



## **INDEPENDENT AUDITOR'S REPORT**

**To**  
**The Members of Mumbai Metro Rail Corporation Limited,**

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

We have audited the accompanying financial statements of **Mumbai Metro Rail Corporation Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

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



## **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

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

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

## **Opinion**

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



## Emphasis of Matter

- (a) We draw attention to the note no. 19.7 in the 'Notes to Accounts' annexed to the financial statements relating to Provisions, Contingent Liabilities and Contingent Assets. We are unable to comment on financial impact on the financial statements contemplated in this report whenever such liabilities have not been quantified as on the date of balance sheet.
- (b) We draw attention to note no. 10 to Balance Sheet in relation to Capital Work-in-Progress (CWIP). The Company has changed its Accounting Policy during the year in line with AS 16 in relation to accounting treatment of interest earned on Fixed Deposits made from loan availed from Japan International Cooperation Agency (JICA) as against the previous year's policy in so far as interest income is routed through profit and loss statement. The interest earned during the year of Rs. 10,82,79,072/- (Previous year Rs. 30,55,353/-) has been deducted from CWIP after adjusting the same against cost of borrowing of said loan for the year as well as previous year amount of Rs. 37,444/-. Similar changes in Accounting policy have been made in case of Tender Fees received Rs. 14,65,600/- (Previous year Rs. 2,83,500/-) and Recruitment Fees received Rs. 9,83,850/- (Previous year Rs. 18,33,900/-) which are netted off from the expenses incurred under these account heads and balance amount is transferred to CWIP. Thus income to the extent of these fees are reduced from CWIP during the year
- (c) During the year under audit the company has changed its policy to identify certain regular/routine expenses as items of revenue as against the previous year's policy of treating them as Capital work in progress to be capitalized at a future date. The items consist of payments made to non-technical staff who are assisting the company in its day to day administration in the form of salary and allowances, travelling expenses and Car Hiring Charges aggregating to Rs. 5,55,96,465/-.



## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) According to information and explanation given to us, the company is a government company. Therefore, provision of section 164(2) of the act is not applicable pursuant to the Gazette Notification no. 463(E) dated 5<sup>th</sup> June 2016 issued by the Government of India.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to separate Report in "Annexure B".
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position.
    - ii. The Company did not have any long-term contracts including derivative



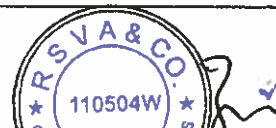
contracts for which there were any material foreseeable losses.

- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. The Company has provided requisite disclosures in the financial statements about its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016. Based on audit procedures performed and the representations provided to us by the management, we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management.

3. Report u/s 143(5) of the Companies Act, 2013.

Directions u/s 143(5) of the Companies Act, 2013

Sr No.	Directions	Answer
1	<i>Whether the Company has clear title/lease deeds for freehold and leasehold respectively? If not please state the area of freehold and lease hold land for which title/lease deeds are not available?</i>	The company under audit is a Special Purpose Vehicle Company, owned jointly by the Govt of India and the Govt of Maharashtra formed to run and operate Mumbai Metro Railway. Approval of Govt is there for transferring lands belonging to Govt/Semi Govt/Municipalities, required permanently for the project vide GR No. MRD 3311/Pra.Kra.149/ NaVi-7, Mantralaya, Mumbai 400 032, dated 3rd March 2014 which will be leasehold land. It consists of permanent land as well as temporary land on lease basis. Though the company enjoys benefit of access to land for the purpose of establishing Metro line, title deeds in the form of Mutation Entries in Govt records will happen at a later date for all the land acquired so far. As of date, though possession is taken by the company, clear title is not available in the



		hands of the company. Total land acquired so far from Govt agencies is about 302476 Sq. mts.
2	<i>Whether there are any cases of waiver/ write off of debts/ loans/interest etc., if yes, the reasons there for and the amount involved.</i>	The Company wrote off Rs. 30,000/- during the year which was receivable from M/s Consulting Engineers Association of India on account of excess payment in the form of TDS payment which the party denies to pay who has no further dealings with the Company.
3	<i>Whether proper records are maintained for inventories lying with third parties and assets received as gift/grant(s) from Govt. or other authorities?</i>	As informed by the company there are no such inventories of the company lying with third parties at any time during the year or assets were received as gift / grants from government excepting the land given by the Government at nominal price of Re. 1/- per parcel of land for the project as per GR No. MRD 3311/ Pra.Kra.149/ NaVi-7, Mantralaya, Mumbai 400 032, dated 3rd March 2014

For RSVA & CO.  
Chartered Accountants



B N Rao  
Partner  
M No. 039555

Date: 24<sup>th</sup> July, 2017  
Place: New Delhi

## **“Annexure A” to the Independent Auditor’s Report**

Referred to in paragraph 1 under the heading ‘Report on Other Legal and Regulatory Requirement’ of our report of even date to the financial statements of the Company for the year ended March 31, 2017:

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;  
  
(b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items in every period of twelve months over a period of one year, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
- 2) Presently, the Company is engaged in ‘Railway Project Development activity’ and there are no Operating activities undertaken by the Company till the date of Balance Sheet resulting into any Stock in Trade or Inventory.
- 3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.





- 7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2017 for a period of more than six months from the date they become payable.
- (c) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute except TDS liability of Rs. 79,800/- pertaining to Assessment Year 2015-16 which is pending before first appellate authority.
- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks. The Company has availed loan from Japan International Cooperation Agency (JICA) through 'pass through assistance' from Ministry of Urban Development (MOUD) amounting to Rs. 736 crores. In addition, the company has taken loans from Govt of India Rs. 52 crores and Rs. 145.79 crores from Govt of Maharashtra out of which Rs. 90.47 crores are receivable at the end of the year and the same is received on 27<sup>th</sup> April 2017. None of these loans have become due as on the date of Balance Sheet for repayment as per relevant records produced before and as information and explanations given to us.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans other than those mentioned in clause 7 above. The Company has applied amount of loans for the purpose for which those were taken.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 11) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.





- 12) In our opinion, all transactions with the related parties are in compliance with provisions of section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 13) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provision of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 15) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For RSVA & CO.  
Chartered Accountants



*B N Rao*  
B N Rao  
Partner  
M No, 039555

Date: 24<sup>th</sup> July, 2017  
Place: New Delhi

## **Annexure B to the Independent Auditor's Report**

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

We have audited the internal financial controls over financial reporting of Mumbai Metro Rail Corporation Limited ("the Company") as of 31st March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI').

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating



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

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

### **Meaning of Internal Financial Controls over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Due to the inherent limitations of internal financial controls over financial reporting, the possibility of collusion, improper management, override of controls and/or material misstatements cannot be ruled out. However, based on Financial Control process placed before us the Financial Control is found adequate to the best of our knowledge and belief.

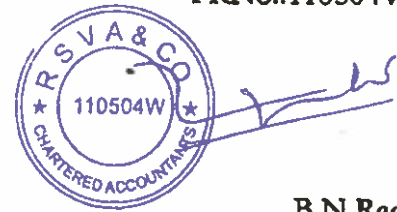
### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential



components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For RSVA & Co.,  
Chartered Accountants  
FRNo.:110504W



Date : 24<sup>th</sup> July, 2017  
Place : New Delhi

B N Rao  
Partner  
Mem No.:039555

**MUMBAI METRO RAIL CORPORATION LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH 2017**

(Rupees in Lakhs)

	Particulars	Note No.	As at 31 March, 2017 Rs.	As at 31 March, 2016 Rs.
1		2	3	4
<b>A</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' Funds</b>			
	(a) Share Capital	1	51,520.00	7,320.00
	(b) Reserves and Surplus	2	9,631.38	177.87
<b>2</b>	<b>Share Application Money Pending for allotment</b>	3	20,000.00	0.00
<b>3</b>	<b>Non-Current Liabilities</b>			
	(a) Long Term Borrowings	4	107,208.79	13,696.37
	(b) Deferred Tax Liabilities	5	5.27	
<b>3</b>	<b>Current liabilities</b>			
	(a) Short Tem Borrowing	6	6,871.39	12,884.45
	(b) Other Current Liabilities	7	39,833.58	220.62
	(c) Short Term Provisions	8	4,141.48	76.72
	<b>TOTAL</b>		<b>239,211.89</b>	<b>34,376.03</b>
<b>B</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-Current Assets</b>			
	(a) Fixed Assets			
	(i) Tangible Assets	9a	1,343.40	98.76
	(ii) Inangible Assets	9b	27.31	6.65
	(iii) Capital Work-in-Progress	10	80,171.20	9,520.51
<b>2</b>	<b>Current Assets</b>			
	(a) Cash and Cash Equivalents	11	49,895.59	16,919.83
	(b) Short -Term Loan and Advances	12	93,711.16	7,826.80
	(c) Other Current Assets	13	14,063.23	3.48
	<b>TOTAL</b>		<b>239,211.89</b>	<b>34,376.03</b>
	Significant accounting policy	18		
	See accompanying notes forming part of the financial statements	19		

In terms of our report attached.

**For RSV & Co.,**  
Chartered Accountants  
FRN : 110504W

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

Sd/-  
**B N Rao**  
Partner  
Membership No. : 039555

Sd/-  
**Ashwini Bhide**  
Managing Director

Sd/-  
**Abodh Khandelwal**  
Director (Finance)

Sd/-  
**Ritu Deb**  
Company Secretary

Place : New Delhi  
Date : 24th July, 2017

**MUMBAI METRO RAIL CORPORATION LIMITED**  
**STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2017**

(Rupees in Lakhs)

	Particulars	Note No.	As at 31 March, 2017 □	As at 31 March, 2016 □
	1	2	3	4
1	Revenue from Operations		-	-
2	Other Incomes	14	1,440.86	644.70
3	<b>Total revenue (1+2)</b>		<b>1,440.86</b>	<b>644.70</b>
4	<b>Expenses</b>			
	(a) Employee benefit expenses	15	479.16	-
	(b) Depreciation and Amortisation Expense	16	120.93	47.19
	(c) Other Expenses	17	358.03	264.79
	<b>Total Expenses</b>		<b>958.12</b>	<b>311.98</b>
5	<b>Profit / (Loss) before Exceptional Items and Tax (3 + 4)</b>		<b>482.74</b>	<b>332.72</b>
6	Exceptional Items		0	
7	<b>Profit / (Loss) before Tax (5 +6)</b>		<b>482.74</b>	<b>332.72</b>
8	<b>Tax Expense:</b>			
	(a) Tax for Current Year		523.96	113.99
	(b) Deferred Tax		5.27	
	<b>Profit / (Loss) for the year (7 + 8)</b>		<b>(46.49)</b>	<b>218.73</b>
9	<b>Earning per Equity Share of Rs. 100 each</b>			
	1) Basic		(0.19)	4.52
	2) Diluted		-	
10	<b>Earning per Equity Share of Rs. 100 each (excluding exceptional items)</b>			
	1) Basic		(0.19)	4.52
	2) Diluted		-	
	Significant accounting policy	18		
	See accompanying notes forming part of the	19		

In terms of our report attached.

For RSVA & Co.,  
Chartered Accountants  
FRN : 110504W

For and on behalf of the Board of Directors

Sd/-  
Ashwini Bhide  
Managing Director

Sd/-  
Abodh Khandelwal  
Director (Finance)

Sd/-  
B N Rao  
Partner  
Membership No. : 039555

Sd/-  
Ritu Deb  
Company Secretary

Place : New Delhi  
Date: :24th July, 2017.



**Mumbai Metro Rail Corporation Limited**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2017**

(Rupees in Lakhs)

Particulars	Year ended as on 31st March 2017	Year ended as on 31st March 2016
<b>A. Cash Flows from Operating Activities</b>		
Profit/(Loss) after Tax	(46.49)	218.73
<b>Adjustments for:</b>		
Depreciation and Amortisation	120.93	47.19
Deferred Tax	5.27	
	79.71	265.92
<b>Operating Profit before Working Capital Changes</b>		
Adjustments for:		
Short Term Loans and Advances	(85,884.36)	(7,825.82)
Other Current Assets	(14,059.75)	16.70
Short Term Borrowings	(6,013.05)	4,692.03
Other Current Liabilities	39,612.96	211.33
Short Term Provisions	4,064.76	56.25
Cash Generated from Operations	(62,199.73)	(2,583.59)
Cash flow from Exceptional Items		
<b>Net Cash(used in)/from Operating Activities (A)</b>	(62,199.73)	(2,583.59)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(1,386.22)	(87.71)
Increase in Capital Work-in-Progress	(70,650.69)	(2,754.39)
<b>Net Cash(used in)/from Investing Activities (B)</b>	(72,036.91)	(2,842.10)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Issue of Equity Share Capital	44,200.00	7,315.00
Long Term Borrowings	93,512.42	13,696.37
Transfer to Capital Reserve	9,500.00	500.00
Share Application Money Pending for allotment	20,000.00	
<b>Net Cash(used in)/ from Financing Activities (C)</b>	167,212.42	21,511.37
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	32,975.76	16,085.68
<b>OPENING BALANCE OF CASH AND CASH EQUIVALENTS</b>	16,919.83	834.15
<b>CLOSING BALANCE OF CASH AND CASH EQUIVALENTS</b>	49,895.59	16,919.83

In terms of our report attached.

For RSVA & Co.,  
Chartered Accountants

For and on behalf of the Board of Directors

Sd/-

**B N Rao**  
Partner  
Membership No. : 039555

Place : New Delhi  
Date : 24th July 2017

Sd/-

**Ashwini Bhide**  
Managing Director

Sd/-

**Abodh Khandelwal**  
Director (Finance)

Sd/-

**Ritu Deb**  
Company Secretary

# MUMBAI METRO RAIL CORPORATION LIMITED

## Notes forming part of the Financial Statements

### Note 1 Share Capital

(Rupees in Lakhs)

Particulars	As on 31 March, 2017		As on 31 March, 2016	
	Number of shares	Rs	Number of shares	Rs
<b>(a) Authorised</b>				
Equity Shares of ₹ 100 each	500,000,000	500,000.00	500,000,000	500,000.00
<b>(b) Issued, Subscribed &amp; fully paid up</b>				
Equity Shares of ₹ 100 each	51,520,000	51,520.00	7,320,000	7,320.00
<b>Total</b>	<b>51,520,000</b>	<b>51,520.00</b>	<b>7,320,000</b>	<b>7,320.00</b>

**(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:** (Rupees in Lakhs)

Particulars	Opening Balance	Fresh issue of Shares	Bonus issue of Shares	Closing Balance
Equity Shares with voting rights				
Year ended 31 March, 2017				
- Number of Shares	7,320,000	44,200,000		51,520,000
- Amount (₹)	7,320	44,200.00		51,520.00
Year ended 31 March, 2016				
- Number of Shares	5,000	7,315,000	-	7,320,000
- Amount (₹)	5	7,315.00	-	7,320.00

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

Class of shares / Name of Shareholder	As on 31 March, 2017		As on 31 March, 2016	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity Shares with voting rights				
The Governor of Maharashtra and its Nominees	25,760,000	50	3,660,000	50
The President of India and its Nominees (MOUD)	25,760,000	50	3,660,000	50

# MUMBAI METRO RAIL CORPORATION LIMITED

## Notes forming part of the Financial Statements

### Note 2 Reserves and surplus

(Rupees in Lakhs)

Particulars	As on 31 March, 2017	As on 31 March, 2016
	Rs.	Rs.
(a) Capital Reserve *	10,000.00	500.00
(b) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance as on 1-4-2016 and 1-4-2017	(322.13)	(540.87)
Add: Profit / (Loss) for the year	(46.49)	218.73
	-----	-----
Balance carried forward (b)	(368.62)	(322.13)
<b>Total (a+b)</b>	<b>9,631.38</b>	<b>177.87</b>

**\* Explanatory Note:**

The Capital reserve Consist followings:

- i) Grant from MIAL amounting to Rs. 100.00 crore.
- ii) Freehold Land Reserve (Rs. 5.00 ) & Leasehold Land Reserve (Rs. 32.00)

### Note 3 Share application money pending for allotment

(Rupees in Lakhs)

Particulars	As on 31 March, 2017	As on 31 March, 2016
	Rs.	Rs.
a) Govt. of India (President of India)	10,000.00	-
b) Govt. of Maharashtra (Governer of Maharashtra)	10,000.00	-
<b>Total</b>	<b>20,000.00</b>	<b>-</b>

**Explanatory Note:**

The Company has received matching contribution from State & Central govt but pending for the date of Board Meeting. Since letter of offer can be issued only in Board Meeting.

### Note 4 Long -Term Borrowing

(Rupees in Lakhs)

Particulars	As on 31 March, 2017	As on 31 March, 2016
	Rs.	Rs.
<b>(a) Borrowings</b>		
Loan From Govt. of India (Sub-Debt)	8,232.00	3,032.00
Loan From Govt. of Maharashtra (Sub-Debt)	14,579.00	-
JICA Loan through PTA	84,397.79	10,664.37
<b>Total</b>	<b>107,208.79</b>	<b>13,696.37</b>

**MUMBAI METRO RAIL CORPORATION LIMITED****Notes forming part of the Financial Statements****Note 5 Deferred Tax Liabilities****(Rupees in Lakhs)**

Particulars	As on 31 March, 2017	As on 31 March, 2016
	Rs.	Rs.
Deferred Tax liability	5.27	
<b>Total</b>	<b>5.27</b>	<b>0.00</b>

**Note 6 Short -Term Borrowing****(Rupees in Lakhs)**

Particulars	As on 31 March, 2017	As on 31 March, 2016
	Rs.	Rs.
Loan repayable on Demand	-	6,340.00
Loan from Related Party (The loans are interest free )	6,871.39	6,544.45
<b>Total</b>	<b>6,871.39</b>	<b>12,884.45</b>

# MUMBAI METRO RAIL CORPORATION LIMITED

## Notes forming part of the Financial Statements

### Note 7 Other Current Liabilities

(Rupees in Lakhs)

Particulars	As on 31 March, 2017	As on 31 March, 2016
	₹	₹
<b>(a) Creditor for Expenses</b>		
Payable to Civil Contractors	30,542.65	-
Payable to General Consultants	1,936.87	93.99
Payable to Consultants, Contractors/Vendors & Others	249.71	63.91
Payable to Auditors	7.34	0.70
Payable for Outstanding Expenses	12.73	-
<b>(b) Others Payable</b>		
EMD refundable	81.66	6.00
Security Deposits	12.16	-
Retention Money against BG	-	-
- On Civil Contracts	2,411.65	-
- On Other Contracts	25.71	-
<b>(c) Statutory Dues payable</b>		
TDS Payable	1,564.34	45.14
WCT TDS & Labour Cess payables	647.95	0.30
Service Tax & Cess payable	2,319.48	-
Profession Tax Payable	0.40	0.26
GPF/CPF/EPF Payable	20.93	10.32
<b>Total</b>	<b>39,833.58</b>	<b>220.62</b>

### Note 8 Short Term Provisions

(Rupees in Lakhs)

Particulars	As on 31 March, 2017	As on 31 March, 2016
	₹	₹
<b>(a) Provisions</b>		
Gratuity , Leave salary & Pension contribution Payables	93.53	22.44
Amount payable to Employee	38.32	2.63
Expenses & others payables	10.22	-
Outstanding GC Expenses	3,471.30	-
Interest accrued but not due on JICA Loan*	4.15	-
Income Tax Payable		
----- FY 16-17	523.96	
----- FY 15-16		51.65
<b>Total</b>	<b>4,141.48</b>	<b>76.72</b>

\* The Interest on JICA loan is payable on 20th March, 2017.

**MUMBAI METRO RAIL CORPORATION LIMITED**  
Notes forming part of the Financial Statements

Note No. 9 (a+b) : Fixed Assets

Sr No.	Particulars	Gross Block		Revaluation	Balance as on 31st March, 2017	Accumulated Depreciation/Amortisation			Net Block		
		Balance as on 1st April, 2016	Additions/ (Disposals)			Balance as on 1st April, 2016	Depreciation /Amortisation charge for the year	On disposals	Balance as on 31st March, 2017	Balance as on 31st March, 2016	
Note no 9 a											
1	# Land		1,110.22		1,110.22			0		1,110.22	-
2	Computer & Peripherals	60.53	212.66		273.19	31.10	70.49		101.59	171.60	29.43
3	Office Equipments & Others	23.92	19.80		43.72	2.56	11.42		13.98	29.74	21.36
4	Motor Car	70.87			70.87	22.89	16.14		39.03	31.84	47.97
	Total	155.32	1,342.68		1,498.00	56.56	98.05		154.60	1,343.40	98.76
	Previous Year	67.60	87.71		155.32	9.37	47.19		56.56	98.76	
Note no 9 b											
5	Software/License Fees & Other Cost	6.65	43.53		50.18		22.88		22.88	27.31	6.65
	Total	6.65	43.53	0	50.18	0	22.88		22.88	27.31	6.65
	Previous Year		6.65		6.65					6.65	

# Land acquired during the year have been capitalised based on the Government orders for possession, However legal formalities for conveyancing are in progress.



MUMBAI METRO RAIL CORPORATION LIMITED

Notes Forming Part of the Financial Statements

Note: 10 Capital Work-in-Progress

Sr No.	Particulars	(Rupees in Lakhs )		
		Balance as at 1.04.2016 (A)	Additions during the year (B)	Total (C = A+B) C
I	<b>Project Metro 3</b>			
A	Civil Construction Cost	1,000.00	46,951.24	47,951.24
II	<b>Other incidental expenses pending for allocation</b>			
A	Advertising Expenses	69.01	90.42	159.43
B	Borrowing Cost	0.37	-	-
C	Car hiring expenses	-	192.76	192.76
D	Consultancy Fees	7,343.41	17,431.04	24,774.45
E	Employee's Remunerations and Other Expenses	711.78	1,244.15	1,955.92
F	Lease Land Cost & Other Lease Expenses	7.50	2,898.05	2,905.55
G	Legal and Professional Fees Expenses	168.36	137.94	306.30
H	License Fees/ Stamp Duty and Other Fees related to land	24.17	20.33	44.50
I	Meeting and Conference Expenses	14.65	21.75	36.40
J	Other Construction cost	-	50.92	50.92
K	Project Study Expenses	27.24	29.13	56.37
L	Rehabilitation and Resettlement Cost	13.41	438.91	452.32
M	Rent/Rates/Taxes(CE)	-	1,524.82	1,524.82
N	Security Guard Expenses	102.54	297.66	400.20
O	Stamp Duty on Issue of Shares	7.32	44.20	51.52
P	Travelling Expenses	30.77	47.08	77.85
	<b>Total of Incidental Expenses</b>			32,965.14
	(-) Tender Fees		(14.66)	
	(-) Unadjusted Interest Income earned on PTA adjusted now		(944.85)	
				(959.51)
III	<b>Other Fixed Asset under WIP</b>			32,005.62
A	Tangible Fixed Asset			
B	Building (WIP)		(2.73)	
	Software WIP		217.07	214.34
				214.34
	<b>Grand Total</b>	<b>9,520.51</b>	<b>70,651.06</b>	<b>80,171.20</b>
	<b>Previous Year</b>	<b>5,007.17</b>	<b>4,513.34</b>	<b>9,520.51</b>

Explanatory Notes:

- 1) The Civil Construction cost includes expenses incurred during the year amounting to Rs 1.72 crore towards Depo Construction.
- 2) The Consultancy Fees includes General Consultancy fees which was shown after the adjustment of interest earned on Mobilised advance amounting to Rs. 1.03 crores.
- 3)\* Borrowing cost was adjusted against Interest Income (earned on PTA ) amounting to Rs. 1.38 crore as per AS 16.

**MUMBAI METRO RAIL CORPORATION LIMITED**

**Notes forming part of the Financial Statements**

**Note 11 Cash and Cash Equivalents**

(Rupees in Lakhs)

Particulars	As on 31 March, 2017	As on 31 March, 2016
	Rs.	Rs.
(a) Cash on Hand	-	0.00
<b>(b) Balances with banks</b>		
(i) In current accounts *	333.38	7,093.76
(ii) Short Term Deposits	49,562.21	9,826.07
<b>Total</b>	<b>49,895.59</b>	<b>16,919.83</b>

\* Balance in current accounts includes balance in escrow A/c with ICICI Bank Amounting to Rs. 284.00

**Note 12 Short Term Loans and Advances**

(Rupees in Lakhs)

Particulars	As on 31 March, 2017	As on 31 March, 2016
	Rs.	Rs.
<b>i) Advance to Contractor/Supplier</b>		
Advances to Civil Contractors		
- Mobilisation Advances	46,004.06	-
Secured (considered good)		
(Covered by Bank Guarantee)		
- Plant & Machinery Advances	47,578.29	-
Secured (considered good)		
(Covered by Bank Guarantee)		
Advances to General Consultant	120.99	7,826.49
Secured (considered good)		
(Covered by Bank Guarantee)		
<b>ii) Advance to Staff</b>		
Project Study Advances	6.13	-
Advances to Staff	1.69	0.31
<b>Total</b>	<b>93,711.16</b>	<b>7,826.80</b>

**Note 13 Other Current Assets**

(Rupees in Lakhs)

Particulars	As on 31 March, 2017	As on 31 March, 2016
	Rs.	Rs.
<b>i) Deposits</b>		
Deposits with Landlords	106.97	-
Deposits with Vendors/Suppliers	1.20	0.46
<b>ii) Receivables</b>		
Sub Debt from Govt of Maharashtra	9,047.00	-
Grant receivable from MIAL	4,000.00	-
General Consultant	52.31	-
MMRDA (EMD & Tender Fees )	63.14	-
Other Vendors	2.31	0.32
<b>iii) Others</b>		
Prepaid Insurance		
Prepaid Expenses	2.08	0.27
Service Tax Credit	-	2.43
Advance Tax Paid (FY 16-17)	535.56	-
TDS Receivable (FY 16-17)	252.66	-
<b>Total</b>	<b>14,063.23</b>	<b>3.48</b>

**Explanatory Note:**

- 1) The Company has received Sub Debt from Govt. of Maharashtra through RTGS on 27th April, 2017.
- 1) The Company has received Contribution from MIAL through RTGS on 25th May, 2017.

**MUMBAI METRO RAIL CORPORATION LIMITED**  
**Notes forming part of the Financial Statements**

**Note 14 Other Income** (Rupees in Lakhs)

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
	Rs.	Rs.
(i) Interest Earned on FD	1,439.96	623.39
(ii) Other Income	0.90	21.31
<b>Total</b>	<b>1,440.86</b>	<b>644.70</b>

**Note 15 Employee benefit expenses** (Rupees in Lakhs)

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
	Rs.	Rs.
(i) Salaries and Wages	414.69	-
(ii) Contribution to provident and other funds	41.83	-
(iii) Staff welfare expenses	22.64	-
<b>Total</b>	<b>479.16</b>	<b>-</b>

**Note 16 Depreciation and Amortization Expenses** (Rupees in Lakhs)

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
	Rs.	Rs.
Depreciation and Amortization	120.93	47.19
<b>Total</b>	<b>120.93</b>	<b>47.19</b>

**MUMBAI METRO RAIL CORPORATION LIMITED**

**Notes forming part of the Financial Statements**

**Note 17 Other Expenses**

**(Rupees in Lakhs)**

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
	Rs.	Rs.
Advertising Expenses	5.96	-
Bank Charges	2.31	0.75
Car Hiring expenses	52.60	84.18
Company ROC Fees	0.26	0.29
Electricity Expenses	25.47	15.16
Internal Audit Fees	3.05	-
Legal & Professional Fees	18.85	16.81
Meeting & Conference Expenses	46.62	20.90
Motor Car Expenses	8.67	7.84
Newspaper & Magzines Expenses	0.22	0.11
Office & Administrative Expenses	14.88	18.59
Payment to Statutory Auditors	4.60	0.34
Postage & Telegram Expenses	0.90	0.10
Printing & Stationery	31.60	29.77
Prior Period Items (Refer Note no.17 (a))	5.87	1.69
Rates & Taxes	40.06	4.24
Rent for premises	31.81	-
Repairs & Maintenance	18.01	38.24
Tax Audit Fees	0.40	0.40
Telephone & Internet Expenses	11.39	11.79
Travelling Expenses	34.42	13.15
Water Charges	0.08	0.44
<b>Total</b>	<b>358.03</b>	<b>264.79</b>

**Note: 17 (a) Prior Period Adjustment**

**(Rupees in Lakhs)**

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
	Rs.	Rs.
a) Car Hiring expenses	-	1.61
b) Interest on TDS and Income Tax for FY 15-16	5.87	0.08
<b>Total</b>	<b>5.87</b>	<b>1.69</b>

# MUMBAI METRO RAIL CORPORATION LIMITED

## 18 SIGNIFICANT ACCOUNTING POLICIES

### 18.1 Basis for Accounting

The Financial Statements have been prepared under historical cost convention on accrual and going concern basis of accounting. The Financial Statements have been prepared and presented to comply all material aspects with the Generally Accepted Accounting Principles (Indian GAAP) in India and Accounting Standards notified under Section 133 read with Rule 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions of the Companies Act, 2013. The Company has consistently applied the accounting principles and accounting policies not referred to otherwise, are in conformity with generally accepted accounting principles (Indian GAAP) in India.

### 18.2 Preparation of Financial Statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 ("the Act"). The Cash Flow Statement has been prepared and presented as per the requirements of Accounting standard (AS) 3 "Cash Flow Statements". The disclosure requirements with respect to items in the Balance Sheet and statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of accounts along with other notes required to be disclosed under the notified Accounting Standards.

### 18.3 Use of Estimates

The preparation of the financial statements, in conformity with generally accepted accounting principles (GAAP), requires management to make estimates and assumptions that affect the reported amount of revenue and expenses, assets and liabilities and disclosure of contingent liabilities on the date of the financial statements. Management believes that the estimates made in the preparation of financial statements are prudent and reasonable. Actual results of future period could differ from those estimates. Any revision to accounting estimates is recognized in the period in which revisions are made.

### 18.4 Fixed Assets and Capital Work in Progress:

#### i. Tangible Fixed Assets

Fixed Assets are stated at their original cost of acquisition/ construction less accumulated depreciation and impairment, if any. Cost includes purchase cost and all incidental expenses like freight, duties, taxes and other incidental expenses to bring the asset to their present location and to its working condition.

# MUMBAI METRO RAIL CORPORATION LIMITED

## ii. Land

- a. Amount received by the company from Government of Maharashtra for the acquisition of land for project purpose, are also treated as interest free subordinate loan for land and included in the land cost to the extent of the amount spent for the purpose.
- b. Compensation, replacement etc. relating to the cost of rehabilitation of "Project Affected Persons" (PAPs) is booked to CWIP and on completion will be added to the cost of related assets.
- c. The company has received tenements from Slum Rehabilitation Area (SRA) & Maharashtra Housing and Area Development Authority (MHADA) for the allotment to the Project Affected Persons. The ownership of such land and building remains with MMRCL till incorporation of society.

## iii. Intangible Fixed Assets

As per Accounting Standard 26 "Intangible Assets", have been considered as an asset after observing the below mentioned parameters:

- a. Identifiable
- b. Control
- c. Future Economic benefit

## iv. Intangible Asset under development

Intangible Assets under development includes amount paid for software Licenses and Software which is under implementation / development. Further the same will be recognized under Intangible Assets when it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably.

## v. Capital Work in Progress

1. Capital Work-in-Progress includes all direct and attributable indirect expenditure (including financing cost related to borrowed funds for construction or acquisition of qualifying Property, Plant & Equipment) related to construction; incurred during the period of implementation of the Projects of the Company. Such total of expenditure is kept as Capital Work-in-Progress (CWIP) till the defined project phase is completed after which the same will be transferred / allocated to the identifiable Fixed Assets.

2. Payment made provisionally or liability provided towards cost or compensation related to the land including lease-hold land in possession as well as any fees paid for identifying the physical presence of asset, are treated as cost of the Capital Work in Progress.



# MUMBAI METRO RAIL CORPORATION LIMITED

3. The company has received amount from "Project Affected Persons "(PAPs) for the allotment of extra space in tenements (more than eligibility) which are adjusted against cost of Rehabilitation and Resettlement (R&R).

## 18.5 Allocation of Interest During Construction

Interest During Construction Period (IDC) in respect of qualifying assets commissioned during the year, is allocated in the ratio in which the value of commissioned assets bear to the Capital Work In Progress.

## 18.6 Depreciation and Amortization

Depreciation on Fixed Assets is charged on WDV basis over the useful life of assets as prescribed under Schedule II of the Companies Act,2013, except in respect of following assets, where useful life is determined based on technical evaluation: -

Nature of Assets	Estimated Useful Life
Computers & Peripherals	3 Years
Cars, Chairs & Tables	8 Years
Furniture & Fixture, Others etc	5 Years

Intangible assets are amortized on a systematic basis over the best estimate of its useful life, except, software having perpetual use will be amortized in the year in which they become obsolete.

Depreciation on addition to/deduction from an existing asset which form integral part of main assets capitalized earlier is charged over the remaining useful life of that asset.

## 18.7 Impairment of Assets

In accordance with Accounting Standard 28 on "Impairment of Assets", an Asset is treated as impaired when carrying cost of assets exceeds its recoverable amount.

## 18.8 Foreign Currency

- a. The reporting currency of the Company is Indian rupee.
- b. Foreign currency transactions are recorded on initial recognition in the reporting currency, using the exchange rate as at the date of the transaction. At each Balance Sheet date, foreign currency monetary items are reported using the closing rate:
- c. Non – monetary items, carried at historical cost denominated in a foreign currency, are reported using the exchange rate at the date of transaction.

## MUMBAI METRO RAIL CORPORATION LIMITED

- d. Foreign Exchange differences arising of monetary item relating to acquisition of fixed assets are adjusted to the carrying cost of related fixed asset/Capital Work-in-Progress prior to capitalization. Other exchange differences are recognized as income or expenses in the period in which they arise.

### 18.9 Borrowing Cost

Borrowing costs include interest, commitment charges, amortization of ancillary costs, amortization of discount/premium related to borrowings, finance charges in respect of assets acquired on finance lease and exchange differences arising from foreign currency borrowings, to the extent they are regarded as an adjustment to interest cost.

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets till such time as the asset is ready for intended use or sale. A qualifying asset is an asset that necessarily takes a substantial period to get ready for its intended use or sale.

### 18.10 Revenue Recognition

In accordance with the Accounting Standard 9 "Revenue Recognition", the Interest Income on Investments made from unspent funds (except out of Pass Through Assistance - (PTA)- JICA Loan) of the projects of the company is recognized in Statement of Profit & Loss on a time proportion basis considering the amount outstanding and the applicable interest rate.

Items of revenue and expenditure incurred in the current financial year that are not directly related to creation of a capital asset are charged off as revenue expenditure in the Statement of Profit and Loss.

Other non-operating incomes are reported on receipt basis (except interest income).

### 18.11 Employee Benefits

The following are the accounting policies of the company regarding the Employee Benefits:

- i. **Provident Fund:** The eligible employees of the Company are entitled to receive benefits under provident fund contributions at a specified percentage schemes in which both employees and the Company make monthly contribution of the covered employees' salary. The contributions are paid to the Regional Provident Fund Account.
- ii. **Gratuity:** Gratuity is payable as per Payment of Gratuity Act, 1972 to every employee who has rendered continuous service of five years or more. Gratuity amount is provided in pursuant of Accounting Standard 15 based on the actuarial valuation obtained.

## MUMBAI METRO RAIL CORPORATION LIMITED

- iii. **Earned Leave:** The Company provides for earned leave benefits to the employees as per the HR policy in accordance with certificate issued by Authority. The provisioned amount in pursuant of Accounting Standard 15 is based on the actuarial valuation obtained.

### 18.12 Taxes on Income

Taxes on income for the current period are determined based on taxable income and tax credits computed in accordance with the provisions of the Income Tax Act 1961.

Deferred Tax is recognized on timing differences between the income accounted in financial statements and the taxable income that originate in one period and are capable of reversal in one or more subsequent periods. Unabsorbed depreciation or carry forward losses or deferred tax assets or any items effected by timing difference are recognized only if there is virtual certainty of realization of such asset. Other deferred tax assets are recognized only to the extent that there is reasonable certainty of realization in future. Such assets are reviewed at each Balance Sheet date to reassess realization.

### 18.13 Leases

The determination of whether an agreement is, or contains, a lease is based on the period of the agreement at the date of inception. Short Term Lease less than 12 years is treated as Capital Work in Progress till the defined project phase is completed after which the same will be transferred / allocated to the identifiable Fixed Assets. Other Long Term Leased assets are shown as fixed assets.

### 18.14 Earnings per Share

The company reports Earning per share (EPS) in accordance with Accounting Standard - 20 on "Earnings per Share". The earnings considered in ascertaining the companies EPS comprises of the Net Profit/Loss after tax. Basic Earnings Per Share (BEPS) is computed by dividing the Net Profit/Loss after tax for the current period by the weighted average number of Equity Shares outstanding as on the Balance Sheet date.

### 18.15 Cash & Cash Equivalents

Cash and cash equivalents presented in the Balance Sheet consists of cash on hand, current account balances, fixed deposits, earmarked balances with banks and other balances which have restriction on repatriation. Short term and liquid investment being not free more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

# MUMBAI METRO RAIL CORPORATION LIMITED

## 18.16 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if

- a) The company has a present obligation as a result of past event
- b) A probable outflow of resources is expected to settle the obligation and
- c) The amount of the obligation can be reliably estimated.

Reimbursement expected in respect of expenditure required to settle a provision is recognized only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in case of,

- a) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- b) a present obligation arising from events, when no reliable estimate is possible;
- c) a possible obligation arising from past events where the probability of outflow of resources is not remote.

Contingent assets are neither recognized, nor disclosed.

Provisions and contingent liabilities are reviewed at each Balance Sheet date.

## 18.17 Commitments

Commitments are future liabilities for contractual expenditure.

Commitments are classified and disclosed as follows;

- a) Estimated amount of contracts remaining to be executed on capital account and not provided for.
- b) Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

## 18.18 Cash Flow Statement:

Cash Flow Statement is prepared segregating the cash flows operating, investing and financing activities. Cash flow from operating activities is reported using indirect method. Under the indirect method, the net profit is adjusted for the effects of:

- i. Transaction of non-cash nature
- ii. any deferrals or accruals of past or future operating cash receipts or payments and
- iii. items of income or expenses associated with investing or financing cash flows.

## MUMBAI METRO RAIL CORPORATION LIMITED

Cash and cash equivalents (including bank balances) are reflected as such in the Cash Flow Statements. Those cash and cash equivalents which are not available for general use as on the date of Balance Sheet are also included under this category with a specific disclosure.

### **18.19 Investment:**

Investment, which are readily available and are intended to be held for not more than one year from the date of acquisition, are classified as current investments. All other investments are classified as long term investments.

Current investments are carried at lower of cost and fair value. The determination of carrying amount of such investments is done on the basis of weighted average cost of each individual investment.

All matters related to investment are considered and handled by Investment Committee. Currently all investments are in the form of Short Term Fixed Deposit with Banks with maturity less than one year.

# MUMBAI METRO RAIL CORPORATION LIMITED

## Notes forming part of the Financial Statements

### 19. Notes to Financial Statements for the year ended 31<sup>st</sup> March 2017

#### 19.1 Corporate Information

Mumbai Metro Rail Corporation Company Limited (CIN: U60100MH2008SGC181770) was incorporated under the provisions of the Companies Act 1956. The Company is 50:50 Joint Venture between Government of India (GOI) and Government of Maharashtra (GOM). The Company's main object is to provide a "Rail based Mass Rapid Transit Facility" to people residing in areas presently not connected by Suburban Rail System and to bring the Metro System within reach of 500 meters to 1 km.

It has an independent board nominated equally by the joint venture partners having a non-executive Chairman and a whole time Managing Director. The Company is a Special Purpose Vehicle (SPV) of the Government and accordingly provisions of Section 139(5) and 139(7) of the Companies Act, 2013 are applicable.

#### 19.2 Land

The company has received land from Municipal Corporation of Greater Mumbai (MCGM) and the Government of Maharashtra for the project. The Permanent Land has been recorded as Land under the head Fixed Assets, whereas, Temporary Land has been recorded as leased land at a nominal value of Re 1/- for each. Land acquired by the company from Government bodies is as per the GR issued by the Government of Maharashtra after the approval of land superintendent and district collector.

#### 19.3 CWIP

In compliance with the Accounting Standards, certain points have been considered while preparation of Financial Statements.

- Income pertaining to construction period such as interest income (other than from temporary deployment of funds received by way of equity, interest free subordinate-debt and grant) from PTA through JICA Loan, sale of tender documents etc. is adjusted against the expenditure during construction.
- The company has received Rs.100 lakhs from Saiffee Foundation due to certain modification in the proposed metro line in the alignment of Package 7, which was adjusted against the cost incurred in relation to the project.
- During the year, as per the change in accounting policy, Indirect income consisting of Recruitment Fee and Tender fee received aggregating to Rs.24.49 lakhs are adjusted with CWIP whereas in the immediate previous year, the same has been considered in the statement of profit and loss at Rs.21.17 lakhs.

# MUMBAI METRO RAIL CORPORATION LIMITED

## Notes forming part of the Financial Statements

- During the year, travelling expenses incurred by the company of Rs.81.50 lakhs has been apportioned in the proportion of consumption by technical and non-technical staff. And accordingly, the expenditure belonging to the Technical employees has been classified under CWIP at Rs.47.08 lakhs, and those of non-technical employees has been charged to statement of Profit and Loss at Rs.34.42 lakhs whereas, in the immediate previous year, travelling expenses of Rs.30.77 lakhs were considered fully under CWIP.
- During the year, employee benefits incurred by the company of Rs.1723.31 lakhs has been apportioned in the proportion of consumption by technical and non-technical staff. And accordingly, the expenditure belonging to the Technical employees has been classified under CWIP at Rs.1244.15 lakhs, and those of non-technical employees has been charged to statement of Profit and Loss at Rs.479.16 lakhs whereas, in the immediate previous year, employee benefits of Rs.711.78 lakhs were considered fully under CWIP.
- During the year, the company deployed unutilized funds received from JICA and earned interest income of Rs.1082.79 lakhs. Following the accounting treatment as laid by AS 16 the interest so earned is first adjusted against the interest paid of Rs.137.93 lakhs and balance amount of Rs.944.85 lakhs is adjusted against the CWIP whereas, in the immediate previous financial year the entire interest on FDRs of Rs.30.55 lakhs was recognized as income in the statement of Profit and Loss

### 19.4 Foreign Currency

Foreign currency payments made during the year towards General Consultants' fee is Rs. 1,858.01 lakhs (previous year Rs. 2,731.91 lakhs) and towards the Civil Contractors is Rs. 22,962.35 lakhs (previous year Nil)

### 19.5 Employee Benefits

Based on the actuarial report, the provisions of Gratuity is Rs.20.82 lakhs (Previous year 6.95 lakhs) and Leave Encashment provision is Rs.39.48 lakhs (previous year Rs.13.09 lakhs.)

### 19.6 Lease

The company has entered into agreement for the lease accommodation of employees. During the year, the company has paid Rs 84.73 lakhs (previous year Nil) towards lease rent on behalf of the employees.

# MUMBAI METRO RAIL CORPORATION LIMITED

## Notes forming part of the Financial Statements

### 19.7 Provisions, Contingent Liabilities and Contingent Assets

Contingent Assets, which are significant and material, are Nil (previous year – Nil)

The company having following Contingent Liabilities:-

Sr No	Nature of Liability/ Litigation	Amount
1	Service Tax liability related to Civil Contracts payable to Civil Contractors.	Rs. 1777.45 Lakhs
2	Related to Project affected peoples. (PAPs)	Depends upon documentation and decision of respective committee, so not yet quantified.
3	The company having land and building given by Slum Rehabilitation Area (SRA) & Maharashtra Housing and Developing Authority (MHADA) for the allotment to PAPs.	Any major and minor repairs and maintenance will be borne by MMRCL till the incorporation of society which cannot be quantified as on the date of balance sheet.
4	Neena Deepak Verma v/s Tree Officers MCGM, Mumbai Metro Rail Corporation, State of Maharashtra	Litigation is in relation to non-monetary issues and hence need not be ascertained as to any contingent liability
5	Mrs Parvin Jehangir & Others.	Litigation is in relation to non-monetary issues and hence need not be ascertained as to any contingent liability
6	Vanashakti v/s 1) Union of India, 2) State Of Maharashtra 3) The Chief Conservator of Forest 4) Urban Development Department 5) The Dairy Development Commissioner 6) The Principal Chief Conservator of Forest 7) The Municipal Commissioner MCGM 8) Mumbai Metro Rail Corporation Ltd.	Litigation is in relation to non-monetary issues and hence need not be ascertained as to any contingent liability
7	Royal Palms (India) Pvt. Ltd. v/s The State of Maharashtra & others.	Litigation is in relation to non-monetary issues and hence need not be ascertained as to any contingent liability



# MUMBAI METRO RAIL CORPORATION LIMITED

## Notes forming part of the Financial Statements

8	USHA BORGAONKAR v/s B.M.C	Litigation is in relation to non-monetary issues and hence need not be ascertained as to any contingent liability
9	<ul style="list-style-type: none"><li>• Chandrakant Rathod Ashwini</li><li>• Davidash Chandrakant Rathod</li><li>• Kush Laxman Rathod</li><li>• Akash Chandrakant Rathod</li><li>• Shiva Laxman Rathod</li><li>• Davidash Laxman Rathod</li><li>• Manmeet Omkarsingh Rathod</li><li>• Ratnabai Shiva Rathod</li><li>• Avinash Chandrakant Rathod</li><li>• Ajay Chandrakant Rathod</li><li>• Bhanuprasad Abhiraj Mishra</li><li>• Ratnabai Shiva Rathod</li><li>• Snehal Bhanuprasad Mishra</li><li>• Vishwanath Hai Gurav</li></ul> v/s Mumbai Metro Rail Corporation Ltd.	Litigation is in relation to non-monetary issues and hence need not be ascertained as to any contingent liability
10	Regency Convention Centre and Hotels Pvt. Ltd vs Airport Authority of India (AAI) and others.	In this matter, the Hon. High Court has allowed MMRC to be intervener, and has directed AAI to release the land required for the project. MMRC to bear the compensation as per the outcome of the case decided by the Hon. High Court. As of today, the required land has been released by AAI to MMRCL awaiting the final outcome of the case. However, Hon. High Court is yet to finally dispose off the matter. Therefore, financial liability cannot be ascertained at this point of time.

### 19.8 Taxes on Incomes

Taxes on income for the current period are determined based on taxable income and tax credits computed in accordance with the provisions of the Income Tax Act 1961 after considering applicability of Income Computation and Disclosure Standards (ICDS). The company has considered interest earnings as per the provisions of Accounting Standard 16 in the books of account whereas for the purpose of computation of income the interest income reduced from the Capital Work in Progress is added back to revenue ascertaining

# MUMBAI METRO RAIL CORPORATION LIMITED

## Notes forming part of the Financial Statements

income tax liability at Rs. 523.96 lakhs though net profit before tax is shown at Rs. 482.74 lakhs.

### 19.9 Deferred Tax

Deferred Tax is recognized on timing differences between the income accounted in financial statements and the taxable income that originate in one period and are capable of reversal in one or more subsequent periods. Unabsorbed depreciation or carry forward losses or deferred tax assets or any items effected by timing difference are recognized only if there is virtual certainty of realization of such asset. During the year, deferred tax is worked out on the difference between the depreciation as per Income Tax Act, 1961 and as per Companies Act, 2013 amounting to Rs. 5.27 lakhs.

### 19.10 Commitments

The Capital & Other Commitments is as follows,

Sr No	Particulars	Rs in lakhs (Excluding taxes)
1	Related to Civil Contracts	16,85,754
2	Related to General Consultants	72,303
3	Related to Dharavi Bridge (Including Service Tax)	438
4	Related to Software Development	191
5	Related to Lease agreement	2,565

### 19.11 Capital Reserve

#### Grant from Mumbai International Airport Limited (MIAL)

The company had entered MOU with MIAL for funding of three metro stations i.e. (i) CSIA Terminal T1 Terminal Forecourt, (ii) Sahar Road and (iii) CSIA T2 Terminal Forecourt at Chhatrapati Shivaji International Airport, Mumbai.

MIAL's contribution shall be towards the cost of complete architectural and structural building works and finishes including building services like environmental control systems (ECS), power supply, lighting, fire detection and separation system etc. for Metro station only and shall exclude all systems related to metro rail operations like rail systems, tunnelling, electrical and mechanical related to operations, traction, track work, signalling and telecommunications, platform screen doors (PSD), Rolling Stocks, tunnel ventilation, HV power supply, and railway electrification, auxiliary sub-station including Supervisory Data Control and Data Acquisition (SCADA), Automatic Fare Collection (AFC).

# MUMBAI METRO RAIL CORPORATION LIMITED

## Notes forming part of the Financial Statements

Following is the table showing receivable and received amount from MIAL:-

(Rs. in Lakhs)				
Sr No	Financial Year	Till Previous Year	Current Year 2016-17	TOTAL
1	Receivables as per MoU	500	9,500	10,000
2	Actual Received	500	5,500	6,000
3	Balance Receivables {1(-) 2}	Nil	4,000	4,000

The company has received the balance of Rs. 4,000 lakhs as on 24<sup>th</sup> May, 2017.

### 19.12 Long Term Borrowing

- i) The long term borrowing from Govt of Maharashtra of Rs 14,579 lakhs in the form interest free sub-debt includes Rs 9,047 lakhs pertaining to FY 2016-17, received subsequently after the balance sheet date.
- ii) Japan International Cooperation Agency (JICA) has committed to provide total loan of foreign amount not exceeding 71,000 Million JPY as principle, the interest payable by the Govt of India is @ 1.40% p.a. on the principal disbursed and outstanding which may vary from time to time. If a part of the loan is made available to cover the payments of the consultants of the project, then the rate of interest will be @ 0.01% p.a.
- iii) The consolidated position of total release of Pass Through Assistance (PTA) to MMRCL for MMRCL-Line-3 by Government of India of Rs. 84,264 lakhs including (previous year Rs 10,664 lakhs).
- iv) Interest on JICA loan computed on half yearly basis on September 20<sup>th</sup> and March 20<sup>th</sup>, is adjusted in the Long-Term Borrowings and for the remaining 11 days, the same has been computed and shown as interest accrued but not due, which is shown in Short term provisions under the Balance sheet.

### 19.13 Specified Bank Notes Disclosure (SBN)

During the year, the company had specified bank notes as defined in the MCA Notification G.S.R.308 (E) dated 31<sup>st</sup> March, 2017 on details of specified bank notes held and transacted during the period from 8<sup>th</sup> November,2016 to 30<sup>th</sup> December, 2016.

# MUMBAI METRO RAIL CORPORATION LIMITED

## Notes forming part of the Financial Statements

The SBN and other notes denomination wise details as per the notification is given below :-

<b>Particulars</b>	<b>SBNs Rs.</b>	<b>Other denomination notes</b>	<b>Total Rs.</b>
Closing cash in hand as on 8-11-2016	7,000	0	7,000
(+) Permitted receipts	0		0
(-) Permitted payments	0		0
(-) Amount deposited in Banks	7,000	0	7,000
Closing cash in hand as on 30-12-2016	-----	-----	0

**MUMBAI METRO RAIL CORPORATION LIMITED**

**Notes forming part of the Financial Statements**

Note	Particulars			
19.14	<b>Information in respect of Micro, Small &amp; Medium Enterprise as on 31st March, 2017</b> There were no amount due to micro, small, medium enterprise as at 31st March, 2017			
19.15	<b>Related party transactions</b>			
19.15a	<b>Details of related parties:</b>			
	<b>Description of relationship</b>	<b>Names of related parties</b>		
	Key Management Personnel (KMP)	Ms. Ashwini Bhide, Managing Director Mr. Abodh Khandelwal (Director Finance) Ms. Ritu Deb Mr. Indranil Sarkar (Chief Financial Officer)		
	Holding Entity (Holding 50% shares)	Mumbai Metropolitan Region Development Authority		
	Note: Related parties have been identified by the Management. Mr. Abodh Khandelwal (Director Finance) was appointed on 29th March, 2017.			
19.15b	<b>Details of related party Balances outstanding as at 31 March, 2017:</b>			<b>(Rs in Lakhs)</b>
		<b>KMP</b>	<b>Relatives of KMP</b>	<b>Holding Entity</b>
				<b>Total</b>
	Salaries			
	FY 2016-17	55.15	-	-
	FY 2015-16	46.26	-	-
	<b>Balances outstanding at the end of the year</b>			
	Short Term Borrowing			
	FY 2016-17			6,871.39
	FY 2015-16	-	-	6,544.45
		-	-	-
	Note: The above information has been determined to the extent such parties have been identified on the basis of information provided by the company, which has been relied upon by the Auditor			

**MUMBAI METRO RAIL CORPORATION LIMITED**

**Notes forming part of the Financial Statements**

**(Rs. in Lakhs)**

Note	Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
		Rs.	Rs.
19.16	<b>Disclosure in respect of AS-20 - Earnings per share</b>		
	Net profit / (loss) for the year	(46.49)	218.73
	Less: Preference dividend and tax thereon	-	-
	Net profit / (loss) for the year attributable to the equity	(46.49)	218.73
	Weighted average number of equity shares (in lakhs)	251.00	48.36
	Earnings per share - Basic	(0.19)	4.52
	Earnings per share - Diluted	-	-
19.17	Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.		
<p>In terms of our report attached.  <b>For RSV &amp; Co.,</b>  Chartered Accountants  FRN : 110504W</p> <p align="center"><b>For and on behalf of the Board of Directors</b></p> <p>Sd/- <b>Ashwini Bhide</b> Managing Director      Sd/- <b>Abodh Khandelwal</b> Director (Finance)</p> <p>Sd/- <b>B N Rao</b> Partner  Membership No. : 039555</p> <p align="center">Sd/- <b>Ritu Deb</b>  Company Secretary</p> <p>Place : New Delhi  Date : 24th July, 2017</p>			