

**RAPID METRORAIL GURGAON  
LIMITED**

**ANNUAL REPORT**

**2013-14**

# RAPID METRORAIL GURGAON LIMITED

## DIRECTORS' REPORT

The Shareholders

***Rapid MetroRail Gurgaon Limited***

Your Directors have pleasure in presenting the Fifth Annual Report along with the Audited Accounts for the period ended 31<sup>st</sup> March 2014

### **FINANCIAL RESULTS**

The financial results of the Company are as under:

<b>Particulars</b>	<b>As on March 2014 (Rs.)</b>	<b>As on March 2013 (Rs.)</b>
Total Income	149,115,129	6,757,449
Total Expenses	785,888,312	44,887,038
Profit/(Loss) for the period	(636,773,183)	(38,129,589)
Less: Provision for Tax	-	2,195,000
Add: MAT Credit	-	-
Add: Deferred Tax	-	-
Profit/(Loss) after Tax carried forward to Balance sheet	(636,773,183)	(40,324,589)

### **DIVIDEND**

Your Directors regret their inability to recommend any dividend in view of losses incurred during the year.

### **BACKGROUND**

The Company was formed with the primary objective to develop Metro Link from Delhi Metro Sikanderpur Station on MG Road to NH-8 covering Cyber city area of Gurgaon in the state of Haryana. The route length of the metro link is approx. 5 km and this is the first fully privately financed Metro Rail project in India.

Consequent to the Company being declared as successful bidder, the Company had signed a 99 years Concession Contract (CC) with HUDA on 9<sup>th</sup> December 2009 for Development and Operation & Maintenance of the aforesaid Metro Rail System. The financial closure of the project was achieved on June 5, 2010. The project cost was estimated at Rs 1088cr, against which the actual cost came to Rs1239 Crores. The cost overrun is mainly due to the delay in completion of project on account of non receipt of approvals in time from various authorities.

*Regd. Off.: 2<sup>nd</sup> Floor, Ambience Corporate Towers, Ambience Island, National Highway#8,  
Gurgaon, Haryana-122001*

# **RAPID METRORAIL GURGAON LIMITED**

## **INIATIAIVE FOR THE IMPLEMENTATION OF THE NEW COMPANIES ACT, 2013**

The Ministry of Corporate Affairs (the Ministry) introduced the New Companies Act, 2013 (the Act) with the notification of 98 Sections of the Act in September 12, 2013 and subsequently, with the notification of the 183 Sections of the Act in March 26, 2014. The Ministry is yet to notify 189 Sections of the Act. The Act has come into force from April 01, 2014 and has introduced significant changes in the provisions related to governance, e-management, compliance and enforcement, disclosure norms and auditors. In view of the Act, the Company has been undertaking various initiatives and efforts for the implementation of the Act within the transition period.

## **OPERATIONS**

The Rapid Metro commenced its commercial operations on 14th November, 2013, with a flat fare of Rs 12/- per trip and a seamless connectivity between Rapid Metro and DMRC.

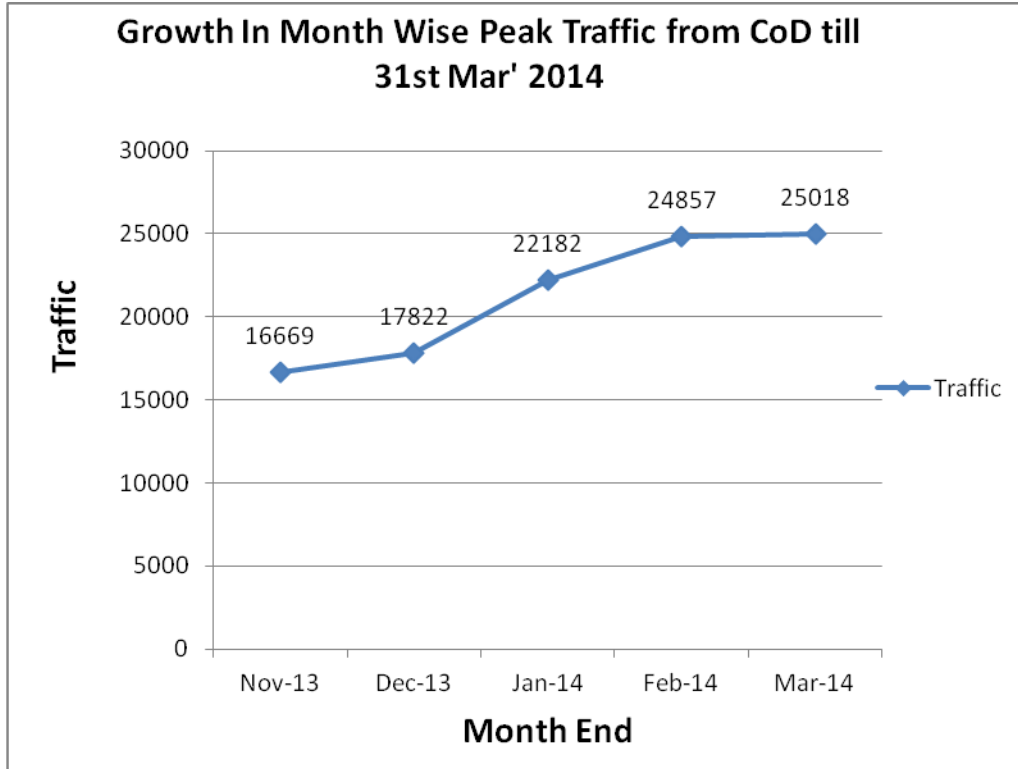
The system initially became operational with five stations and final station namely the IndusInd Gateway Tower station was integrated with the system on April 25, 2014.

The actual average ridership from the commencement date till March 31, 2014 is as under:-

<b>Month</b>	<b>Average Ridership</b>	<b>Total fare revenue for the Month (in Rs)</b>
November 14 2013 (partial)	13,243	25,42,740
December 2013	14,584	54,25,128
January 2014	17,391	64,69,476
February 2014	18,584	62,44,212
March 2014	18,614	69,24,444

# RAPID METRORAIL GURGAON LIMITED

## Month wise Peak Ridership is as under:



The actual ridership was much below the forecasted level.

### **The actual ridership on the system is lower than expected due to following reasons:**

- Traffic study was based on proposed development to the extent of 26 million square feet of commercial and retail area in Cyber City area, of which only close to 14 million square feet has been developed till date.
- Due to the overall economic environment, occupancy in Cyber City is less than envisaged. Furthermore, because of congestion in vicinity of Cyber City, several companies have moved to other locations, such as Golf Course Road.
- Mall of India (est. area of 4 million sqft) is still not constructed. To cater to Mall of India, a dedicated station was constructed and integrated with the proposed Mall.

# **RAPID METRORAIL GURGAON LIMITED**

## **Non – Fare Revenue:-**

The Company has explored the advertisement potential in the following categories:-

- Wrapping of Trains
- Branding of Stations
- Sale of Commercial space on the stations
- Advertisements on viaduct and other available areas

The Company has entered into contracts with big Companies like Vodafone, IndusInd Bank, 3Cs, Airtel, Micro Max, SKODA etc for generating non fare revenue.

The Company is putting its efforts to increase its non fare revenue by exploring various possibilities.

## **Fare Revenue:-**

The Company is constantly trying to increase its fare revenue. The following measures have been taken to increase the ridership:-

### **Providing Last mile Connectivity:**

- Feeder Bus from Micromax Station to Ambience Mall (free of cost)
- Pilot bus project launched with Haryana Roadways, connecting Micromax station to Udyog Vihar
- Implementation of pedestrian walkway from Micromax station to Ambience mall
- Pedestrian access at IndusInd Bank Cyber City
- Across DMRC system (Yellow Line), a proposal to put up Promotional Graphics to spread awareness

### **Corporates Reach – out:**

- Collaboration with Corporates in Catchment Zone for promoting use of metro among their employees
- Partnership with NASSCOM
- Direct engagement with Corporates in Cyber City & Udyog Vihar area to support transition from Office Cabs to Metro

# **RAPID METRORAIL GURGAON LIMITED**

## **Understanding Commuter transit and behavioral pattern:**

- Renowned behavioral consultant brought on Board to help understand commuter behavior and suggest action plans to augment traffic
- Initiation of origin destination survey so as to prepare solutions targeting specific catchment zone

The Company has put up a proposal to the appropriate authorities for increase in fare, which is currently at Rs 12/- per trip.

## **Steps taken by the Company to reduce operational cost:-**

- The Company is constantly reviewing the operating cost and taking measures to reduce wherever possible
- The Senior Lenders, at the request of the Company have reduced the interest cost on borrowings by resetting its interest rate

## **SHARE CAPITAL**

The Issued and Paid up Equity Share Capital of the Company as on March 31, 2014, was Rs. 448.40 Crores.

## **DIRECTORS**

In terms of the provisions of Section 256 of the Companies Act, 1956, (the Act) Mr. R.L Kabra and Mr. George Cherian, Directors of the Company are to retire by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment. Your Directors recommend their re-appointment

Mr. Mukund Sapre and Mr. Pradeep Puri were appointed as Additional Directors of the Company by Circular Resolution dated February 27, 2014. In accordance with the provisions of Section 260 of the Companies Act, 1956, the above directors who hold office up to the date of this Annual General Meeting are proposed for appointment at the ensuing Annual General Meeting of the Company.

Mr. S. C Mittal, Director resigned from the Board of the Company on February 27, 2014

None of the Directors of the Company are disqualified from being appointed as Directors as specified under Section 274 of the Companies Act, 1956.

## **MANAGING DIRECTOR**

Mr. Sanjiv Rai, Director of the Company was appointed as Managing Director of the Company w.e.f. 1<sup>st</sup> April 2010 at the meeting of the Board of Directors held on July 8 2010.

# RAPID METRORAIL GURGAON LIMITED

## AUDITORS

M/s Deloitte Haskins & Sells, Chartered Accountants, retire at the ensuing Annual General Meeting of the Company and have expressed their willingness to continue as Statutory Auditors, if re-appointed

## DEPOSITS

Your Company has not accepted any Fixed Deposits during the year under review

## CORPORATE GOVERNANCE

Five Board Meetings were held on April 16, 2013, May 27, 2013, July 22, 2013, October 22, 2013 and January 17, 2014 during the year under review. The numbers of meetings attended by the Directors are as under:

Director	No of Board Meetings attended
Mr. Sanjiv Rai	5
Mr. George Cherian	5
Mr. R.L Kabra	5
Mr. Deepak Dasgupta	5
Mr. Suresh Chand Mittal	5
Mr. Pradeep Puri(Appointed on Feb 27, 2014)	0
Mr. Mukund Sapre(Appointed on Feb 27, 2014)	0

## Audit Committee

The Audit Committee comprises of Mr. Sanjiv Rai, Managing Director and three Non-Executive Directors, namely, Mr. Deepak Dasgupta, Mr. R L Kabra and Mr. George Cherian as members. The Audit Committee met four times during the year under review

## Remuneration Committee

The Remuneration Committee comprises of three Directors, namely, Mr. Mukund Sapre, Sanjiv Rai and Mr. R.L Kabra as members. The said Committee met once during the year under review.

## Marketing Committee

The Marketing Committee comprises of three Directors, namely, Mr. Mukund Sapre, Sanjiv Rai and Mr. Pradeep Puri as members. The said Committee met once during the year under review.

# **RAPID METRORAIL GURGAON LIMITED**

## **EMPLOYEES**

The Board of Directors wish to place on record their appreciation to all the employees of the Company for their sustained efforts, dedication and hard work during the year

## **PARTICULARS OF EMPLOYEES**

Information to be provided under section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, is not required since there is no employee covered by these provisions.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Section 217(2AA) of the Companies Act, 1956 (the Act) requires the Board of Directors to provide a statement to the members of the Company in connection with the maintenance of books, records & preparation of Annual Accounts in conformity with the accepted Accounting Standards and past practices followed by the Company. Pursuant to the foregoing and on the basis of representations received from the Management, and after due enquiry, it is confirmed that:

- (1) In the preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures
- (2) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the losses of the Company for that period
- (3) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities
- (4) The Directors have prepared the Annual Accounts on a going concern basis

## **FOREIGN EXCHANGE EARNINGS AND OUTGO**

The Foreign currency expenditure during the year is Rs 31.50 Cr.

Since the Company does not has any manufacturing facility, the other particulars in the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not applicable



# **RAPID METRORAIL GURGAON LIMITED**

## **ACKNOWLEDGMENTS**

Relationships with Shareholders, Central and State Governments, Banks and other Stakeholders remained excellent during the year under review. Your Directors particularly place on record their gratitude for the co-operation and support extended to the Company

By the Order of the Board  
For **Rapid MetroRail Gurgaon Limited**

**Sd/-**  
**Deepak Dasgupta**  
**(Chairman)**

Place : Gurgaon  
Date : July 17, 2014

# **RAPID METRORAIL GURGAON LIMITED**

*Rapid MetroRail Gurgaon Limited  
Annual Report 2013-14*

*5th Annual Report*

*Financial year ended on 31<sup>st</sup> March 2014*

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## **BOARD OF DIRECTORS**

Mr. Deepak Dasgupta  
Mr. R L Kabra  
Mr. Sanjiv Rai  
Mr. George Cherian  
Mr. Mukund Sapre  
Mr. Pradeep Puri

## **COMPANY SECRETARY**

Ms. Arita Bhattacharya

## **AUDITORS**

M/s Deloitte Haskins & Sells  
Chartered Accountants,  
7<sup>th</sup> Floor, Building No 10, Tower B  
DLF City Cyber Complex  
DLF City Phase-II  
Gurgaon - 122002  
Haryana, India

## **BANKER**

Andhra Bank  
New Delhi

## **REGISTERD OFFICE**

2<sup>nd</sup> Floor, Ambience Corporate Towers  
Ambience Island, National Highway # 8  
Gurgaon – 122 001, Haryana, India

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF RAPID METRORAIL GURGAON LIMITED**

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of **RAPID METRORAIL GURGAON LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditors' 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 the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.



# **Deloitte Haskins & Sells**

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 aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

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

## **Report on Other Legal and Regulatory Requirements**


- 1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2. As required by Section 227(3) of the Act, we report that:
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs).



**Deloitte  
Haskins & Sells**

- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

**For DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm Registration No. 015125N)

  
(Jitendra Agarwal)  
Partner  
(Membership No. 87104)

**GURGAON, 21 April, 2014**

**ANNEXURE TO THE AUDITORS' REPORT**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) Having regard to the nature of the Company's business/activities/result during the year, clauses (x) and (xiii) of paragraph 4 of the Order are not applicable to the Company.
- (ii) In respect of its fixed assets :
  - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
  - b. The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - c. The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (iii) The Company's operations during the year did not give rise to any inventory. Therefore, the provisions of clause 4(ii) of the Order are not applicable to the Company.
- (iv) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
- (v) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and sale of services. During the course of our audit, we have not observed any major weakness in such internal control system. The Company's operations during the year do not give rise to any purchase of inventory or sale of goods.
- (vi) According to the information and explanations given to us, there are no contracts or arrangements that needed to be entered in the Register maintained under Section 301 of the Companies Act, 1956.
- (vii) According to the information and explanations given to us, the Company has not accepted any deposits from the public. Therefore, the provisions of clause 4(vi) of the Order are not applicable to the Company.



## **Deloitte Haskins & Sells**

- (viii) In our opinion, the internal audit function carried out during the year by a firm of Chartered Accountants appointed by the Management has been commensurate with the size of the Company and the nature of its business.
- (ix) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that *prima facie* the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete."
- (x) According to the information and explanations given to us, in respect of statutory dues:
  - a. The Company has been regular in depositing undisputed statutory dues including Provident Fund, Income Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities. We are informed that the provisions of Employees' State Insurance Act, 1948 are not applicable to the Company and that the operations of the Company during the year did not give rise to any liability for Investor Education and Protection Fund, Sales Tax, Wealth Tax, Service Tax and Excise Duty.
  - b. There are no undisputed amounts payable in respect of Provident Fund, Investor education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31 March, 2014 for a period of more than six months from the date they became payable.
  - c. There are no statutory dues in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited as on 31 March, 2014 on account of any dispute.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. According to the information and explanations given to us, the Company has not taken any loan from financial institution and has not issued any debentures.
- (xii) In our opinion and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is not dealing in shares, securities and debentures. Therefore the provisions of clause 4(xiv) of the Order are not applicable to the Company.
- (xiv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.
- (xv) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained.



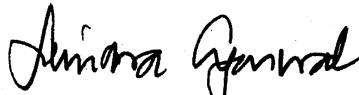
**Deloitte  
Haskins & Sells**

- (xvi) In our opinion and according to the information and explanations given to us, and on an overall examination of the balance sheet of the Company, we report that short term funds in the nature of current liabilities to the extent of Rs. 741,580,288 have been used for long term investment.
- (xvii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (xviii) According to the information and explanations given to us, during the year covered by our report, the Company has not issued any debentures.
- (xix) According to the information and explanations given to us, the Company has not raised any money by public issues.
- (xx) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

**For DELOITTE HASKINS & SELLS**

Chartered Accountants

(Firm Registration No. 015125N)



(Jitendra Agarwal)

Partner

(Membership No. 87104)

**GURGAON, 21 April, 2014**



**RAPID METRORAIL GURGAON LIMITED**  
**CIN: U60200HR2009PLC039116**  
**BALANCE SHEET AS AT 31 MARCH, 2014**

Particulars	Note No.	As at 31 MARCH, 2014 Rupees	As at 31 MARCH, 2013 Rupees
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	3	4,484,041,660	2,846,841,660
(b) Reserves and surplus	4	(713,064,521)	(76,291,338)
<b>2 Share application money pending allotment</b>			
	5	98,000,000	-
<b>3 Non-current liabilities</b>			
(a) Long-term borrowings	6	7,585,181,325	5,812,828,358
(b) Deferred tax liabilities (Net)	7	-	-
(c) Other long term liabilities	8	88,350,364	39,500,000
(d) Long - term provisions	9	544,963	333,739
<b>4 Current liabilities</b>			
(a) Trade payables	10	54,272,825	15,468,255
(b) Other current liabilities	11	914,629,655	1,114,110,406
(c) Short-term provisions	12	1,344,182	659,657
<b>TOTAL</b>		<b><u>12,513,300,453</u></b>	<b><u>9,753,450,737</u></b>
<b>B ASSETS</b>			
<b>1 Non - current assets</b>			
(a) Fixed assets (Net)			
(i) Tangible assets	13 A	8,126,216	2,318,116
(ii) Intangible assets	13 B	11,778,087,000	84,714
(iii) Intangible assets under development	27	-	8,967,456,924
(b) Long-term loans and advances	14	62,559,835	88,654,603
(c) Other non-current assets	15	435,861,028	352,441,250
<b>2 Current assets</b>			
(a) Trade receivables	16	9,617,322	-
(a) Cash and cash equivalents	17	168,364,531	295,987,760
(b) Short - term loans and advances	18	50,684,521	46,453,808
(c) Other current assets	19	-	53,562
<b>TOTAL</b>		<b><u>12,513,300,453</u></b>	<b><u>9,753,450,737</u></b>

See accompanying notes forming part of the financial statements

In terms of our report attached

**For DELOITTE HASKINS & SELLS**  
Chartered Accountants

  
**JITENDRA AGARWAL**  
Partner

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

  
**SANJIV RAI**  
Managing Director  
(DIN - 02076385)

  
**DEEPAK DASGUPTA**  
Director  
(DIN - 00457925)

  
**Anita Bhattacharya**  
Company Secretary



Place: Gurgaon  
Date: 21 April, 2014

Place: Gurgaon  
Date: 21 April, 2014

**RAPID METRORAIL GURGAON LIMITED**  
**CIN: U60200HR2009PLC039116**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2014**

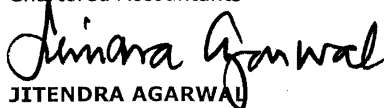
Particulars	Note No.	For the year ended 31 March, 2014	For the year ended 31 March, 2013
		Rupees	Rupees
1. Revenue from operations	20	102,944,961	1,116,999
2. Other income	21	46,170,168	5,640,450
<b>3. Total revenue (1 + 2)</b>		<b>149,115,129</b>	<b>6,757,449</b>
4. Expenses:			
(a) Employee benefits expense	22	54,565,990	8,650,773
(b) Finance costs	23	347,620,898	754,149
(c) Depreciation and amortization expense	13 A & B	220,282,940	1,101,532
(d) Other expenses	24	163,418,484	34,380,584
<b>Total expenses</b>		<b>785,888,312</b>	<b>44,887,038</b>
<b>5. Loss before tax (3 -4)</b>		<b>(636,773,183)</b>	<b>(38,129,589)</b>
6. <b>Tax expense:</b>			
(a) Current tax expenses for current year		-	2,195,000
<b>7. Loss for the year (5-6)</b>		<b>(636,773,183)</b>	<b>(40,324,589)</b>
8. Earnings per equity share of Rs. 10 each	28		
(a) Basic		(4.55)	(387.12)
(b) Diluted		(4.55)	(387.12)

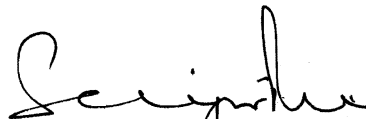
See accompanying notes forming part of the financial statements

In terms of our report attached

For and on behalf of the Board of Directors

**For DELOITTE HASKINS & SELLS**  
Chartered Accountants

  
**JITENDRA AGARWAL**  
Partner



**SANJIV RAI**  
Managing Director  
(DIN - 02076385)



**DEEPAK DASGUPTA**  
Director  
(DIN - 00457925)

  
**ARITA BHATTACHARYA**  
Company Secretary



Place: Gurgaon  
Date: 21 April, 2014

Place: Gurgaon  
Date: 21 April, 2014

**RAPID METRORAIL GURGAON LIMITED**  
**CIN: U60200HR2009PLC039116**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2014**

	For the year ended 31 March, 2014	For the year ended 31 March, 2013
	Rupees	Rupees
<b>Cash flow from operating activities</b>		
Loss for the year	(636,773,183)	(38,129,589)
<b>Adjustments for :-</b>		
Interest income	(42,774,948)	(5,504,891)
Finance cost	339,894,012	-
Depreciation and amortisation	220,282,940	1,101,532
Loss on sale of fixed assets	178,760	-
Provision for employee benefits	895,749	666,217
<b>Operating profit/(loss) before working capital changes</b>	<b>(118,296,670)</b>	<b>(41,866,731)</b>
Adjustments for changes in working capital:		
(Increase)/Decrease in long term loans and advances	(21,419,306)	(3,495,236)
(Increase)/Decrease in short term loans and advances	(4,230,713)	(41,327,900)
Increase/(Decrease) in other long term liabilities	48,850,364	17,000,000
(Increase)/Decrease in trade receivables	(9,617,322)	-
(Increase)/Decrease in other non-current assets	(83,419,778)	-
Increase/(Decrease) in trade payables	38,804,570	6,583,046
Increase/(Decrease) in other current liabilities	8,800,363	35,943,162
<b>Net cash flow from/(used in) operating activities</b>	<b>(140,528,492)</b>	<b>(27,163,659)</b>
Income Tax paid (Net)	(8,819,786)	(2,742,452)
<b>Net cash flow from/(used in) operating activities (A)</b>	<b>(149,348,278)</b>	<b>(29,906,111)</b>
<b>Cash flow from investing activities</b>		
Purchase of fixed assets (including CWIP, expenditure during construction and capital advances)	(3,190,083,781)	(3,654,673,792)
Bank balance not considered as cash and cash equivalents	-	(350,100,000)
Interest received	42,828,510	3,039,534
Proceeds from sale of fixed assets	1,321,365	29,900
<b>Net Cash from/(used in) investing activities (B)</b>	<b>(3,145,933,906)</b>	<b>(4,001,704,358)</b>
<b>Cash flow from financing activities</b>		
Proceeds from issue of equity shares	1,637,200,000	1,395,800,000
Proceeds from Share application Money	98,000,000	-
Proceeds from long term borrowings	1,772,352,967	2,816,588,358
Interest paid	(339,894,012)	-
<b>Net Cash from/(used in) financing activities (C)</b>	<b>3,167,658,955</b>	<b>4,212,388,358</b>
<b>Net increase/(decrease) in Cash and cash equivalents during the year (A+B+C)</b>	<b>(127,623,229)</b>	<b>180,777,890</b>
Cash and cash equivalent at the beginning of the year	295,687,760	114,909,870
Cash and cash equivalent at the end of the year	168,064,531	295,687,760
<b>Net Increase/(decrease) in Cash and cash equivalents</b>	<b>(127,623,229)</b>	<b>180,777,890</b>
<b>Notes:</b>		
<b>Reconciliation of Cash and cash equivalents</b>		
Cash and cash equivalents as per balance sheet	168,364,531	295,987,760
Less: Fixed deposit under lien not considered as cash and cash equivalent	300,000	300,000
<b>Cash and cash equivalents as per cash flow statement</b>	<b>168,064,531</b>	<b>295,687,760</b>

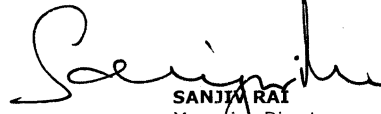
See accompanying notes forming part of the financial statements

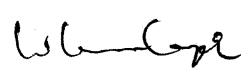
In terms of our report attached

**For DELOITTE HASKINS & SELLS**  
Chartered Accountants

  
**JITENDRA AGARWAL**  
Partner

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

  
**SANJIV RAI**  
Managing Director  
(DIN - 02076385)

  
**DEEPAK DASGUPTA**  
Director  
(DIN - 00457925)

  
**ARTA BHATTACHARYA**  
Company Secretary



Place: Gurgaon  
Date: 21 April, 2014

Place: Gurgaon  
Date: 21 April, 2014

## RAPID METRORAIL GURGAON LIMITED

### Notes forming part of the financial statement

#### Note No. 1 - Background

The Company was incorporated under the Companies Act, 1956 on May 21, 2009 for the purpose of development of urban and inter urban mass and freight transport infrastructure projects in Gurgaon. The Registrar of Companies has issued a "Certificate of Commencement of Business" dated June 20, 2009.

The Company has been floated by IL&FS Rail Limited (Formerly ITNL Enso Rail Systems Limited) to execute Metro Rail Gurgaon Project. The Company has entered into a Concession Service Agreement with Haryana Urban development Authority (HUDA) for execution of the Metro Rail Project. The Company has started its commercial operations from 14 November, 2013.

#### Note No. 2 - Significant accounting policies

##### I Basis of preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act/ 2013 Act, as applicable. The financial statements have been prepared on accrual basis under the historical cost convention.

##### II Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reporting income and expenses during the reporting period. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/materialise.

##### III Fixed assets (Tangible / Intangible)

Fixed assets are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. The Company has adopted the provisions of para 46 / 46A of AS 11 The Effects of Changes in Foreign Exchange Rates, accordingly, exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

##### IV Depreciation and amortisation

###### A. Tangible assets

The Company has adopted the Straight Line Method of depreciation so as to depreciate 100% of the cost of the following type of assets at rates higher than those prescribed under Schedule XIV to the Companies Act, 1956, based on the Management's estimate of useful life of such assets:

Asset Type	Useful Life
Data processing equipment	4 years
Specialised Office equipment	3 years
Assets Provided to Employees	3 years

## RAPID METRORAIL GURGAON LIMITED

### Notes forming part of the financial statement

Depreciation on fixed assets, other than on assets specified above, is provided for on the Written Down Value Method at the rates provided under Schedule XIV of the Companies Act, 1956. Depreciation is computed pro-rata from the date of acquisition of and up to the date of disposal.

All categories of assets costing less than Rs. 5,000 each, mobile phones and items of soft furnishing are fully depreciated in the year of purchase.

#### B. Intangible assets (Metro Rail Project)

The Company has built Metro Rail Project under public-to-private service concession arrangements to operate and maintain the same for 99 years (including construction/development period). The Company has received the right to charge users of public services, such rights are recognised and classified as 'Intangible Assets'. Such right is not an unconditional right to receive consideration because the amounts are contingent to the extent that the public uses the service and thus are recognised and classified as intangible assets.

These Intangibles assets are amortised on straight line basis over the estimated useful life as under:

Civil structures (Tracks, Stations, viaduct, depots etc.)	60 years
Plant and equipment (Rolling stock, escalators, signalling, automatic fare collection etc.)	13 years
Signages	5 years

#### C. Intangible assets (others)

Asset Type	Useful Life
Softwares	4 years

#### V. Impairment of assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

#### VI. Foreign currency transactions

##### Initial recognition

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

##### Measurement at the balance sheet date

Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

##### Treatment of exchange differences

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

Exchange difference on long-term foreign currency monetary items: The exchange differences arising on settlement / restatement of long-term foreign currency monetary items are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets.

##### Accounting for forward contracts

Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the balance sheet date.

#### VII Revenue recognition

Revenue from fare collection is recognised on the basis of use of tokens, money value of the actual usage in case of smart cards and other direct fare collection.

Revenue from non-fare services i.e advertisement income is recognised on accrual basis in accordance with terms of contract with the customers.

**RAPID METRORAIL GURGAON LIMITED**

**Notes forming part of the financial statement**

**VIII Other income**

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

**IX Employee benefits**

Employee benefits include provident fund, superannuation fund, gratuity fund and compensated absences.

**a Short term**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under :

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

**b Long term**

The Company has both defined-contribution and defined-benefit plans. Defined benefit plan has some assets in special funds or securities and plan is financed by the Company.

Defined contribution plans

The Company's contribution to provident fund and superannuation fund are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Other employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date.

**X Taxes on income**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

## **RAPID METRORAIL GURGAON LIMITED**

### **Notes forming part of the financial statement**

#### **XI Provisions and contingent liabilities**

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

#### **XII Segment reporting**

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

#### **XIII Borrowing costs**

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

#### **XIV Earnings Per Share**

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date.

#### **XV Leases**

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognised as an expense in the statement of Profit and Loss on a straight line basis over the lease term. Any compensation, according to agreement, that the lessee is obliged to pay to the lessor if the leasing contract is terminated prematurely is expensed during the period in which the contract is terminated.

#### **XVI Cash and cash equivalents (for purposes of cash Flow Statement)**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

#### **XVII Cash flow statement**

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

#### **XVIII Preliminary expenses**

Preliminary expenses incurred on incorporation are written off fully in the period of commencement of the business.

#### **XIX Operating cycle**

Based on the nature of services / activities of the Company, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

**RAPID METRORAIL GURGAON LIMITED**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**Note No. 3 - Share capital**

Particulars	As at 31 March, 2014		As at 31 March, 2013	
	Number	Rupees	Number	Rupees
<b>(a) Authorised</b>				
Equity Shares of Rs. 10/- each with voting rights	460,000,000	4,600,000,000	150,000	1,500,000
Compulsory Convertible Preference Shares (CCPS) of Rs. 10/-	-	-	342,000,000	3,420,000,000
	<b>460,000,000</b>	<b>4,600,000,000</b>	<b>342,150,000</b>	<b>3,421,500,000</b>
<b>(b) Issued, Subscribed and fully Paid up</b>				
Equity Shares of Rs. 10/- each with voting rights	448,404,166	4,484,041,660	104,166	1,041,660
Compulsory Convertible Preference Shares (CCPS) of Rs. 10/-	-	-	284,580,000	2,845,800,000
<b>Total</b>	<b>448,404,166</b>	<b>4,484,041,660</b>	<b>284,684,166</b>	<b>2,846,841,660</b>

Refer Notes (i) to (iv) below

**Notes:**

**(i) Rights, preferences and restrictions attached to shares**

The Company has issued one class of equity shares having face value of Rs. 10 each. Each shareholder is entitled to one vote per share. Dividend if proposed by the board of directors is subject to approval of the shareholders in Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**(ii) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:**

Particulars	As at 31 March, 2014		As at 31 March, 2013	
	Number	Rupees	Number	Rupees
<b>EQUITY SHARES WITH VOTING RIGHTS</b>				
Shares outstanding at the beginning of the year	104,166	1,041,660	104,166	1,041,660
Shares Issued during the year	42,000,000	420,000,000	-	-
Shares converted during the year	406,300,000	4,063,000,000	-	-
Shares outstanding at the end of the year	<b>448,404,166</b>	<b>4,484,041,660</b>	<b>104,166</b>	<b>1,041,660</b>
<b>PREFERENCE SHARES</b>				
Shares outstanding at the beginning of the year	284,580,000	2,845,800,000	145,000,000	1,450,000,000
Shares Issued during the year	121,720,000	1,217,200,000	139,580,000	1,395,800,000
Shares converted during the year	(406,300,000)	(4,063,000,000)	-	-
Shares outstanding at the end of the year	-	-	<b>284,580,000</b>	<b>2,845,800,000</b>

**(iii) Details of Shares held by the holding company, ultimate holding Company, their subsidiaries and associates:**

Particulars	As at 31 March, 2014		As at 31 March, 2013	
	Number	Rupees	Number	Rupees
<b>EQUITY SHARES HELD BY:</b>				
IL&FS Transportation Networks Limited, the Parent Company of the Holding Company (Previous year Holding Company)	156,932,083	1,569,320,830	27,083	270,830
IL&FS Rail Limited, the Holding Company (Previous year fellow subsidiary Company)	291,445,000	2,914,450,000	50,000	500,000
<b>PREFERENCE SHARES HELD BY:</b>				
IL&FS Transportation Networks Limited, the Parent Company of the Holding Company (Previous year Holding Company)	-	-	99,603,000	996,030,000
IL&FS Rail Limited, the Holding Company (Previous year fellow subsidiary Company)	-	-	184,977,000	1,849,770,000

**(iv) Details of shares held by each Shareholder holding more than 5% shares:**

Particulars	As at 31 March, 2014		As at 31 March, 2013	
	No. of Shares held	% Holding	No. of Shares held	% Holding
<b>Equity Shares</b>				
IL&FS RAIL Limited	291,445,000	65.00%	50,000	48%
IL&FS Transportation Networks Limited	156,932,083	35.00%	27,083	26%
DLF Metro Limited	27,083	0.01%	27,083	26%
<b>Preference Shares:</b>				
IL&FS RAIL Limited	-	-	184,977,000	65%
IL & FS Transportation Networks Limited	-	-	99,603,000	35%

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**RAPID METRORAIL GURGAON LIMITED****NOTES FORMING PART OF THE FINANCIAL STATEMENTS****Note No. 4 - Reserves and surplus**

Particulars	<u>As at 31 March, 2014</u> Rupees	<u>As at 31 March, 2013</u> Rupees
<b>(a) Deficit in Statement of Profit and Loss</b>		
Opening Balance	(76,291,338)	(35,966,749)
Add: Loss for the year	(636,773,183)	(40,324,589)
Closing Balance	<u>(713,064,521)</u>	<u>(76,291,338)</u>

**Note No. 5 - Share application money pending allotment**

Particulars	<u>As at March 31, 2014</u> Rupees	<u>As at March 31, 2013</u> Rupees
<b>(a) Share application money pending allotment</b> (Refer footnote below)	98,000,000	-
<b>Total</b>	<u>98,000,000</u>	<u>-</u>

**Note:**

As at 31 March 2014, the Company has received an amount of Rs. 98,000,000 towards share application money towards equity of the Company. The share application money was received pursuant to an invitation to offer shares and in terms of such invitation. The Company is expected to complete the allotment formalities by 30 June, 2014. The Company has sufficient authorised capital to cover the allotment of these shares.



**RAPID METRORAIL GURGAON LIMITED**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**Note No. 6 - Long term borrowings**

Particulars	As at 31 March, 2014 Rupees	As at 31 March, 2013 Rupees
<b>Secured</b>		
<b>(a) Term Loans</b>		
From Banks		
-Indian Rupee	7,050,126,450	5,364,959,408
-Foreign Currency	535,054,875	447,868,950
<b>Total</b>	<b>7,585,181,325</b>	<b>5,812,828,358</b>

Notes:

(i) Term loan from banks are Secured against first charge on all revenue receipts from the Metro rail project and balance in escrow account.

(ii) Details of terms of repayment:

Term loans from banks in indian rupees carry interest rate at bench mark prime lending rate (BMPRL) less 1.75% and are repayable in in 52 unequal quarterly installments commencing in the quarter ending June 30, 2015 and terminating on March 31, 2028, as per the repayment schedule set out below:

Total Loans sanctioned is Rs. 7,616,000,000/-

Loans Disbursed till March 31, 2014 is Rs. 7,585,181,325/-

Financial Year	Repayment (% of debt)	Amount of Debt Repayment (Rupees)
2015-2016	2.00	141,002,530
2016-2017	3.00	211,503,793
2017-2018	4.00	282,005,058
2018-2019	5.00	352,506,322
2019-2020	6.00	423,007,587
2020-2021	7.00	493,508,851
2021-2022	8.00	564,010,116
2022-2023	9.00	634,511,381
2023-2024	10.00	705,012,645
2024-2025	10.00	705,012,645
2025-2026	12.00	846,015,174
2026-2027	12.00	846,015,174
2027-2028	12.00	846,015,174
<b>Total</b>	<b>100.00</b>	<b>7,050,126,450</b>

(iii) Term loans from banks in foreign currency carry interest rate at LIBOR plus 4.5% and are repayable in 18 unequal quarterly installments commencing in the quarter ending June 30, 2015 and terminating on September 30, 2019 as per the repayment schedule set out below:

Total Loans sanctioned is Rs. 520,000,000 (USD 11,000,000)

Financial Year	Repayment (% of debt)	Amount of Debt Repayment (Rupees)
2015-2016	2.00	10,701,097
2016-2017	3.00	16,051,646
2017-2018	4.00	21,402,195
2018-2019	5.00	26,752,744
2019-2020	86.00	460,147,193
<b>Total</b>	<b>100.00</b>	<b>535,054,875</b>

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**RAPID METRORAIL GURGAON LIMITEE**

**NOTES FORMING PART OF THE FINANCIAL STATEMENT:**

**Note No. 7 - Deferred tax liability**

The Company has carried out its deferred tax computation in accordance with the Accounting Standard (AS) – 22 on 'Taxes on Income' prescribed by the Companies (Accounting Standards) Rules, 2006. In view of carry forward losses and unabsorbed depreciation, the recognition of deferred tax assets is restricted to deferred tax liability arising on timing difference in respect of depreciation. In the absence of virtual certainty as on the date of the balance sheet, that there will be sufficient taxable income available to realize such assets in near future, the Company has not recognized additional Deferred Tax Assets in respect of balance unabsorbed depreciation and business losses. The Components of deferred tax are as follows:

Particulars	As at 31 March, 2014 Rupees	As at 31 March, 2013 Rupees
<b>Deferred tax liability:</b>		
On difference between book balance and tax balance of fixed asset:	435,437,806	-
	<u>435,437,806</u>	<u>-</u>
<b>Deferred tax asset:</b>		
Provision for employee benefits	411,977	-
Carry forward business loss and unabsorbed depreciation	435,025,829	-
	<u>435,437,806</u>	<u>-</u>
<b>Net deferred tax liability</b>	<u>-</u>	<u>-</u>

**Note No. 8 - Other long term liabilities**

Particulars	As at 31 March, 2014 Rupees	As at 31 March, 2013 Rupees
(a) Others		
Connectivity charges payable	30,246,575	-
Advances from customers	27,767,122	19,875,000
Security deposits from customers	30,336,667	19,625,000
<b>Total</b>	<u>88,350,364</u>	<u>39,500,000</u>

**Note No. 9 - Long term provisions**

Particulars	As at 31 March, 2014 Rupees	As at 31 March, 2013 Rupees
(a) <b>Provision for employee benefits</b>		
For compensated absences	544,963	333,739
<b>Total</b>	<u>544,963</u>	<u>333,739</u>

**Note No. 10 - Trade payables**

Particulars	As at 31 March, 2014 Rupees	As at 31 March, 2013 Rupees
(a) Trade payables (other than acceptances)	54,272,825	15,468,255
<b>Total</b>	<u>54,272,825</u>	<u>15,468,255</u>

**Note:**

- (a) According to the records available with the Company, there were no dues payable to entities that are classified as Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 during the year. Hence disclosures, if any, relating to amounts unpaid as at the period end together with the interest paid / payable as required under the said Act have not been given.

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**RAPID METRORAIL GURGAON LIMITED****NOTES FORMING PART OF THE FINANCIAL STATEMENTS****Note No. 11 - Other current liabilities**

<b>Particulars</b>	<b>As at 31 March, 2014 Rupees</b>	<b>As at 31 March 2013 Rupees</b>
(a) Other payables		
(i) Payables on purchase of capital assets	814,978,977	1,023,260,091
(ii) Advances from customers	73,100,000	53,625,000
(iii) Retention money	1,090,390	468,438
(iv) Statutory dues	25,460,288	34,053,085
(v) Book overdraft	-	2,703,792
<b>Total</b>	<b>914,629,655</b>	<b>1,114,110,406</b>

**Note No. 12 - Short term provisions**

<b>Particulars</b>	<b>As at 31 March, 2014 Rupees</b>	<b>As at 31 March 2013 Rupees</b>
(a) Provision for employee benefits		
(i) Provision for compensated absences	1,344,182	659,657
	<b>1,344,182</b>	<b>659,657</b>

RAPID METRORAIL GURGAON LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No. 13 - Fixed assets

(Amount in Rupees)

Particulars	Gross block				Accumulated depreciation				Net block	
	As at 1 April, 2013	Additions	Deletions/sale of Assets	As at 31 March, 2014	As at 1 April, 2013	Depreciation for the year	On Disposals /Adjustment	As at 31 March, 2014	As at 31 March, 2014	As at 31 March, 2013
<b>A. Tangible assets (owned)</b>										
(a) Furniture & Fixture	74,360	4,241,359	-	4,315,719	27,586	497,702	-	525,288	3,790,431	46,774
(b) Office Equipment	477,163	968,622	10,000	1,435,785	401,288	576,768	10,000	968,056	467,729	75,875
(c) Data Processing Equipment	2,466,411	1,056,549	-	3,522,960	1,036,358	708,632	-	1,744,990	1,777,970	1,430,053
(d) Vehicles	1,695,000	627,623	1,695,000	627,623	1,064,292	202,489	1,141,240	125,541	502,082	630,708
(e) Plant & Machinery	146,850	2,486,854	946,365	1,687,339	12,144	87,191	-	99,335	1,588,004	134,706
<b>Total</b>	<b>4,859,784</b>	<b>9,381,007</b>	<b>2,651,365</b>	<b>11,589,426</b>	<b>2,541,668</b>	<b>2,072,782</b>	<b>1,151,240</b>	<b>3,463,210</b>	<b>8,126,216</b>	<b>2,318,116</b>
Previous year	3,151,932	1,774,651	66,799	4,859,784	1,618,873	959,694	36,899	2,541,668	2,318,116	1,533,059
<b>B. Intangible assets</b>										
(a) Software	567,351	483,377	-	1,050,728	482,637	114,841	-	597,478	453,250	84,714
<b>(b) Metro rail project on BOT basis:</b>										
(i) Civil Structure	-	6,071,393,780	-	6,071,393,780	-	37,416,420	-	37,416,420	6,033,977,360	-
(ii) Plant and equipment	-	5,924,335,287	-	5,924,335,287	-	180,678,897	-	180,678,897	5,743,656,390	-
<b>Total</b>	<b>567,351</b>	<b>11,996,212,444</b>	<b>-</b>	<b>11,996,779,795</b>	<b>482,637</b>	<b>218,210,158</b>	<b>-</b>	<b>218,692,795</b>	<b>11,778,087,000</b>	<b>84,714</b>
Previous year	567,351	-	-	567,351	340,799	141,838	-	482,637	84,714	226,552
<b>C. Intangible assets under development</b>										
(a) Metro rail project on BOT basis	8,967,456,924	3,028,272,143	11,995,729,067	-	-	-	-	-	-	8,967,456,924
<b>Total</b>	<b>8,967,456,924</b>	<b>3,028,272,143</b>	<b>11,995,729,067</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,967,456,924</b>
Previous year	4,634,989,705	4,332,467,220	-	8,967,456,924	-	-	-	-	8,967,456,924	4,634,989,705

Total depreciation and amortisation expense	31 March, 2014	31 March, 2013
(a) Tangible assets	2,072,782	959,694
(b) Intangible assets	218,210,158	141,838
<b>Total</b>	<b>220,282,940</b>	<b>1,101,532</b>

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**RAPID METRORAIL GURGAON LIMITED****NOTES FORMING PART OF THE FINANCIAL STATEMENTS****Note No. 14 - Long - term loans and advances**

Particulars	As at 31 March, 2014 Rupees	As at 31 March 2013 Rupees
<b><u>Unsecured, considered good</u></b>		
(a) Capital advances:		
To related parties	-	29,421,810
Other than related parties	-	26,912,050
(b) Security deposits:		
Other than related parties	20,691,875	19,453,178
(c) Other loans and advances		
Advance to vendor	3,333,332	-
Prepaid expenses	23,392,878	8,342,816
Loan to employees	2,483,073	685,858
(d) Advance Income Tax	12,658,677	3,838,891
<b>Total</b>	<b><u>62,559,835</u></b>	<b><u>88,654,603</u></b>

**Note No. 15 - Other non-current assets**

Particulars	As at 31 March, 2014 Rupees	As at 31 March 2013 Rupees
<b><u>Unsecured, considered good</u></b>		
Fixed deposits under lien	401,624,000	350,000,000
Interest accrued on fixed deposits	34,237,028	2,441,250
<b>Total</b>	<b><u>435,861,028</u></b>	<b><u>352,441,250</u></b>



**RAPID METRORAIL GURGAON LIMITED**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**Note No. 16 - Trade receivables**

Particulars	As at March 31, 2014 Rupees	As at 31 March, 2013 Rupees
<b><u>Unsecured, considered good</u></b>		
Due for less than 6 months	9,617,322	-
	<b>9,617,322</b>	<b>-</b>

**Note No. 17 - Cash and cash equivalents**

Particulars	As at 31 March, 2014 Rupees	As at 31 March, 2013 Rupees
<b>A. Cash and cash equivalents</b>		
(a) Cash on hand	2,362,965	970
(b) Balances with banks		
-in current accounts	28,081,304	2,291,485
-in fixed deposits (with less than 12 months maturity)	132,870,000	283,540,000
(c) Balances with banks in foreign country		
-In ECB Current accounts (In equivalent indian rupees)	4,750,262	9,855,305
<b>Total - Cash and cash equivalents</b>	<b>168,064,531</b>	<b>295,687,760</b>
<b>B. Other Bank balances</b>		
(a) In earmarked accounts		
Balances held as security against bank guarantee	300,000	300,000
	<b>300,000</b>	<b>300,000</b>
<b>Total</b>	<b>168,364,531</b>	<b>295,987,760</b>

Of the above, the balances that meet the definition of Cash and Cash equivalents as per AS 3 Cash Flow Statement is

168,064,531	295,687,760
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**Note:**

- (a) Balances in Fixed deposits with banks include deposit under lien amounting to Rs. 300,000 (previous year Rs. 300,000) which have an original maturity of more than 12 months.

**Note No. 18 - Short - term loans and advances**

Particulars	As at 31 March, 2014 Rupees	As at 31 March, 2013 Rupees
<b><u>Unsecured, considered good</u></b>		
(a) Loans and advances to employees	-	383,910
(b) Others		
Prepaid expenses	12,685,387	8,184,643
Advance to vendors	6,668,837	4,941,353
Prepaid gratuity	648,546	537,028
Service tax credit receivable	6,211,644	-
Other receivables	24,470,107	32,406,874
<b>Total</b>	<b>50,684,521</b>	<b>46,453,808</b>

**Note No. 19 - Other current assets**

Particulars	As at 31 March, 2014 Rupees	As at 31 March, 2013 Rupees
(a) Interest accrued but not due	-	53,562
<b>Total</b>	<b>-</b>	<b>53,562</b>

**RAPID METRORAIL GURGAON LIMITED****NOTES FORMING PART OF THE FINANCIAL STATEMENTS****Note No. 20 - Revenue from operations**

<b>Particulars</b>	<b>For the year ended 31 March, 2014 Rupees</b>	<b>For the year ended 31 March, 2013 Rupees</b>
<b>(a) Sale of services</b>		
Fare revenue	27,895,713	-
Non fare revenue (advertisement income)	75,049,248	1,116,999
<b>Total</b>	<b>102,944,961</b>	<b>1,116,999</b>

**Note No. 21 - Other income**

<b>Particulars</b>	<b>For the year ended 31 March, 2014 Rupees</b>	<b>For the year ended 31 March, 2013 Rupees</b>
<b>(a) Interest income</b>		
Interest on bank deposits	42,774,948	5,504,891
Interest on income tax refund	78,680	-
Interest - others	3,291,590	135,259
<b>(b) Other non-operating income</b>		
Miscellaneous Income	24,950	300
<b>Total</b>	<b>46,170,168</b>	<b>5,640,450</b>

**Note No. 22 - employee benefit expense**

<b>Particulars</b>	<b>For the year ended 31 March, 2014 Rupees</b>	<b>For the year ended 31 March, 2013 Rupees</b>
<b>(i) Salaries and wages</b>	45,557,635	5,994,951
<b>(ii) Contribution to provident and other funds</b>	5,537,033	522,078
<b>(iii) Staff welfare expenses</b>	3,471,322	2,133,744
<b>Total</b>	<b>54,565,990</b>	<b>8,650,773</b>



**RAPID METRORAIL GURGAON LIMITED**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**Note No. 23 - Finance costs**

Particulars	For the year ended 31 March, 2014 Rupees	For the year ended 31 March, 2013 Rupees
(a) Interest expenses - On term loans	339,894,012	-
(b) Other finance charges	7,726,886	754,149
<b>Total</b>	<b>347,620,898</b>	<b>754,149</b>

**Note No. 24 - Other expenses**

Particulars	For the year ended 31 March, 2014 Rupees	For the year ended 31 March, 2013 Rupees
Legal and professional	17,875,648	16,299,774
Travelling and conveyance	1,733,035	767,133
Rent	24,707,240	2,081,657
Registration expenses	2,793,500	5,506,130
Payments to auditors (Refer Note (i) below)	1,731,743	932,306
Connectivity charges	30,246,575	-
Rates and taxes	1,230,674	24,296
Repair and maintenance - others	1,689,260	511,650
Repair and maintenance - machinery	9,787,303	-
Net loss on foreign currency transactions and translation	1,302,467	154,337
Loss on sale of fixed assets (net)	178,760	-
Communication expenses	1,549,416	250,063
Insurance charges	6,346,574	243,172
Power and fuel	18,267,094	109,339
Directors' fees	1,403,600	469,664
Business promotion expenses	3,795,423	731,594
Outsource manpower expenses	30,914,617	1,404,905
Event expenses	622,380	2,486,988
Printing and stationery	1,418,869	271,624
Advertisement expenses	-	588,989
Donation	-	400,000
Miscellaneous expenses	5,824,306	1,146,963
<b>Total</b>	<b>163,418,484</b>	<b>34,380,584</b>

**Note:**

**(i) Payment to auditors comprises:**

a. Statutory audit fee	1,200,000	800,000
b. Other Services	300,000	-
c. Out of pocket expenses	41,245	29,749
b. Service tax on above	190,498	102,557
<b>Total</b>	<b>1,731,743</b>	<b>932,306</b>

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**RAPID METRORAIL GURGAON LIMITED****NOTES FORMING PART OF THE FINANCIAL STATEMENTS****Note No. 25 - Contingent liabilities and commitments (to the extent not provided for)**

Particulars	As at 31 March, 2014 Rupees	As at 31 March, 2013 Rupees
<b>(a) Contingent liabilities</b>		
Claim not acknowledged as debt - demand for penal interest	3,019,109	-
Bank guarantees	300,000	300,000
<b>(b) Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances paid amounting to Rs. nil (previous year Rs. 56,333,860 )	-	1,679,605,561
<b>(c) Connectivity charges</b>	7,600,000,000	7,600,000,000
In terms of the Concession Contract, the Company is required to pay connectivity charges of Rs. 40 crores per year from the beginning of the 17th year of the signing of the concession agreement till 35th year i.e for 19 years totalling to Rs. 760 crores. Of the total amount payable, Rs. 30,246,575 has been recognised in the Statement of Profit and Loss during the year.		

**Note No. 26 -Concession contract**

The Company had entered into a Concession Contract with Haryana Urban Development Authority (HUDA) on 9 December, 2009 for development of Metro Rail Project from Delhi Metro Sikanderpur Station on MG Road, Gurgaon to NH-8 ('the Project'). As per the terms of the Contract, the Company has accepted the concession for a period of 99 years commencing from the effective date, to develop and operate the Project, which at the end of the concession period must be returned in the stipulated condition to grantor of the concession. In consideration of having designed, constructed, operated and maintained the Metro Rail Project, the Company is entitled to charge fare to the users of Metro rail besides other revenue from ancillary commercial activities.

The Commercial operations of the metro rail project has commenced from 14 November, 2013. Under the concession contract, the Company has received the right to collect revenue from passenger fares, advertisement income and property development within the project. Such rights are recognised and classified as intangible assets and recorded at actual cost.

The Company is required to pay connectivity charges of Rs. 7,600,000,000 (Refer 25c above) to HUDA for providing connectivity at Sikanderpur metro station. The amount of connectivity charge is recognised in the Statement of Profit and Loss on a straight line basis over the balance concession period (i.e concession period less period spent during construction/development of the project).

**RAPID METRORAIL GURGAON LIMITED****NOTES FORMING PART OF THE FINANCIAL STATEMENTS****Note No. 27 - Intangible assets under development**

The details of amounts included under 'Right Under Service Concession Arrangement' (Intangible assets under development) are as follows:

Particulars	As at 31 March, 2013	Incurred during	As at 31 March,
	Rupees	the year	2014
		Rupees	Rupees
Civil and Development works	4,931,307,015	1,489,474,198	6,420,781,213
Rolling Stock, Signal, Power Communication etc.	2,241,555,972	776,073,318	3,017,629,290
Salary, wages and bonus	66,107,665	74,340,576	140,448,241
Contribution to Provident and other funds	4,930,997	4,148,064	9,079,061
Staff welfare expenses	2,810,563	3,444,863	6,255,426
Travelling and conveyance expenses	9,346,966	4,416,794	13,763,760
Rent	22,466,535	3,495,481	25,962,016
Office maintenance	7,111,243	1,504,593	8,615,836
Electricity	975,505	215,778	1,191,283
Communication expenses	1,404,604	993,595	2,398,199
Insurance	6,229,155	(814,820)	5,414,335
Legal, professional and consultancy expenses	608,869,741	38,634,441	647,504,182
Connectivity Charges	50,000,000	-	50,000,000
Development Fees	50,000,000	-	50,000,000
Other expenses	36,254,731	28,645,343	64,900,074
Safety Clearance	-	49,744,000	49,744,000
<b>Sub-total</b>	<b>8,039,370,692</b>	<b>2,474,316,224</b>	<b>10,513,686,916</b>
Loan process/syndication fee	144,014,316	25,721,771	169,736,087
Interest on Term loans	790,727,283	504,094,565	1,294,821,848
Foreign exchange fluctuation	5,671,931	28,387,108	34,059,039
<b>Total</b>	<b>8,979,784,222</b>	<b>3,032,519,668</b>	<b>12,012,303,890</b>
Less- Interest income	12,327,298	4,247,528	16,574,826
<b>Total</b>	<b>8,967,456,924</b>	<b>3,028,272,140</b>	<b>11,995,729,064</b>
Less: Capitalised during the year	-	-	11,995,729,064
<b>Balance amount carried forward</b>	<b>8,967,456,924</b>		<b>-</b>

**RAPID METRORAIL GURGAON LIMITED**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**Note No. 28 - Earnings per equity share**

Particulars	Unit	For the year ended 31 March, 2014	For the year ended 31 March, 2013
<b>(a) Earnings per equity share:</b>			
Loss for the year	Rupees	(636,773,183)	(40,324,589)
Weighted average number of equity shares outstanding during the year	Numbers	139,898,413	104,166
Nominal Value of Equity Shares	Rupees	10.00	10.00
Basic Earnings per Share	Rupees	(4.55)	(387.12)
Effect of potential equity shares related to conversion of preference shares/shares application money	Numbers	134,247	203,740,548
Weighted average number of equity shares for calculation of diluted earnings per share	Numbers	140,032,659	203,844,714
Diluted Earnings per Share	Rupees	(4.55)	(387.12)

**Note No. 29 - Segment reporting**

The Company is engaged in operation of a metro rail project and thus operates in a single business segment. The Company operates in a single geographic segment. In the absence of separate reportable business or geographic segments the disclosures required under the Accounting Standard (AS) 17 on "Segment Reporting" have not been made.

**Note No. 30 - Leasing arrangements**

The Company has entered into Operating Lease arrangements of business centre. The minimum future lease payments during non-cancellable periods under the foregoing arrangements in the aggregate for each of the following periods is as follows:

	As at 31 March, 2014	As at 31 March, 2013
	Rupees	Rupees
(i) not later than one year	27,999,648	25,159,104
(ii) later than one year and not later than 5 years	60,665,904	88,665,552
(iii) later than five years	-	-

Lease payments recognised in the statement of profit and loss is Rs. 24,707,240 (Previous year Rs. 2,081,657).

**Note No. 31 - Detail of borrowing cost capitalised**

	For the year ended 31 March, 2014	For the year ended 31 March, 2013
	Rupees	Rupees
Intangible assets under development	<b>529,816,336</b>	<b>530,660,321</b>

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**RAPID METRORAIL GURGAON LIMITED****NOTES FORMING PART OF THE FINANCIAL STATEMENTS****Note No. 32 A- Value imports calculated on CIF basis**

	<b>For the year ended 31 March, 2014</b>	<b>For the year ended 31 March, 2013</b>
	<b>Rupees</b>	<b>Rupees</b>
(a) Capital assets	249,561,935	1,100,089,874

**Note No. 32 B - Expenditure in foreign currency**

	<b>For the year ended 31 March, 2014</b>	<b>For the year ended 31 March, 2013</b>
	<b>Rupees</b>	<b>Rupees</b>
(a) Travelling	1,449,777	3,202,794
(b) Legal and Professional	-	1,496,626
(c) Interest on borrowings	64,052,272	10,221,494
(d) Bank charges	-	300,294
	<b>65,502,049</b>	<b>15,221,208</b>

**Note No. 33- Foreign currency exposures**

The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise is under:

	<b>As at 31 March, 2014</b>	<b>As at 31 March, 2013</b>
<b>Payables</b>		
Foreign currency (USD)	200,777	-
Indian Rupees	11,975,605	-
<b>Long term borrowings</b>		
Foreign currency (USD)	619	2,514,000
Indian Rupees	36,921	136,734,700

**Note No. 34 - Forward Contract outstanding**

	<b>As at 31 March, 2014</b>	<b>As at 31 March, 2013</b>
Number of Contracts	7	4
Foreign currency (Euro)	4,924,096	1,535,083
Foreign currency (USD)	9,598,445	5,720,000
Equivalent Indian Rupees	964,826,315	484,353,134
Buy/Sell	Buy	Buy

**Note No. 35 - Interest rate Swap**

Interest rate swaps to hedge against fluctuations in interest rate changes: No. of contracts - 5 (As at 31 March, 2013 - 3)

**RAPID METRORAIL GURGAON LIMITED**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**Note No. 36 - Employee benefits**

**Employee Benefit Obligations:**

**Defined-Contribution Plans**

The Company offers its employees defined contribution plan in the form of provident fund, family pension fund and superannuation fund. Provident fund, family pension fund and superannuation fund cover all regular employees. Contributions are paid during the year into separate funds under certain statutory / fiduciary-type arrangements. While both the employees and the Company pay predetermined contributions into the provident fund and pension fund, the contributions to superannuation fund are made only by the Company. The contributions are normally based on a certain proportion of the employee's salary. The Company recognised Rs 1,497,133 (Previous Year Rs.210,139) for Provident Fund Contributions and Rs 1,621,900 (Previous Year Rs. 227,972) for superannuation fund contributions in the statement of profit & loss.

**Defined-Benefits Plans**

The Company offers its employees defined-benefit plans in the form of a gratuity scheme (a lump sum amount). Benefits under the defined benefit plans are based on years of service and the employee's compensation. The gratuity scheme covers all regular employees. In the case of the gratuity scheme, the Company contributes to a trust administered by HDFC Standard Life Insurance. Commitments are actuarially determined at year-end. On adoption of the revised Accounting Standard (AS) 15 on "Employee Benefits" notified, actuarial valuation is done based on "Projected Unit Credit" method. Gains and losses of changed actuarial assumptions are charged to the Statement of Profit and Loss.

**i. Change in benefit obligation**

	<u>31 March, 2014</u>	<u>31 March, 2013</u>
	Rupees	Rupees
Present value of obligation at the beginning of the year	1,151,188	382,838
Current service cost	2,119,709	661,147
Interest expenses	80,767	30,627
Actuarial (gain) / loss	282,055	76,576
Benefits paid	(283,206)	-
Present value of obligations at the end of the year	<u>3,350,513</u>	<u>1,151,188</u>

**ii. Fair value of plan assets**

	<u>31 March, 2014</u>	<u>31 March, 2013</u>
	Rupees	Rupees
Fair value of plan assets at the beginning of the year	1,688,216	535,774
Expected return on scheme assets	227,491	88,960
Contributions by the Company	2,529,518	1,003,833
Benefits Paid	(283,206)	-
Actuarial (gain) / loss	(162,960)	59,649
Fair value of plan assets at the end of the year	<u>3,999,059</u>	<u>1,688,216</u>

The plan assets are managed by the HDFC Standard Life Insurance, and the Company does not have details as to the investment pattern.

**iii. Return on plan assets**

	<u>31 March, 2014</u>	<u>31 March, 2013</u>
	Rupees	Rupees
Expected return on plan assets	227,491	88,960
Actuarial (gain) / loss	(162,960)	59,649
Actual return on plan assets	<u>64,531</u>	<u>148,609</u>

**iv. Amount recognised in the Balance Sheet**

	<u>31 March, 2014</u>	<u>31 March, 2013</u>
	Rupees	Rupees
Present value of defined benefit obligations	3,350,513	1,151,188
Fair value of Plan Assets	3,999,059	1,688,216
Net liability/(asset) recognised in the balance sheet	<u>(648,546)</u>	<u>(537,028)</u>

**v. Expenses recognised in statement of Profit and Loss**

	<u>31 March, 2014</u>	<u>31 March, 2013</u>
	Rupees	Rupees
Current service costs	2,119,709	661,147
Interest expense	80,767	30,627
Expected return on investment	(227,491)	(88,960)
Net actuarial gain/(loss) recognized during the year	445,015	16,927
Past service cost	-	(535,774)
Expenditure recognised in statement of profit and Loss	<u>2,418,000</u>	<u>83,967</u>

**RAPID METRORAIL GURGAON LIMITED**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

<b>vi. Balance Sheet reconciliation</b>	<b>31 March, 2014</b>	<b>31 March, 2013</b>
	<b>Rupees</b>	<b>Rupees</b>
Net liability/(asset) at the beginning of the year	(537,028)	(152,936)
Expenses as above	2,418,000	83,967
Contribution paid	(2,529,518)	(1,003,833)
Past service cost	-	535,774
<b>Net liability/(asset) at the end of the year</b>	<b>(648,546)</b>	<b>(537,028)</b>

The actuarial calculations used to estimate defined benefit commitments and expenses are based on the following assumptions, which if changed, would affect the defined benefit commitment's size, funding requirements and expense.

<b>vii. Principal actuarial assumptions</b>	<b>31 March, 2014</b>	<b>31 March, 2013</b>
Rate for discounting liabilities	8.00% p.a.	8.00% p.a.
Expected salary increase rate	6.50% p.a.	6.50% p.a.
Expected return on scheme assets	8.00% p.a.	8.00% p.a.
Attrition Rate	2.00% p.a.	2.00% p.a.
Mortality table used	LIC (1994-96) Mortality Table (ultimate)	LIC (1994-96) Mortality Table (ultimate)

<b>viii. Experience adjustment</b>	<b>31 March, 2014</b>	<b>31 March, 2013</b>	<b>31 March, 2012</b>	<b>31 March, 2011</b>
	<b>Rupees</b>	<b>Rupees</b>		
Present value of DBO	(3,350,513)	(1,151,188)	(382,838)	(129,582)
Fair value of plan assets	3,999,059	1,688,216	535,774	260,238
Funded status [Surplus / (Deficit)]	648,546	537,028	152,936	130,656
On Obligations - (Gain)/Loss	282,055	76,576	58,153	(392,191)
On Plan Assets - Gain/(Loss)	(162,960)	(35,668)	(35,668)	(14,115)

**Other Details**

- a) The Employer's best estimate of the contributions expected to be paid to the plan during the next 12 months is Rs. 58,25,713 (Previous year Rs. 1,975,680)

**Actuarial assumptions for compensated absences**

Actuarial assumptions used for calculation of liability for long term compensated absences is same as mentioned in vii above.

**RAPID METRORAIL GURGAON LIMITED**

**NOTES FORMING PART OF THE FINANCIAL STATEMENT:**

**Note No. 37 - Related party disclosure:**

Disclosures as required by the Accounting Standard (AS) 18 - "Related Party Disclosures" are as below:

**A. Name of the related parties and nature of relationship (With whom the Company has transactions during the year):**

Holding Company: IL&FS Transportation Networks Limited (ITNL) (upto 28 November, 2013)  
IL&FS Rail Limited (from 29 November, 2013)

Ultimate Holding Company: Infrastructure Leasing & Financial Services Limited (IL&FS)

Fellow Subsidiary Companies: IL&FS Financial Services Limited (IFIN)  
IL&FS Rail Limited (upto 28 November, 2013)  
IL&FS Trust Company Limited (ITCL)  
IL&FS Investment Managers Limited (IIML)

Key Management Person (KMP): Mr. Sanjiv Rai (Managing Director)  
Arita Bhattacharya (Company secretary)

Particulars	Holding / Ultimate Holding Company	Fellow subsidiary	Key Managerial Personnel
<b>B. Transactions during the year:</b>			
<b>Shares capital issued</b>			
IL&FS Transportation Networks Limited	147,000,000 (-)	- (-)	- (-)
IL&FS Rail Limited	- (-)	273,000,000 (-)	- (-)
<b>Compulsory Convertible Preference Shares issued*</b>			
IL&FS Transportation Networks Limited	426,020,000 (488,530,000)	- (-)	- (-)
IL&FS Rail Limited	- (-)	791,180,000 (907,270,000)	- (-)
*These shares have been converted in equity share:			
<b>Operating expenses</b>			
Infrastructure Leasing & Financial Services Limited	18,954,102 (9,164,404)	- (-)	- (-)
IL&FS Trust Company Limited (ITCL)	- (-)	106,898 -	- (-)
IL&FS Rail Limited	- (-)	-27,351,489 (26,581,185)	- (-)

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Particulars	Holding / Ultimate Holding Company	Fellow subsidiary	Key Managerial Personnel
<b>Construction and development expenses (CWIP)</b>			
Infrastructure Leasing & Financial Services Limited	16,364,714 (44,608,401)	- (-)	- (-)
IL&FS Rail Limited	- (-)	1,432,767,284 (1,936,229,424)	- (-)
IL&FS Trust Company Limited (ITCL)	- (-)	174,002 (280,900)	- (-)
IL&FS Investment Managers Limited	- (-)	- (5,686,940)	- (-)
IL&FS Technologies Limited	- (-)	- (5,393,729)	- (-)
IL&FS Transportation Networks Limited	1,775,360 (-)	- (-)	- (-)
<b>Prepaid expenses</b>			
IL&FS Transportation Networks Limited	720,271 (-)	- (-)	- (-)
<b>Salaries and allowances</b>			
Arita Bhattacharya	- (-)	- (-)	836,860 (662,408)

Notes:

1. Figures in brackets represent previous year's number

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Particulars	Holding / Ultimate Holding Company	Fellow subsidiary	Key Managerial Personnel
<b>C. Balances at year end</b>			
<b>Trade payables</b>			
Infrastructure Leasing & Financial Services Limited	9,213 (61,051)	- (-)	- (-)
IL&FS Transportation Networks Limited	532,608 (123,439)	- (-)	- (-)
<b>Other current liabilities</b>			
IL&FS Rail Limited	- (-)	336,317,591 (71,830,423)	- (-)
<b>Capital advance</b>			
IL&FS Rail Limited	- (-)	- (29,421,810)	- (-)
<b>Equity share capital</b>			
IL&FS Transportation Networks Limited	1,569,320,830 (270,830)	- (-)	- (-)
IL&FS Rail Limited	- (-)	2,914,450,000 (500,000)	- (-)
<b>Preference share capital</b>			
IL&FS Transportation Networks Limited	- (996,030,000)	- (-)	- (-)
IL&FS Rail Limited	- (-)	- (1,849,770,000)	- (-)
<b>Share application money</b>			
IL&FS Transportation Networks Limited	- (-)	98,000,000 (-)	- (-)

Note: The figures in brackets represent balances as on 31 March, 2011.

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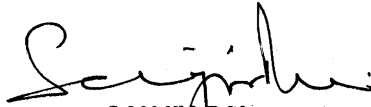
**RAPID METRORAIL GURGAON LIMITED**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**Note No. 38**

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification/disclosure.

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



**SANJIV RAI**  
Managing Director  
(DIN - 02076385)



**DEEPAK DASGUPTA**  
Director  
(DIN - 00457925)



**Arita Bhattacharya**  
Company Secretary



Place: Gurgaon  
Date: 21 April, 2014

