jabalpur has been appointed to prepare wild life management plan.

### IV. Land for 0-10 km and Spur :

The Survey, Verification, Notification and related activities for acquisition of balance land including Spur of the Corridor (Phase-I) is under progress.

### V. Rehabilitation and Resettlement Policy :

The Rehabilitation & Resettlement Policy towards the land acquired under The Railways Act, 1989 prepared by IRCON International Limited in line with the provisions of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 has been approved by competent authority in the month of February, 2015.

**12.0 OFFICE BUILDING :**

CERL (Jointly with CEWRL) has taken an office building on lease for a period of 30 years from CSIDC at CSIDC Commercial Complex, Mahadev Ghat Road, Raipura Chowk, Raipur.



The furnishing of the office has been completed and the office has started functioning in a full-fledged manner from July 2014.

**13.0 DELEGATION OF POWER :**

An organized structure of key personnel with well-defined roles and empowered responsibilities will bring efficiency and effectiveness to the decision making process. Believing in this direction, suitable Powers have been delegated to the key officials so that they discharge their responsibilities by adhering to the extant policies, procedures and guidelines in vogue with due emphasis on transparency, accountability and cost.

**14.0 MANAGEMENT TEAM :**

The Management team of the company is functioning with the deputed manpower from SECL and IRCON as follows:

Sl No.	Name	Designation	On Deputation From
1	Shri Biswajit Choudhury	Chief Executive Officer (CEO)	SECL
2	Shri Rajneesh Narain	Chief Financial Officer (CFO)	SECL
3	Shri Rajesh Khare	Chief Operating Officer (COO)	IRCON
4	Shri Narendra Bondre	Deputy Manager (Civil)	IRCON
5	Shri Anup Agarwal	Assistant Manager (Finance)	SECL

**15.0 AUDITORS :**

Under Section 139 of the Companies Act 2013, the following audit firm was appointed as the Statutory Auditor of the Company for the financial year 2014-15, i.e. from 01.04.2014 to 31.03.2015:

M/s. Agrawal Gupta & Associates,  
Chartered Accountants  
Firm Registration No. 005244C  
Mesnet-6, Sector-I,  
Shankar Nagar,  
Raipur(Chhattisgarh)

**16.0 BOARD OF DIRECTORS :**

The Board of Directors of CERL consists of 7 (seven) members, viz., Chairman and 2 (two) Directors as nominee of SECL, 2 (two) Directors as nominee of IRCON, 1 (one) Director as nominee of CSIDCL and 1 (one) Director as nominee of Ministry of Railways (MoR).

**16.1** The Composition of Board of Directors as at 31.03.2015 is as under:

Sl. No.	Name	Designation	Date of Appointment
1	Shri A.P. Panda, D(F), SECL	Chairman	10.08.2013
2	Shri R.P. Thakur, D(T)(O), SECL	Director	12.12.2013
3	Dr. R.S. Jha, D(P), SECL	Director	08.11.2014
4	Shri K.K. Garg, D(F), IRCON	Director	12.03.2013
5	Shri Sanjay Rastogi, ED, IRCON	Director	12.03.2013
6	Shri Sunil Mishra, MD, CSIDCL	Director	04.05.2013
7	Shri Debaraj Panda, DRM, SECR	Director	29.12.2014

16.2 The following persons were appointed as Director during the year under report :

Sl. No.	Name	Designation	Date of Appointment
1	Dr. R.S. Jha, D(P), SECL	Director	08.11.2014
2	Shri Debaraj Panda, DRM, SECR	Director	29.12.2014

16.3 The following persons ceased to be Director during the year under report :

Sl. No.	Name	Designation	Date of Cessation	Remarks
1	Shri A.K. Singh, Former D(P), SECL	Director	30.06.2014	Upon Superannuation
2	Shri A.P. Singh, Former DRM (SECR)	Director	29.12.2014	Upon Transfer

#### 17.0 KEY MANAGERIAL PERSONNEL :

17.1 The following persons were appointed as Key Managerial Personnel (KMP) during the year under report :

Sl. No.	Name	Designation	Date of Appointment
1	Shri Biswajit Choudhury, GM (Mining), SECL	Chief Executive Officer	05.06.2014
2	Shri Rajneesh Narain, Sr. Manager (Finance), SECL	Chief Financial Officer	09.05.2014

17.2 The following persons ceased to be Key Managerial Personnel during the year under report :

Sl. No.	Name	Designation	Date of Cessation	Remarks
1	Shri U.T. Kanzarkar, GM (WBP/Environment), SECL	Chief Executive Officer	05.06.2014	Upon Transfer
2	Shri P.K. Bose, GM (Finance), SECL	Chief Financial Officer	09.05.2014	Upon Transfer

**18.0 BOARD MEETINGS :**

Eight (8) Board Meetings were held during the Financial Year 2014-15. The maximum time gap between two meetings was not more than 120 days. The details of Board meetings held during the period is given as under :

Meeting No.	Date of Meeting	Time	Venue of Meeting
Fifth	05-04-2014	11:30 A.M.	Bilaspur
Sixth	14-06-2014	01:00 P.M.	Bilaspur
Seventh	14-06-2014	04:00 P.M.	Bilaspur
Eighth	22-07-2014	11:00 A.M.	Raipur
Ninth	27-09-2014	11:00 A.M.	Raipur
Tenth	21-10-2014	11:00 A.M.	Bilaspur
Eleventh	23-12-2014	11:00 A.M.	Raipur
Twelfth	17-01-2015	11:00 A.M.	Raipur

**19.0 BANKER'S NAME AND ADDRESS :**

Sl. No.	Name	Branch address
1	State Bank of India	Sundarnagar Branch, Raipur (Chhattisgarh) PIN - 492013.

**20.0 DIRECTORS' RESPONSIBILITY STATEMENT :**

Pursuant to Section 134(5) of the Companies Act, 2013, Directors of your Company hereby state and confirm that:

- i) That, in the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) That, the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.
- iii) That, the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) That, the Directors have prepared the Annual Accounts for the year ended 31<sup>st</sup> March, 2015 on a 'Going Concern' basis.

- v) The Director had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating efficiently.

#### **21.0 CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO :**

Information in accordance with the provisions of Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 regarding Conservation of Energy, Technology absorption and Foreign Exchange earnings and Outgo is given in Annexure-I to this Report.

#### **22.0 INFORMATION UNDER SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 REGARDING EMPLOYEES REMUNERATION :**

Information as per Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is not applicable to your Company as no employee in the Company was drawing more than ₹5,00,000/- per month or ₹ 60,00,000/- per annum or in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.

#### **23.0 RELATED PARTY TRANSACTIONS :**

Related party transactions that were entered during the financial year were on an arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions with the Company's Promoters, Directors, Management or their relatives, which could have had a potential conflict with the interests of the Company. Transactions with related parties entered by the Company in the normal course of business are periodically placed before Board for its omnibus approval and the particulars of contracts entered during the year as per Form AOC-2 is enclosed as Annexure-II, to this Report.

#### **24.0 FORM NO. MGT.9 EXTRACT OF ANNUAL RETURN :**

The extract of Annual Return of the Company in Form No. MGT-9 for the year under report pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014 is placed at Annexure-III.

#### **25.0 PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS :**

During the year under review, the Company has not granted any loan, extended any guarantee or made investment.

#### **26.0 AUDITORS' REPORT :**

The Auditors' report on the accounts of the Company for the year ended 31<sup>st</sup> March, 2015 are placed at Annexure-IV and V forming part of the Report.

**27.0 ACKNOWLEDGEMENTS :**

Your Directors acknowledge with deep sense of appreciation the co-operation, invaluable support and guidance received from the Ministry of Coal, Ministry of Railways, various departments of Government of Chhattisgarh, Coal India Limited, South Eastern Coalfields Limited, IRCON International Limited and Chhattisgarh State Industrial Development Corporation Limited. Your Directors also express their sincere thanks to the Divisional and District administration and to all those, who have directly and indirectly extended their help and cooperation from time to time for the development of the Rail Corridor.

Your Directors express their deep felt thanks and best wishes to all the shareholders for their continued support and reposing trust on the Management. Your Directors would like to place on record their appreciation for the untiring efforts and contributions made by the employees and associates at all levels to achieve the progress so far and moving closer towards reality.

**28.0 ADDENDA :**

The following documents are annexed :

- 28.1 In pursuance to the provisions of Section 134 (3) (m) of the Companies Act, 2013, read with Rule 8 (3) of the Companies (Accounts) Rules, 2014, Information in regard to the Conservation of Energy, Technology Absorption and Foreign Exchange Earning & Outgo is given in Annexure-I to this report.
- 28.2 In pursuance to the provisions of Section 134 (3) (h) of the Companies Act, 2013 read with Rule 8 (2) of the Companies (Accounts) Rules, 2014, Information relating to Contracts or Arrangements with related parties is given in Annexure-II to this Report.
- 28.3 The extract of Annual Return of the Company in Form No. MGT-9 for the year ended 31.03.2015 under Section 92(3) of the Companies Act, 2013 is given in Annexure-III.
- 28.4 Comments of the Comptroller & Auditor General (C&AG) of India under section 143(6)(b) read with section 129(4) of the Companies Act, 2013 is given in Annexure-IV to this report.
- 28.5 Report of the Statutory Auditor appointed under Section 139 of the Companies Act, 2013 is given in Annexure-V to this report.

**For and on behalf of the Board of Directors**

Date: 06.05.2015  
Place: Raipur

Sd/-  
(A.P. Panda)  
Chairman  
DIN: 06664375

## ANNEXURE-I

Information on conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo required to be disclosed under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are provided hereunder:

### (A) CONSERVATION OF ENERGY

- a) **The steps taken or impact of conservation of energy:**  
Not Applicable, since the Company has not commenced its commercial operations.
- b) **The steps taken by the company for utilizing alternate source of energy:**  
Not Applicable
- c) **The capital investments on energy conservation equipment:**  
The Company has installed power saver devices in the Office building.

### (B) TECHNOLOGY ABSORPTION

- (a) **The efforts made towards technology absorption:**  
Not Applicable, since the Company has not commenced its commercial operations.
- (b) **The benefits derived like product improvement, cost Reduction, product development or import substitution:**  
Not Applicable, since the Company has not commenced its commercial operations.
- (c) **In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)**
- (a) **The details of technology imported** : NIL
- (b) **The year of import** : NIL
- (c) **Whether the technology been fully absorbed;** : NIL
- (d) **If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and** : NIL
- (e) **The expenditure incurred on Research and development** : NIL

### Expenditure on R&D (₹ in lakhs)

Sl.No.	Particulars	2014-15	2013-14
	Capital	NIL	NIL
1	Recurring	NIL	NIL
2	Total	NIL	NIL
3	Total R&D expenditure as a percentage of total turnover	NIL	NIL
4			

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

The Foreign Exchange outgo and foreign exchange earned by the Company during the year is Nil.

## ANNEXURE II

### FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

#### 1. Details of contracts or arrangements or transactions not at arm's length basis

(a)	Name(s) of the related party and nature of relationship	Nil
(b)	Nature of contracts/arrangements/transactions	Nil
(c)	Duration of the contracts/arrangements/transactions	Nil
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Nil
(e)	Justification for entering into such contracts or arrangements or transactions	Nil
(f)	Date(s) of approval by the Board	Nil
(g)	Amount paid as advances, if any:	Nil
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	Nil

#### 2. Details of material contracts or arrangement or transactions at arm's length basis

##### (a) Name(s) of the related party and nature of relationship :

- (i) South Eastern Coalfields Limited (Holding Company of Chhattisgarh East Railway Limited)
- (ii) IRCON International Limited (Associate Company of Chhattisgarh East Railway Limited)

##### (b) Nature of contracts/arrangements/transactions :

- (i) The Company has entered into a Project Execution Agreement with IRCON on 18.01.2014 for the execution of the East Corridor Project, which includes the activities like route selection, land acquisition, detailed survey work, project costing, preparation of feasibility/bankability report to establish the project cost, compilation of land data, rehabilitation and resettlement works (R&R) works, recurring assistance in R&R activity, preparation of DPR, construction & completion of rail networks, arrangements under concession agreement, Clearance and diversion of Forest land for the purpose of project as per the provisions of Forest Conservation Act, 1980 etc.
- (ii) The Company has entered into the Term Loan Agreement with SECL and IRCON.

**(c) Duration of the contracts/arrangements/transactions :**

- (i) The Project Execution Agreement shall remain in force till the East Rail Corridor becomes operational in line with the Concession Agreement.
- (ii) The repayment period of loan shall be of five (05) years, excluding the time involved for the construction of the project i.e., Moratorium Period not exceeding five years from the date of the loan agreement.

**d) Salient terms of the contracts or arrangements or transactions including the value, if any:**

- (i) As per the Project Execution Agreement dated 18.01.2014, the East Rail Corridor will be completed in two phases:
  - PHASE-I : Kharsia to Dharamjaygarh (74 KM)  
with a spur from Gharghoda to Donga Mahua.
  - PHASE-II : Dharamjaygarh to Korba (approx. 62 KM).

The Company shall make payments to IRCON towards the activities for execution of the subject work as follows:

- a) **Acquisition of land** - At the rate of ₹1,75,000/- (Rupees One lakh and seventy five thousand only) per acre for Tenancy land (excluding Government land and Forest Land) to be paid progressively\*, which will cover payments to consultants appointed by IRCON for land acquisition, framing of Rehabilitation & Resettlement policy and obtaining licenses and permissions etc.

\*Details of Stages of Payment against Deliverable are given below:

Stage I : 20% of the amount shall be paid on publication of notification under Section 20A,  
 Stage II : 60% of the amount due shall be paid on award by the Land Acquisition Officer, and  
 Stage III : Balance 20% after legal and physical possession of land.

- b) **Feasibility Study** - 1 % (one percent) of the “**Estimated Project Cost**” of work.
  - c) **Detailed Project Report** - 2 % (Two percent) of the “**Estimated Project Cost**” of work.
  - d) **Project Construction** - “**Actual Expenditure**” on construction of the project plus an amount of 9 % on the same (called as contract addition).
- (iii) The Company has entered into the Term Loan Agreement with SECL and IRCON on 11.09.2014 and 31.10.2014 for obtaining loan amounting to ₹ 96.00 Crores and ₹ 39.00 Crores at an interest rate of 12% per annum with compounding interest at quarterly rests.

**(e) Justification for entering into such contracts or arrangements or transactions:**

- (i) The Company has entered into a Project Execution Agreement with IRCON for the execution of the East Corridor Project in the State of Chhattisgarh to utilise their domain expertise.
- (ii) In accordance with the provisions of Section 184 read with Rule 12 of the Companies (Meeting of the Board and its Powers) Rules, 2014 with regard to disclosure of interest by a director, has been complied by all the directors. After the approval of the Board at its 6<sup>th</sup> Meeting, the Shareholders of the Company at its Second Extra Ordinary General Meeting held on 14.06.2014 by way of a special resolution approved for arrangement of funds from the promoter companies in the ratio of their shareholding proportion for an amount not exceeding ₹ 150.00 Crores in light of Rule 15 (2) of the Companies (Meeting of the Board and its Powers) Rules, 2014.

**(f) Date(s) of approval by the Board:**

- (i) CERL Board at its 4<sup>th</sup> Meeting held on 06.01.2014 approved for entering into an agreement for execution of Project through IRCON.
- (ii) CERL Board at its 6<sup>th</sup> Meeting held on 14.06.2014 approved for arrangement of funds for an amount not exceeding ₹150.00 Crores from SECL, IRCON and CSIDC in the ratio of their shareholding proportion of 64%, 26% and 10% respectively.

**(g) Amount paid as advances, if any:**

- (i) Nil
- (ii) Nil

**(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188:**

The Agreement was executed with IRCON on 18.01.2014, before the commencement of the Companies Act, 2013 and hence no special resolution was passed.

For and on behalf of the Board of Directors  
Sd/-  
(A.P. Panda)  
Chairman  
DIN :06664375

Place : Raipur  
Date : 06.05.2015

## ANNEXURE III

FORM NO. MGT.9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2015

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

### I. REGISTRATION AND OTHER DETAILS:

- i) CIN : U45203CT2013GOI000729
- ii) Registration Date : 12.03.2013
- iii) Name of the Company : CHHATTISGARH EAST RAILWAY LIMITED
- iv) Category / Sub-Category of the Company : Company having Share Capital
- v) Address of the Registered office and contact details : 2ND FLOOR, CSIDC COMMERCIAL COMPLEX, MAHADEV GHAT ROAD, RAIPURA CHOWK RAIPUR-492013, CHHATTISGARH  
E-mail id: cerlcewrl@gmail.com  
Phone: 0771-2242155, Fax: 0771-2242154
- vi) Whether listed company : No
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : Not Applicable

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Nil	Nil	Nil

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

SL. No.	Name & Address of the Company	CIN/	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	SOUTH EASTERN COALFILEDS LIMITED	U10102CT1985GOI003161	HOLDING COMPANY	71.02	2(46)

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

## I) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.Promoters									
(1) Indian									
a) Individual/ HUF	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) State Govt (s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Bodies Corp.	Nil	50,000	50,000	100	Nil	40,55,000	40,55,000	100	Nil
e) Banks/FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Any Other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-total (A) (1) :-</b>	<b>Nil</b>	<b>50,000</b>	<b>50,000</b>	<b>100</b>	<b>Nil</b>	<b>40,55,000</b>	<b>40,55,000</b>	<b>100</b>	<b>Nil</b>
(2) Foreign									
a) NRIs - Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Other - Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Any Other...	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-total (A) (2):-</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A) ( 2)</b>	<b>Nil</b>	<b>50,000</b>	<b>50,000</b>	<b>100</b>	<b>Nil</b>	<b>40,55,000</b>	<b>40,55,000</b>	<b>100</b>	

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Banks/FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
g) FIs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
h) Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-total (B)(1):-</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
2. Non-Institutions	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
a) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Indian	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Individual shareholders holding nominal share capital up to ₹1 lakh	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-total (B)(2):-</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Grand Total (A+B+C)</b>	<b>Nil</b>	<b>50,000</b>	<b>50,000</b>	<b>100</b>	<b>Nil</b>	<b>40,55,000</b>	<b>40,55,000</b>	<b>100</b>	<b>Nil</b>

**(ii) Shareholding of Promoters**

Sl.No.	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	% of total Shares of the company	%of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged/ encumbered to total shares	
1	South Eastern Coalfields Limited	32,000	64	Nil	28,80,000	71.02	Nil	10.97
2	IRCON International Limited	13,000	26	Nil	11,70,000	28.85	Nil	9.88
3	CSIDCL	5,000	10	Nil	5,000	0.13	Nil	-98.7
	<b>TOTAL</b>	<b>50,000</b>	<b>100</b>	<b>Nil</b>	<b>40,55,000</b>	<b>100</b>	<b>Nil</b>	

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

Sl.No.	Shareholder's Name	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
1	At the beginning of the year	50,000	100	50,000	100
2	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g.allotment/ transfer/bonus/ sweat equity etc):	Nil	Nil	40,05,000	100
3	At the End of the year	50,000	50,000	40,55,000	100

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs & ADRs):**

Sl.No.	Shareholder's Name	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
	<b>For Each of the Top 10 Shareholders</b>				
<b>1</b>	At the beginning of the year	Nil	Nil	Nil	Nil
<b>2</b>	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	Nil	Nil	Nil	Nil
<b>3</b>	At the End of the year (or on the date of separation, if separated during the year)	Nil	Nil	Nil	Nil

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl.No.	Shareholder's Name	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
	<b>For Each of the Directors and KMP</b>				
<b>1</b>	At the beginning of the year	Nil	Nil	Nil	Nil
<b>2</b>	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc) :	Nil	Nil	Nil	Nil
<b>3</b>	At the End of the year	Nil	Nil	Nil	Nil

**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	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
Change in Indebtedness during the financial year				
• Addition	Nil	1,29,23,41,753.00	Nil	1,29,23,41,753.00
• Reduction	Nil	Nil	Nil	Nil
Net Change	Nil	1,29,23,41,753.00	Nil	1,29,23,41,753.00
Indebtedness at the end of the financial year				
i) Principal Amount	Nil	1,26,00,00,000.00	Nil	1,26,00,00,000.00
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	3,23,41,753.00	Nil	3,23,41,753.00
<b>Total (i+ii+iii)</b>	<b>Nil</b>	<b>1,29,23,41,753.00</b>	<b>Nil</b>	<b>1,29,23,41,753.00</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	Nil	Nil	Nil	Nil
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil	Nil	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil	Nil
4.	Commission					
	- as % of profit	Nil	Nil	Nil	Nil	Nil
	- others, specify...	Nil	Nil	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total (A)	Nil	Nil	Nil	Nil	Nil
	Ceiling as per the Act	Nil	Nil	Nil	Nil	Nil

**B. Remuneration to other directors:**

S.No.	Particulars of Remuneration	Name of Directors									Total Amount
1	Independent Directors	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	• Fee for attending board committee meetings	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	• Commission	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	• Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total (1)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Other Non-Executive Directors	Shri A.P. Panda	Shri R.P. Thakur	Dr. R.S. Jha	Shri K.K. Garg	Shri Sanjay Rastogi	Shri Sunil Mishra	Shri Debaraj Panda	Shri A.K. Singh	Shri A.P. Singh	
	• Fee for attending board committee meetings	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	• Commission	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	• Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total (2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total (B) = (1 + 2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total Managerial Remuneration	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Overall Ceiling as per the Act	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

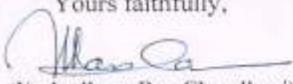
**C. Remuneration To Key Managerial Personnel Other Than Managing Director/Manager/Whole Time Director**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Shri Biswajit Choudhury (CEO)	Shri Rajneesh Narain (CFO)	Total
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	9,33,092.30	5,99,923.00	15,33,015.30
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1,48,130.92	1,15,177.88	2,63,308.80
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission			
	- as % of profit	Nil	Nil	Nil
	- others, specify	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil
	<b>Total</b>	<b>10,81,223.22</b>	<b>7,15,100.88</b>	<b>17,96,324.10</b>

**Vii. Penalties/punishment/compounding of Offences:**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>B. DIRECTORS</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

## ANNEXURE-IV

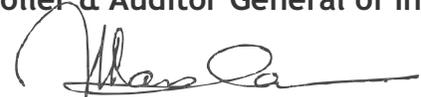
 सत्यमेव जयते	No. <u>248</u> /CA/LA-I/Accounts/C E Railway/2014-15 कार्यालय प्रधान निदेशक वारिष्ठिक लेखापरीक्षा तथा पदेन सदस्य लेखापरीक्षा बोर्ड - II कोलकाता पुराना निजाम महल, आचार्य जगदीश चन्द्र बोस रोड, कोलकाता - 700 020 OFFICE OF THE PRINCIPAL DIRECTOR OF COMMERCIAL AUDIT & EX-OFFICIO MEMBER AUDIT BOARD - II, KOLKATA Old Nizam Palace, 234/4, Acharya Jagadish Chandra Bose Road, Kolkata-700 020 14 MAY 2015
<p>To          The Chairman          Chhattisgarh East Railway Limited,          2<sup>nd</sup> Floor,          CSIDC Commercial Complex,          Mahadev Ghat Road, Raipura Chowk,          Raipur- 492013(C.G.)</p>	
<p><b>Sub: Comments of the Comptroller &amp; Auditor General of India under section 143(6)(b) Read with Section 129(4) of the Companies Act, 2013 on the Accounts of Chhattisgarh East Railway Limited for the year ended 31<sup>st</sup> March 2015.</b></p>	
<p>Sir,          I forward herewith the Comments of the Comptroller &amp; Auditor General of India under section 143(6)(b) Read with Section 129(4) of the Companies Act, 2013 on the Accounts of Chhattisgarh East Railway Limited for the year ended 31<sup>st</sup> March 2015.</p>	
<p><b>Encl:</b> As stated</p>	<p>Yours faithfully,            (Yashodhara Ray Chaudhuri)          PRINCIPAL DIRECTOR OF COMMERCIAL AUDIT          &amp; EX-OFFICIO MEMBER AUDIT BOARD-II  <u>KOLKATA</u></p>
<p>Dated: 14.05.2015          Kolkata</p>	
<p>मु० बा० / Phone : 91-33-22875380/7165/2360/8838. 22810043/5654          ई०मेल / E-mail : pdca2cal@cal3.vsnl.net.in</p>	
<p>फैक्स / Fax : 91-33-2280-0062          तार : "कोयलेखा" / Telegram : "COLADIT"</p>	

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF CHHATTISGARH EAST RAILWAY LIMITED FOR THE YEAR ENDED 31 MARCH 2015**

The preparation of consolidated financial statements of Chhattisgarh East Railway Limited for the year ended 31 March 2015 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditor/auditors appointed by the Comptroller and Auditor general of India under section 139(5) or 139(7) read with section 129(4) of the Act is/are responsible for expressing opinion on the financial statements under section 143 read with section 129(4) 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 06.05.2015.

I, on the behalf of the Comptroller and Auditor General of India, have decided not to conduct supplementary audit of the consolidated financial statements of Chhattisgarh East Railway Limited for the year ended 31 March 2015 and as such have no comments to make under section 143(6)(b) read with section 129 (4) of the Act.

For and on behalf of  
Comptroller & Auditor General of India



(Yashodhara Ray Choudhuri)  
Pr. Director of Commercial Audit &  
Ex-officio Member, Audit Board-II  
Kolkata

Place: Kolkata  
Dated: 14.05.2015

(Annexure-V)

**AUDITORS' REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015**

To,  
The Members,  
CHHATTISGARH EAST RAILWAY LIMITED  
Raipur-492013 (CG)

**Report on the Financial Statements**

We have audited the accompanying financial statements of Chhattisgarh East Railway Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

**Management's Responsibility for the Financial Statements**

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company and comply with the Accounting Standards notified under section 133 of the Companies Act, 2013 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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

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

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ("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 statement on the matters specified in paragraphs 3 of the Order.
2. As required by section 143 of the Act, we report that:
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt under this report comply with the Accounting Standards notified under the Companies Act, 2013;

For, AGRAWAL GUPTA & ASSOCIATES  
Chartered Accountants  
(Firm Registration No.-005244C)  
Sd/-  
(MADAN MOHAN GUPTA)  
PARTER  
Membership No.-074090

Place: Raipur  
Date:06.05.2015

## Annexure to Independent Auditors' Report

Referred to in Paragraph 1 under the heading of “report on other legal and regulatory requirements” of our report of even date

- 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 as per the policy of the Company which seems to be reasonable having regard to the size of the Company and the nature of its business. No material discrepancies have been noticed as confirmed by the Management.
- ii. The company does not have any inventories and accordingly the provisions of clauses (ii)(a), (b) and (c) of the paragraph 3 of the Order are not applicable to the Company.
- iii. (a) The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(a) to (c) of the Order are not applicable to the Company.
- iv. There is an adequate internal control system which commensurate with the size of the company and the nature of its business with regard to purchases of fixed assets and for the sale of goods and services. The Company does not have any inventory and no sale of goods and services have taken place during the year. During the course of our audit, no major weakness in internal control has been noticed.
- v. The Company has not accepted deposits from the public in terms of the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules made there under.
- vi. The company has not commenced any commercial production and hence maintenance of cost records specified by the Government under sub-section (1) of section 148 of the Companies Act, 2013 is not applicable during the year under audit.
- vii. (a) According to the information and explanations given to us, dues of Provident Fund are presently paid by the holding Company i.e., South Eastern Coalfields Limited and Associate Company i.e., Ircon International Limited on behalf of the Company regularly with the appropriate authorities. The Company is regular in depositing undisputed statutory dues including Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess, Entry Tax and other statutory dues with the appropriate authorities.
  - (b) There were no undisputed arrears of aforesaid dues were outstanding as on 31<sup>st</sup> March, 2015 for a period of more than six months from the date they become payable.

- (c) There provisions of the Investor Education and Protection Fund and Employees State Insurance are not applicable to the company.
- viii. As the Company has been registered for less than five years, Clause (viii) of the Order is not applicable.
- ix. The Company has not any dues payable to Financial Institutions or banks as at the Balance Sheet date.
- x. The Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xi. The Company has availed the term loan of ₹96.00 crores from South Eastern Coalfields Limited (SECL) and ₹30.00 crores from Ircon International Limited during the year and the loans were applied for the purpose for which the loans were obtained.
- (xii) No fraud, on or by the Company has been noticed or reported during the year.

For, AGRAWAL GUPTA & ASSOCIATES  
Chartered Accountants  
(Firm registration No.-005244C)

Sd/-  
(MADAN MOHAN GUPTA)  
PARTNER  
Membership No.-074090

Place: Raipur  
Date:06.05.2015

The background of the page is a blurred image of a financial document with a pen resting on it. The document contains various numbers and text, including '23 847', '10 390', '10 625', '226', '8 836', '55 02', '581', and '20'. A silver pen is positioned diagonally across the bottom right of the page.

**FINANCIAL**  
**STATEMENTS**  
**FOR THE YEAR ENDED**  

---

**31<sup>ST</sup> MARCH, 2015**

**BALANCE SHEET**As at 31<sup>ST</sup> MARCH 2015

	Note No.	(Figures in ₹)	
		As at 31-03-2015	As at 31-03-2014
<b>I EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Fund</b>			
a) Share Capital	1	4,05,50,000.00	5,00,000.00
b) Reserves & Surplus	2	(18,63,473.00)	(14,18,055.00)
c) Money Received against Share Warrants		- 3,86,86,527.00	- (9,18,055.00)
<b>(2) Share Application money pending allotment</b>			
<b>(3) Non-Current Liabilities</b>			
a) Long Term Borrowing	3	1,29,23,41,753.00	-
b) Deferred Tax Liabilities (Net)		-	-
c) Other Long Term Liabilities		-	-
d) Long Term Provisions		- 1,29,23,41,753.00	-
<b>(4) Minority Interest</b>		-	-
<b>(5) Current Liabilities</b>			
a) Short Term Borrowings		-	-
b) Trade Payables		-	-
c) Other Current Liabilities	4	5,61,19,242.69	2,14,18,078.00
d) Short Term Provisions		- 5,61,19,242.69	- 2,14,18,078.00
<b>Total</b>		<b>1,38,71,47,523.00</b>	<b>2,05,00,023.00</b>
<b>II ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets			
i) Tangible Assets - Gross Block	5A	1,48,88,146.00	-
Less : Depreciation, Impairment & Provisions		4,77,433.00	-
Net Carrying Value		1,44,10,713.00	-
ii) Intangible Assets - Gross Block		-	-
Less : Depreciation, Impairment & Provisions		-	-
Net Carrying Value		-	-
iii) Capital Work-in-Progress	5B	35,34,69,891.99	-
iv) Intangible Assets under Development		-	-

**Balance Sheet Contd. ....**

	Note No.	(Figures in ₹)	
		As at 31-03-2015	As at 31-03-2014
<b>Non-Current Assets (contd...)</b>			
(b) Non-Current Investments		-	-
(c) Deferred Tax Assets (Net)		-	-
(d) Long Term Loans & Advances	6	95,31,23,723.00	2,00,00,000.00
(e) Other Non-Current Assets		- 95,31,23,723.00	- 2,00,00,000.00
<b>(2)Current Assets</b>			
(a) Current Investments		-	-
(b) Inventories		-	-
(c) Trade Receivables		-	-
(d) Cash & Bank Balanc	7	6,57,48,170.00	5,00,023.00
(e) Short Term Loans & Advances	8	3,95,025.00	-
(f) Other Current Assets		6,61,43,195.00	- 5,00,023.00
<b>Total</b>		<b>1,38,71,47,523.00</b>	<b>2,05,00,023.00</b>
Significant Accounting Policies	12		
Additional Notes on Accounts	13		
The Notes referred to above form an integral part of Balance Sheet			
Sd/- <b>(RAJNEESH NARAIN)</b> CHIEF FINANCIAL OFFICER	Sd/- <b>(R.P. THAKUR)</b> DIRECTOR DIN: 06764576	Sd/- <b>(A.P. PANDA)</b> CHAIRMAN DIN: 06664375	AS PER OUR REPORT OF EVEN DATE, For, AGRAWAL GUPTA & ASSOCIATES CHARTERED ACCOUNTANTS
Date : 06.05.2015 Place: RAIPUR		Sd/- [ CA MADAN MOHAN GUPTA ] PARTNER M.No. 074090 Firm Regn. No. 005244C	

# STATEMENT OF PROFIT & LOSS

For the Period Ended 31-03-2015

	Note No.	(Figures in ₹)	
		For the Year Ended 31-03-2015	For the Period From 12-03-2013 to 31-03-2014
<b>INCOME</b>			
I Revenue From Operations		-	-
II Other Income	9	2,14,820.00	-
III Total Revenue (I+II)		<b>2,14,820.00</b>	<b>-</b>
<b>EXPENSES</b>			
Cost of Material Consumed		-	-
Purchases of stock-in-Trade		-	-
Changes in inventories of finished goods, work-in-progress and Stok in Trade		-	-
Finance costs		-	-
Depreciation and amortisation expense		-	-
Employee Benefit Expenses	10	-	1,53,352.70
Other Expenditure	11	6,60,238.00	12,64,702.00
Total Expenses		<b>6,60,238.00</b>	<b>14,18,054.70</b>
V Profit/(Loss) before prior period, exceptional and extraordinary items and tax (III-IV)		<b>(4,45,418.00)</b>	<b>(14,18,054.70)</b>
VI Prior Period Adjustment {Charges/ (Incomes)}		-	-
VII Exceptional Items		-	-
VIII Profit/(Loss) before extraordinary items and tax (V-VI-VII)		<b>(4,45,418.00)</b>	<b>(14,18,055.00)</b>
IX Extraordinary Items		-	-
X Profit/(Loss) before Tax (VIII-IX)		<b>(4,45,418.00)</b>	<b>(14,18,055.00)</b>
XI Less : Tax Expense			
- Current year		-	-
- Deferred Tax		-	-
- Earlier years		-	-
XII Profit/(Loss) for the Period from continuing operations (X-XI)		<b>(4,45,418.00)</b>	<b>(14,18,055.00)</b>
XIII Profit/(Loss) from discontinuing operations		-	-
XIV Tax expenses of discontinuing operations		-	-
XV Profit/(Loss) from discontinuing operations (after tax) (XIII-XIV)		-	-
XVI Profit/(Loss) for the Year (XII-XV)		<b>(4,45,418.00)</b>	<b>(14,18,055.00)</b>
XVII Earning per equity share (in ₹ ) (Face Value of ₹10/- per share)			
(1) Basic		(0.14)	(26.89)
(2) Diluted		(0.14)	(26.89)
Significant Accounting Policies	12		
Additional Notes on Accounts	13		
The Notes referred to above form an integral part of Statement of Profit & Loss.			
Sd/- (RAJNEESH NARAIN) CHIEF FINANCIAL OFFICER	Sd/- (R.P. THAKUR) DIRECTOR DIN: 06764576	Sd/- (A.P. PANDA) CHAIRMAN DIN: 06664375	
		AS PER OUR REPORT OF EVEN DATE, For, AGRAWAL GUPTA & ASSOCIATES CHARTERED ACCOUNTANTS	
		Sd/- [ CA MADAN MOHAN GUPTA] PARTNER M.No.074090 Firm Regn. No. 005244C	
Date : 06.05.2015 Place: RAIPUR			

## The Cash Flow Statement (Indirect Method)

For the Period From 01-04-2014 to 31-03-2015

(Figures in ₹)		
	For the Year Ended 31-03-2015 (Figures in ₹)	For the Period From 12-03-2013 to 31-03-2014 (Figures in ₹)
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net Profit before tax	(4,45,418)	(14,18,055)
Operating profit before Current / Non Current Assets and Liabilities	(4,45,418)	(14,18,055)
Adjustments for :		
Income from other sources	2,14,820	-
Depreciation & Impairment of Fixed Assets	4,77,433	-
Operating profit before Current / Non Current Assets and Liabilities	(1,82,805)	(14,18,055)
Short/Long term Loans / Advances & Other Current Assets	93,35,18,748	-
Short/Long term Liabilities and Provisions	3,47,01,165	2,14,18,078
<b>Cash generated from operations</b>	<b>(89,90,00,388)</b>	<b>23</b>
<b>Net Cash Flow from Operating Activities</b>	<b>(89,90,00,388)</b>	<b>23</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of Office Building	(1,29,62,688)	-
Acquisition of Furniture & Fixtures	(19,25,458)	-
Capital work -in- Progress	(35,34,69,892)	-
Interest Received from CLTD Account	2,14,820	-
<b>Net cash flow from Investing Activities</b>	<b>(36,81,43,218)</b>	<b>-</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Issue of Share Capital	4,00,50,000	5,00,000
Proceeds from Loan	1,26,00,00,000	-
Interest Cost	3,23,41,753	-
<b>Net cash used in Financing Activities</b>	<b>1,33,23,91,753</b>	<b>5,00,000</b>
<b>Net increase/ decrease in Cash &amp; Bank Balances (A+B+C)</b>	<b>6,52,48,147</b>	<b>5,00,023</b>
Cash and cash equivalents at beginning of period	5,00,023	-
Cash and cash equivalents at end of period	6,57,48,170	5,00,023
All figures in bracket represent outflow		
Sd/- (RAJNEESH NARAIN) CHIEF FINANCIAL OFFICER	Sd/- (R.P. THAKUR) DIRECTOR DIN: 06764576	Sd/- (A.P. PANDA) CHAIRMAN DIN: 06664375
		AS PER OUR REPORT OF EVEN DATE, For, AGRAWAL GUPTA & ASSOCIATES CHARTERED ACCOUNTANTS
Date : 06.05.2015 Place: RAIPUR		Sd/- [ CA MADAN MOHAN GUPTA ] PARTNER M.No. 074090 Firm Regn. No. 005244C

## NOTES TO BALANCE SHEET

### NOTE - 1

		( Figures in ₹ )	
SHARE CAPITAL		As at 31-03-2015	As at 31-03-2014
<b>Authorised Capital :</b> 50,00,000 Equity Shares of ₹10.00 each		5,00,00,000.00	5,00,00,000.00
	<b>TOTAL</b>	<b>5,00,00,000.00</b>	<b>5,00,00,000.00</b>
<b>Issued, Subscribed &amp; Paid up Capital :</b> 40,55,000 Equity Shares of ₹10.00 each fully paid up		4,05,50,000.00	5,00,000.00
	<b>TOTAL</b>	<b>4,05,50,000.00</b>	<b>5,00,000.00</b>

**a) Reconciliation of shares outstanding at the beginning and at the end of the reporting period**

Particulars	Current Year		Previous year	
	No. of shares	Share Capital (₹)	No. of shares	Share Capital (₹)
Outstanding at the beginning of the period	50,000	5,00,000.00	-	-
Issued during the period	40,05,000	4,05,50,000.00	50,000	5,00,000.00
Outstanding at the end of the period	<b>40,55,000</b>	<b>4,05,50,000.00</b>	<b>50,000</b>	<b>5,00,000.00</b>

**b) Terms/rights attached to equity shares**

The company has only one class of equity shares having at par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share.

**c) Details of shareholders holding more than 5% shares in the company.**

Name of the Shareholder	Current Year		Previous Year	
	No. of shares Held	% of Total Shares	No. of shares Held	% of Total Shares
South Eastern Coalfields Limited and its Nominees (Holding Company)	28,80,000	71.02%	32,000	64.00%
IRCON International Limited	11,70,000	28.85%	13,000	26.00%
CSIDCL (Representing GoCG)	-	-	5,000	10.00%

d) As per Clause 3 of the Memorandum of Understanding signed between GoCG, SECL & IRCON International Ltd. Dated 03.11.2012, GoCG's share of equity in the JVC shall correspond to the value of land provided by the State Govt. or 10% whichever is more. Since, no land has been provided, therefore, the value of equity of State Govt. (Represented by CSIDCL) is only 0.13% on the Balance Sheet date.

e) During the period 40,05,000 Nos. of Equity Shares were issued to SECL & IRCON on Private Placement Basis in their share holding proportion of 64% and 26% respectively. The shares have been fully subscribed & fully paid up. The equity Contribution of CSIDCL shall be in the form of cost of land to be received.

## NOTES TO BALANCE SHEET

### NOTE - 2

( Figures in ₹ )		
RESERVES & SURPLUS	As at 31-03-2015	As at 31-03-2014
Surplus in Profit & Loss Account		
As per last Balance Sheet	(14,18,055)	-
Profit/(Loss) after Tax during the year	(4,45,418.00)	(14,18,055)
<b>TOTAL</b>	<b>(18,63,472.70)</b>	<b>(14,18,055)</b>

### NOTE - 3

( Figures in ₹ )		
LONG TERM BORROWING	As at 31-03-2015	As at 31-03-2014
<b>TERM LOAN</b>		
Loan From South Eastern Coalfields Limited	96,00,00,000.00	-
Add: Interest (Net of TDS)	2,63,05,589.00	-
<b>TOTAL (A)</b>	<b>98,63,05,589.00</b>	-
Loan From IRCON International Limited	30,00,00,000.00	-
Add: Interest (Net of TDS)	60,36,164.00	-
<b>TOTAL (B)</b>	<b>30,60,36,164.00</b>	-
Loan From CSIDCL	-	-
<b>TOTAL (C)</b>	<b>-</b>	-
<b>TOTAL</b>	<b>1,29,23,41,753.00</b>	-
<b>CLASSIFICATION 1</b>		
Secured	-	-
Unsecured	1,29,23,41,753.00	-

#### CLASSIFICATION 2

#### Loan Guaranteed by Directors & Others

Particulars of Loan	Amount In (₹)	Nature of Guarantee

#### Note:

(1) The Company has taken the loan from SECL and IRCON amounting to ₹ 96.00 Crores and ₹ 30.00 Crores respectively during the year at 12% interest rate per annum with compounding at quarterly rests. The repayment period of loan shall be of 05 years, excluding the time involved for construction of project i.e., Moratorium Period not exceeding five years from the date of the loan Agreement.

## NOTES TO BALANCE SHEET

### NOTE - 4

( Figures in ₹ )			
OTHER CURRENT LIABILITIES		As at 31-03-2015	As at 31-03-2014
<b>Other Payables:-</b>			
<b>a) For Expenses:</b>			
Consultancy Charges		30,708.00	11,236.00
Vehicle Hire Charges		61,358.00	14,693.00
Office Contingent Expenses		-	3,000.00
Printing Expenses		51,804.00	-
Office & Workshop Repair & Maintenance		14,090.00	-
Electricity Charges		4,330.00	-
Provision for Audit Fees & Expenses		38,090.00	42,135.00
		2,00,380.00	71,064.00
<b>b) Others:</b>			
Income Tax Deducted at Source		64,45,241.00	-
Deposits from Contractors & Others		88,543.00	-
IRCON International Limited		4,42,97,780.50	-
Other Liabilities		50,87,298.19	2,13,47,013.70
		5,59,18,862.69	2,13,47,013.70
	<b>TOTAL</b>	<b>5,61,19,242.69</b>	<b>2,14,18,077.70</b>
<b>Notes:-</b>			
Other Liabilities of ₹50,87,298.19 (Previous Year ₹ 2,13,47,013.70) relates to expenditure incurred by SECL (Holding company) on behalf of the company.			

**NOTE - 5A  
FIXED ASSETS**

(Figures in ₹)

PARTICULARS	GROSS BLOCK		DEPRECIATION		IMPAIRMENT			CARRYING VALUE				
	As on 01.04.2014	Addition During the period	As on 01.04.2014	Addition During the period	Adj./ sale/ transfer during the period	As on 01.04.2014	Addition During the period		Adj./ sale/ transfer during the period	As on 31.03.2015	Total Depreciation & Impairment Loss	As on 31.03.2014
<b>TANGIBLE ASSETS</b>												
Buildings/water supply/Roads and Culverts (acquired under Lease)	-	1,29,62,688.00	-	2,97,136.00	-	2,97,136.00	-	-	-	-	1,26,65,552.00	-
Furniture & Fixtures/Office Tools & Equipments	-	19,25,458.00	-	1,80,297.00	-	1,80,297.00	-	-	-	-	17,45,161.00	-
<b>Total</b>	-	1,48,88,146.00	-	4,77,433.00	-	4,77,433.00	-	-	-	-	1,44,10,713.00	-
<b>TANGIBLE ASSETS (As on 31.03.2014)</b>	-	-	-	-	-	-	-	-	-	-	-	-

The Company is sharing the cost of Office Building taken on lease from CSIDL for the period of 30 years jointly with Chhattisgarh East-West Railway Limited on 'Equal Cost Sharing basis' vide Minutes of the 1<sup>st</sup> and 4<sup>th</sup> Meeting of the Board of Directors of the Company dated 05.04.2013 and 06.01.2014 respectively. Therefore, the amortisation of building has been done taking into consideration the useful life of 30 years. The Office Building is subject to renewal after the expiry of lease term.

**NOTE - 5 B  
CAPITAL-WORK-IN-PROGRESS**

(Figures in ₹)

PARTICULARS	COST			PROVISION			IMPAIRMENT LOSS			CARRYING VALUE	
	As on 01.04.2014	Addition During the period	Adj./ sale/ transfer during the period	As on 01.04.2014	Addition During the period	Adj./ sale/ transfer during the period	As on 01.04.2014	Addition During the period	Adj./ sale/ transfer during the period	As on 31.03.2015	As on 31.03.2014
WORK-IN-PROGRESS											
Development- Revenue Expense	-	4,31,07,051.99	-	-	-	-	-	-	-	4,31,07,051.99	-
Development under Construction	-	31,03,62,840.00	-	-	-	-	-	-	-	31,03,62,840.00	-
Total	-	35,34,69,891.99	-	-	-	-	-	-	-	35,34,69,891.99	-
WORK-IN-PROGRESS (As on 31.03.2014)	-	-	-	-	-	-	-	-	-	-	-

1. Development Under Construction indicates payment made to IRCON towards facilitating Land Acquisition, Preparation of Feasibility Report and Detailed Project Report as per the parameters of Project Execution Agreement signed between the Company and IRCON International Limited dated 18.01.2014 and Payment made to South East Central Railway (SECR) towards Directional and General Charge.

2. The revenue expenses amounting to ₹4,31,07,051.99 incurred during the year are attributable to the Project Cost and accordingly has been capitalized as per the applicable Accounting Standard and has been shown under Capital Work in Progress. The breakup of the Capital Work in Progress has been detailed under Note 13.6 of Additional Notes on Accounts.

## NOTES TO BALANCE SHEET

### NOTE - 6

		( Figures in ₹ )	
LONG TERM LOANS & ADVANCES		As at 31-03-2015	As at 31-03-2014
<b>ADVANCES:</b>			
Advances to IRCON		-	2,00,00,000.00
Other Advances			-
Security Deposits		95,27,18,169.00	-
- Secured considered good		-	-
- Unsecured considered good		3,81,099.00	-
- Doubtful		-	-
Less : Provision for Doubtful deposits		-	-
		95,30,99,268.00	-
Deposit for P&T, Electricity etc. (1)			
- Secured considered good		-	-
- Unsecured considered good		24,455.00	-
- Doubtful		-	-
Less: Provision for doubtful deposits		-	-
		24,455.00	-
	<b>TOTAL</b>	<b>95,31,23,723.00</b>	<b>2,00,00,000.00</b>

**NOTE:**

- 1 Transactions with the Holding Company and with its other Subsidiaries are accounted for on the basis of debit/credit memos.
- 2 Transactions with other other Subsidiaries of the Holding Company are free of interest.

	CURRENT PERIOD	PREVIOUS PERIOD
Due by the Companies in which directors of the company is also a director/member	3,81,099.00	NIL
Due by the parties in which the Director(s) of company is /are interested	NIL	NIL

- 4 ₹ 3,81,099.00 pertains to the amount of security deposit in respect of lease of office building from CSIDCL.

**5 Other Advances includes:**

Payment towards Compensation of Revenue Land as per Clause 7 of MoU dated 03.11.2012	82,50,00,000.00
Afforestation, Net Present Value and Diversion of Forest Land etc. as per Clause 6 of MoU dated 03.11.2012	12,77,18,169.00
<b>TOTAL</b>	<b>95,27,18,169.00</b>

- 6 Non-Interest bearing refundable advance of ₹ 82.50 Crores given to FA & CAO, South East Central Railway (SECR) towards payment of Compensation of Revenue land.

## NOTES TO BALANCE SHEET

### NOTE - 7

		( Figures in ₹ )	
CASH & BANK BALANCE		As at 31-03-2015	As at 31-03-2014
<b>Cash &amp; Cash Equivalents</b>			
Balances with Scheduled Banks		6,57,48,170.00	4,99,900.00
- In Current Accounts		-	123.00
- Cash In Hand			
	<b>TOTAL</b>	<b>6,57,48,170.00</b>	<b>5,00,023.00</b>

### NOTE - 8

		( Figures in ₹ )	
SHORT TERM LOANS & ADVANCES		As at 31-03-2015	As at 31-03-2014
<b>ADVANCE</b>			
Advance to Employee ( Recoverable in cash or in kind or for value to be received )		-	-
		-	-
<b>ADVANCE PAYMENT OF STATUTORY DUES</b>			
Advance Income Tax / Tax Deducted at Source		2,87,036.00	-
Less : Provision for Income Tax		-	-
Prepaid Expenses towards Lease Rent		1,07,989.00	-
	<b>TOTAL</b>	<b>3,95,025.00</b>	<b>-</b>

**Note :**

	CLOSING BALANCE	
	CURRENT PERIOD	PREVIOUS PERIOD
Due by the Companies in which Directors of the company is also a director/member	NIL	NIL
Due by the parties in which the Director(s) of company is/are interested	NIL	NIL

## NOTES TO STATEMENT OF PROFIT & LOSS

### NOTE - 9

( Figures in ₹ )			
OTHER INCOME		For the Year Ended 31-03-2015	For the Period From 12-03-13 to 31-03-14
<b><u>Income From Others</u></b>			
Interest (Gross ):			
From Deposit with Banks		1,41,062.00	-
Liability Write Backs		1,545.00	-
Penalty Liquidated Damages		69,213.00	-
Tender Fees & Sale of Tender Paper		3,000.00	-
<b>TOTAL</b>		<b>2,14,820.00</b>	<b>-</b>

### NOTE - 10

( Figures in ₹ )			
EMPLOYEE BENEFIT EXPENSES		For the Year Ended 31-03-2015	For the Period From 12-03-13 to 31-03-14
Salary, Wages, Allowances, Bonus & Benefits		-	1,38,121.20
Contribution to P.F. & Other Funds		-	15,231.50
<b>TOTAL</b>		<b>-</b>	<b>1,53,352.70</b>

## NOTES TO STATEMENT OF PROFIT & LOSS

### NOTE - 11

OTHER EXPENDITURE		( Figures in ₹ )	
		For the Year Ended 31-03-2015	For the Period From 12-03-13 to 31-03-14
Telephone & Postage		-	2,706.00
Consultancy Charges		1,46,068.00	2,10,398.00
Legal Charges		18,579.00	11,618.00
Books & Periodicals		4,243.00	-
Hire Charges of Car		-	1,33,615.00
Stationery		-	1,01,273.00
Office Contingent Expenses		89,454.00	38,647.00
Meeting Expenses		2,63,367.00	1,31,001.00
Bank Charges		2,302.00	100.00
Travelling Expense Non-Executives		-	39,147.00
Lease Rent		-	-
Printing & Computer Stationery		780.00	-
Publication Expenses		78,000.00	-
Miscellaneous Expenses (Preliminary expenses written off)		-	5,54,062.00
Payment Round Off		1.00	-
<b><u>PAYMENT TO AUDITORS</u></b>			
For Audit fees		44,944.00	28,090.00
For Out of Pocket expenses		12,500.00	14,045.00
	<b>TOTAL</b>	<b>6,60,238.00</b>	<b>12,64,702.00</b>

## NOTE-12

### CORPORATE INFORMATION:

Chhattisgarh East Railway Limited (CERL) (the “Company”) has been incorporated on 12<sup>th</sup> March, 2013 as a Joint Venture Company of South Eastern Coalfields Limited (SECL), IRCON International Limited and Govt. of Chhattisgarh (GoCG) represented by Chhattisgarh State Industrial Development Corporation Limited (CSIDC) after execution of a Memorandum of Understanding dated 03<sup>rd</sup> November, 2012 to build, construct, operate and maintain the East Railway Corridor (Corridor-I) and to develop the required Rail Infrastructure. As per Memorandum of Understanding amongst the joint venture partners, the shareholding proportion of the promoter companies are 64% for SECL, 26% for IRCON and 10% for CSIDC (representing GoCG). GoCG’s share of equity in the JVC shall correspond to the value of land provided by the State Government or 10% whichever is more.

The company has received Certificate of Commencement of Business on 7<sup>th</sup> May, 2013 and its revenue operation is yet to commence.

### SIGNIFICANT ACCOUNTING POLICIES:

#### 12.1 BASIS OF PREPARATION:

The financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles and applicable Accounting Standards.

#### 12.2 BASIS OF ACCOUNTING:

All expenses and incomes are booked in the functional heads of accounts.

#### 12.3 RECOGNITION OF INCOME AND EXPENDITURE:

Revenue/Income and Cost/Expenditure are generally recognized on accrual basis as they are earned or incurred and provision is made for all known liabilities.

#### 12.4 USE OF ESTIMATES:

The presentation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affects the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reported period. Difference between the actual result and estimates are recognised in the period in which the results are known / materialised.

#### 12.5 PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

- (i) Provision involving substantial degree of estimation in measurement are recognized when there is present obligation as a result of past events and it is possible that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes.
- (ii) Contingent Assets are neither recognized nor disclosed in the financial statements.

**12.6 REVENUE RECOGNITION:**

As the Company is still under the pre-operative stage and the construction is yet to be completed as on the balance sheet date, based on the conservatism and as per AS-9, revenue has been recognized to the extent of relatable costs incurred by the company on the project and as a result no margin has been recognized.

**12.7 PREOPERATIVE EXPENSES:**

Indirect expenditure incurred during the year and not related to project cost is debited to Statement of Profit & Loss as per the provisions of AS-26.

**12.8 FIXED ASSETS:**

- (i) The gross block of Fixed Assets is stated at cost of acquisition or construction, including any cost attributable to bringing the assets to their working condition for their intended use except Project Land.
- (ii) The Land for the Project is being acquired under the Indian Railways Act, in favour of Indian Railways. The cost of the land is to be borne by the Company which shall remain as a non-interest bearing refundable deposits with the Indian Railways.

**12.9 CAPITAL WORK-IN-PROGRESS:**

All project-related expenditure viz. civil works, machinery under erection, construction and erection materials, pre-operative expenditure, expenditure directly related to the project and incidental to setting up project facilities, borrowing cost incurred prior to the date of commencement of commercial operation, and trial run expenditure are shown under Capital Work-in-progress. These expenses are net of recoveries and income (net of tax) from project specific surplus funds.

**12.10 DEPRECIATION/AMORTISATION:**

Depreciation on fixed assets is provided on the basis of straight line method in the manner specified as per part 'C' of Schedule II of the Companies Act, 2013 on prorata basis from the month the assets are ready to put to use except on building which has been depreciated over the lease period of 30 years.

**12.11 CASH FLOW STATEMENT:**

Cash Flows are reported using the indirect method as per AS-3. The cash flows from operating, investing and financial activities of the Company are segregated based on the available information.

**12.12 EARNING PER SHARE:**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to Equity Shareholders by weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for events of bonus issue, bonus element in a right issue to existing shareholders.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**12.13 CASH AND CASH EQUIVALENTS:**

- (i) Cash and bank balances comprise of cash at bank, cash in hand, demand deposits and bank deposits with maturity period up to 12 months from the Balance Sheet date.
- (ii) For the purpose of cash flow statement, cash and cash equivalents consist of cash and bank balances, cheques in hand and demand deposits net of bank overdrafts.

**12.14 PROVISION OF CURRENT AND DEFERRED TAX:**

Provision of Current tax is made after taking into consideration benefits admissible under the provisions of Income Tax Act, 1961. Deferred Tax is accounted for by computing the tax effect of timing differences which arises during the year. Deferred Tax Liability is calculated by applying Tax rate and Tax Laws that have been enacted by the Balance Sheet date.

**12.15 EMPLOYEE BENEFITS:**

- (i) Short term employee benefits are charged off at the undiscounted amount in the year in which the related service rendered.
- (ii) Post-employment and other long term employee benefits are charged off in the year in which the employee has rendered services. The amount charged off is recognized at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gain and losses in respect of post-employment and other long term benefits are charged to Profit & Loss Account/Project Development Expenditure Account.

**12.16 PRIOR PERIOD ADJUSTMENT AND EXTRAORDINARY ITEMS:**

Income/expenditure relating to prior period and prepaid expenses not exceeding ₹10,00,000.00 in each case are treated as income/expenditure of the current year.

**12.17 BORROWING COST:**

- (i) Borrowing cost in ordinary course of business are recognized as expense of the period in which they are incurred.
- (ii) Borrowing cost that is directly attributable to acquisition, construction or production of a qualifying asset is capitalized as part of the cost of the asset.

## NOTE-13

## ADDITIONAL NOTES ON ACCOUNTS

- 13.1** GoCG's share of equity in the JVC shall correspond to the value of land provided by the State Govt. or 10% whichever is more as per Clause 3 of the Memorandum of Understanding signed between SECL, IRCON & GoCG, Dated 03.11.2012. Since, no land has been provided, therefore, the value of equity of State Govt. (Represented by CSIDCL) is only 0.13% on the Balance Sheet date.
- 13.2** The Company was incorporated on 12<sup>th</sup> March, 2013 and financial statements of the company for the previous year have been prepared for the period from 12<sup>th</sup> March, 2013 to 31<sup>st</sup> March, 2014.
- 13.3** The Company has received Certificate of Commencement of Business on 7<sup>th</sup> May, 2013 and commercial operation of the company is yet to commence on the Balance Sheet Date.
- 13.4 CONTINGENT LIABILITIES AND COMMITMENTS( To the extent not provide for)**
- a) Claims against the company not acknowledged as debts as on 31.03.2015: ₹ Nil.
- b) Commitments:-
- i) Estimated amount of contracts remaining to be executed on capital account and not provided for in the accounts : ₹ 34.28 Crores towards Consultancy Charges for Land Acquisition and preparation of Feasibility report and Detailed Project Report as per terms of Project Execution Agreement executed with IRCON on 18.01.2014.
- ii) Estimated amount of contracts remaining to be executed on revenue account and not provided for in the accounts : ₹ Nil
- 13.5** The company has entered into a Project Execution Agreement with IRCON on 18.01.2014 for development of East Rail Corridor.
- 13.6** The revenue expenses amounting to ₹4,31,07,051.99 incurred towards implementation of the project has been capitalized as per the applicable Accounting Standard and has been shown under Capital Work in Progress. The breakup of the Capital work in progress is shown as under:

Sl.No.	Particulars	Amount (₹)
1	Salary & Wages	50,66,328.49
2	Contribution to Provident Fund	3,24,377.50
3	Travelling expenses	3,70,521.50
4	Rent, taxes and Office Maintenance Expenses	4,19,165.00
5	Depreciation and Amortization	4,77,433.00
6	Interest	3,59,37,310.00
7	Other Expenditure	21,75,601.00
	Total	4,47,70,736.99
8	Less: Interest Income	16,63,685.00
	Total	4,31,07,051.99

- 13.7** All such other expenses which are of administrative nature and not attributable to the project has been charged to Profit & loss Account.
- 13.8** An amount of ₹ 7,58,425.50 towards the deputed employee salary from IRCON for the FY 2013-14 has been capitalized during the year as reported under Note No. 13.6 above.
- 13.9** None of the employees of the company were in receipt of remuneration in excess of the limits laid down under section 197 (12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.
- 13.10** Certain expenses to the tune of ₹ 5,58,784.00 incurred by Chhattisgarh East-West Railway Limited (CEWRL) jointly on behalf of the company has been shared equally vide decision taken at the 1<sup>st</sup> Meeting of the Board of Directors of the Company dated 05.04.2013. Similarly, certain expenses to the tune of ₹2,90,78,592.00 incurred by the Company jointly on behalf of CEWRL has been allocated to CEWRL and has been reimbursed by CEWRL vide decision taken at the 1<sup>st</sup> Meeting of the Board of Directors of the Company dated 05.04.2013.

**13.11 RELATED PARTY DISCLOSURE (AS-18):**

In view of the exemption granted to state controlled enterprises as regards related party relationship with other state controlled enterprises and transaction with such enterprises, no such disclosure under the Accounting Standard (AS-18) on Related Party Disclosure is required.

**13.12 EARNING PER EQUITY SHARE:**

Sl. No.	Profit available to equity shareholders	Current Year	Previous Year
(A)	Profit / (Loss) after Tax (₹) Number of Equity Shares	(4,45,418.00) 4055000	(14,18,055.00) 50000
(B)	Weighted Average Number of equity shares outstanding	3243027	50000
(C)	Basic/Diluted Earnings Per Share (A / B) (₹)	(0.14)	(26.89)
	Nominal Value of an Equity Share (₹)	10.00	10.00

**13.13 PREVIOUS YEAR'S FIGURES:**

Previous Year's figures have been regrouped and rearranged wherever considered necessary to match current year's figure.

**13.14 RETIREMENT BENEFIT**

The promoter companies of Chhattisgarh East Railway Limited viz., South Eastern Coalfields Limited and IRCON International Limited have deputed its staff to the company for implementation of the project as per Clause 16 of the Memorandum of Understanding signed between SECL, IRCON & GoCG, dated 03.11.2012. The provision of proportionate share of retirement benefits has not been made in the books of the company, however its provision are subject to compliance by respective deputing companies as per the provisions of AS-15.

**13.15 Impact of Change in Accounting Policy: NIL**

Sd/-  
(RAJNEESH NARAIN)  
CHIEF FINANCIAL OFFICER

Sd/-  
(R.P. THAKUR)  
DIRECTOR  
DIN: 06764576

Sd/-  
(A.P. PANDA)  
CHAIRMAN  
DIN: 06664375

AS PER OUR REPORT OF EVEN DATE,  
FOR AGRAWAL GUPTA & ASSOCIATES  
CHARTERED ACCOUNTANTS

Sd/-  
[ CA MADAN MOHAN GUPTA ]  
PARTNER  
M.No. 074090  
Firm Regn. No. 005244C

Date : 06.05.2015  
Place: RAIPUR

## Annexure- I to Clause 41

Statement of Unaudited/ Audited Results for the Quarter ended 31.03.2015, Quarter ended 31.12.2014, Quarter ended 31.03.2014, Year ended 31.03.2015, Year Ended 31.03.2014

PART - I					
(Figures in ₹)					
Particulars	For the Quarter Ended 31.03.2015	For the Quarter Ended 31.12.2014	For the Quarter Ended 31.03.2014	For the Year Ended 31.03.2015	For the Year Ended 31.03.2014
	Unaudited	Unaudited	Unaudited	Audited	Audited
<b>1</b> Income From operations	-	-	-	-	-
(a) Revenue from transportation of Coal	-	-	-	-	-
(b) Revenue from Passenger Services	-	-	-	-	-
© Other Operating Income	-	-	-	-	-
<b>Total income from operations (net)</b>	-	-	-	-	-
<b>2</b> Operating Expenses	-	-	-	-	-
(a) Selling & Marketing Expenses	-	-	-	-	-
(b) Administrative Expenses	-	-	-	-	-
© Employees Benefit Expenses	-	-	-	-	-
<b>Non-Operating Expenses</b>	-	-	-	-	153,352.70
(d) Other Expenditure	1,52,081.00	68,373.74	8,80,050.00	6,60,238.00	12,64,702.00
<b>Total Expenses</b>	<b>1,52,081.00</b>	<b>68,373.74</b>	<b>8,80,050.00</b>	<b>6,60,238.00</b>	<b>14,18,054.70</b>
<b>3</b> Profit (Loss) from Operations before Other Income, Finance costs and Exceptional Items (1-2)	(1,52,081.00)	(68,373.74)	(8,80,050.00)	(6,60,238.00)	(14,18,054.70)
<b>4</b> Other Income	-	64,413.00	-	2,14,820.00	-
<b>5</b> Profit / (Loss) from ordinary activities before finance costs and Exceptional Items(3+4)	(1,52,081.00)	(3,960.74)	(8,80,050.00)	(4,45,418.00)	(14,18,054.70)
<b>6</b> Finance Costs	-	-	-	-	-
<b>7</b> Profit / (Loss) from ordinary activities after finance cost but before Exceptional Items (5-6)	(1,52,081.00)	(3,960.74)	(8,80,050.00)	(4,45,418.00)	(14,18,054.70)
<b>8</b> Exceptional items	-	-	-	-	-
<b>9</b> Profit (+) / Loss (-) from Ordinary Activities before tax (7+8)	(1,52,081.00)	(3,960.74)	(8,80,050.00)	(4,45,418.00)	(14,18,054.70)
<b>10</b> Tax Expenses	-	-	-	-	-
<b>11</b> Net Profit / Loss from Ordinary Activities after tax (9-10)	(1,52,081.00)	(3,960.74)	(8,80,050.00)	(4,45,418.00)	(14,18,054.70)
<b>12</b> Extraordinary Item	-	-	-	-	-
<b>13</b> Net Profit (+) / Loss (-) for the period (11+12)	(1,52,081.00)	(3,960.74)	(8,80,050.00)	(4,45,418.00)	(14,18,054.70)
<b>14</b> Share of Profit / (loss) of associates	-	-	-	-	-
<b>15</b> Minority interest *	-	-	-	-	-
<b>16</b> Net Profit / (loss) after taxes, minority interest and share of profit / (loss) of associates (13+14+15)	(1,52,081.00)	(3,960.74)	(8,80,050.00)	(4,45,418.00)	(14,18,054.70)
<b>17</b> Paid-up equity share capital (4055000 Equity shares of face value of ₹10 per share fully paid up)	4,05,50,000.00	4,05,50,000.00	5,00,000.00	4,05,50,000.00	5,00,000.00

## Annexure- I to Clause 41

Statement of Unaudited/ Audited Results for the Quarter ended 31.03.2015, Quarter ended 31.12.2014, Quarter ended 31.03.2014, Year ended 31.03.2015, Year Ended 31.03.2014

## PART - I

(Figures in ₹)					
Particulars	For the Quarter Ended 31.03.2015	For the Quarter Ended 31.12.2014	For the Quarter Ended 31.03.2014	For the Year Ended 31.03.2015	For the Year Ended 31.03.2014
	Unaudited	Unaudited	Unaudited	Audited	Audited
18 Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year		-	-	-	-
19. Earning Per Share (EPS)					
i (before extraordinary items) (of ₹ ____/- each not annualised)					
(a) Basic		-	-	-	-
(b) Diluted EPS		-	-	-	-
19. Earnings per share					
ii (after extraordinary items) (of ₹ 10/- each not annualised)					
(a) Basic	(0.05)	(0.00)	(17.60)	(0.14)	(26.89)
(b) Diluted EPS	(0.05)	(0.00)	(17.60)	(0.14)	(26.89)

Sd/-  
(RAJNEESH NARAIN)  
CHIEF FINANCIAL OFFICER

Sd/-  
(R.P. THAKUR)  
DIRECTOR  
DIN - 06764576

Sd/-  
(A.P. PANDA)  
CHAIRMAN  
DIN - 06664375

AS PER OUR REPORT OF EVEN DATE,  
For, AGRAWAL GUPTA & ASSOCIATES  
CHARTERED ACCOUNTANTS

DATE : 06.05.2015  
PALACE : RAIPUR

Sd/-  
(CA MADAN MOHAN GUPTA)  
(PARTNER)  
Mem No. 074090  
Firm Regn. No. 005244C

**PART-II**

Statement of Unaudited/ Audited Results for the Quarter ended 31.03.2015, Quarter ended 31.12.2014, Quarter ended 31.03.2014, Year ended 31.03.2015, Year Ended 31.03.2014

Particulars	For the Quarter Ended 31.03.2015	For the Quarter Ended 31.12.2014	For the Quarter Ended 31.03.2014	For the Year Ended 31.03.2015	For the Year Ended 31.03.2014
	Unaudited	Unaudited	Unaudited	Audited	Audited
<b>A PARTICULARS OF SHAREHOLDING</b>					
<b>1 Public Shareholding :</b>					
- No. of Shares	-	-	-	-	-
- Percentage of shareholding	-	-	-	-	-
<b>a) Pledged/ Encumbered</b>					
- No. of Shares	-	-	-	-	-
- Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-	-
- Percentage of Shares (as a % of the total share capital of the company)	-	-	-	-	-
<b>b) Non- Encumbered</b>					
- No. of Shares	4055000	4055000	50000	4055000	50000
- Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	100.00	100.00	100.00	100.00	100.00
- Percentage of Shares (as a % of the total share capital of the company)	-	-	-	-	-

Particulars	For the Quarter Ended 31.03.2015
<b>B INVESTOR COMPLAINTS</b>	
Pending at the beginning of the quarter	N.A.
Received during the quarter	N.A.
Disposed of during the quarter	N.A.
Remaining unresolved at the end of the quarter	N.A.

Sd/-  
(RAJNEESH NARAIN)  
CHIEF FINANCIAL OFFICER

Sd/-  
(R.P. THAKUR)  
DIRECTOR  
DIN - 06764576

Sd/-  
(A.P. PANDA)  
CHAIRMAN  
DIN - 06664375

AS PER OUR REPORT OF EVEN DATE,  
For, AGRAWAL GUPTA & ASSOCIATES  
CHARTERED ACCOUNTANTS

Sd/-  
(CA MADAN MOHAN GUPTA)  
(PARTNER)  
Mem No. 074090  
Firm Regn. No. 005244C

DATE : 06.05.2015  
PALACE : RAIPUR

## Annexure - IX OF CLAUSE 41

## Statement of Assets and Liabilities

(Figures in ₹)

PARTICULARS		As at 31-03-2015	As at 31-03-2014
<b>A</b>	<b>EQUITY AND LIABILITIES</b>		
<b>1</b>	<b>Shareholders' Fund</b>		
	a) Share Capital	4,05,50,000.00	5,00,000.00
	b) Reserves & Surplus	(18,63,473)	(14,18,055)
	c) Money received against share warrants	-	-
	Sub-total-shareholders' funds	3,86,86,527	(9,18,055)
<b>2</b>	<b>Share application money pending allotment</b>	-	-
<b>3</b>	<b>Minority Interest</b>	-	-
<b>4</b>	<b>Non-Current Liabilities</b>		
	a) Long Term Borrowing	1,29,23,41,753.00	-
	b) Deferred Tax Liabilities (Net)	-	-
	c) Other Long Term Liabilities	-	-
	d) Long Term Provisions	-	-
	Sub-total-Non-current liabilities	1,29,23,41,753.00	-
<b>5</b>	<b>Current Liabilities</b>		
	a) Short Term Borrowings	-	-
	b) Trade Payables	-	-
	c) Other Current Liabilities	5,61,19,243	2,14,18,078
	d) Short Term Provisions	-	-
	Sub-total Current liabilities	5,61,19,243	2,14,18,078
	<b>Total Equity and Liabilities</b>	<b>1,38,71,47,523</b>	<b>2,05,00,023</b>
<b>B</b>	<b>ASSETS</b>		
<b>1</b>	<b>Non-Current Assets</b>		
	(a) Fixed Assets	36,78,80,605	-
	(b) Goodwill on consolidation	-	-
	(c) Non current investments	-	-
	(d) Deferred Tax assets (net)	-	-
	(e) Long term loans and advances	-	-
	(f) Other non-current assets	95,31,23,723	-
	Sub-total Non-current assets	1,32,10,04,328	-
<b>2</b>	<b>Current Assets</b>		
	(a) Current Investments	-	-
	(b) Inventories	-	-
	(c) Trade Receivables	-	-
	(d) Cash & Bank Balance	6,57,48,170	5,00,023
	(e) Short Term Loans & Advances	3,95,025	-
	(f) Other Current Assets	-	-
	Sub-total Current assets	6,61,43,195	5,00,023
	<b>Total - Assets</b>	<b>1,38,71,47,523</b>	<b>5,00,023</b>

Sd/-  
(RAJNEESH NARAIN)  
CHIEF FINANCIAL OFFICER

Sd/-  
(R.P. THAKUR)  
DIRECTOR  
DIN - 06764576

Sd/-  
(A.P. PANDA)  
CHAIRMAN  
DIN - 06664375

AS PER OUR REPORT OF EVEN DATE,  
For, AGRAWAL GUPTA & ASSOCIATES  
CHARTERED ACCOUNTANTS

DATE : 06.05.2015  
PALACE : RAIPUR

Sd/-  
(CA MADAN MOHAN GUPTA)  
(PARTNER)  
Mem No. 074090  
Firm Regn. No. 005244C

## CEO AND CFO CERTIFICATION

To,

The Board of Directors,  
Chhattisgarh East Railway Limited.

We, Biswajit Choudhury, Chief Executive Officer and Rajneesh Narain, Chief Financial Officer, responsible for the finance function certify that:

- We have reviewed Financial Statements and the Cash Flow Statements for the year ended 31<sup>st</sup> March, 2015 and that to the best of our knowledge and belief :
  - These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- To the best of our knowledge and belief, no transactions entered into by the company during the year ended 31<sup>st</sup> March, 2015 are fraudulent, illegal or violative of the company's code of conduct.
- We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control system of the company pertaining to financial reporting and we have disclosed to the audit, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- We have indicated to the auditors that:
  - there has not been any significant changes in internal control over financial reporting during the year under reference;
  - there has not been any significant changes in accounting policies during the year; and
  - We are not aware of any instance of significant fraud with involvement therein of the management or an employee having a significant role in the company's internal control system over financial reporting.

Date: 06.05.2015

Sd/-  
(Rajneesh Narain)  
Chief Financial Officer

Sd/-  
(Biswajit Choudhury)  
Chief Executive Officer

# CHHATTISGARH EAST RAILWAY LIMITED

(A Subsidiary of South Eastern Coalfields Limited)

## 2nd Annual Report 2014-15

