

RAPID METRORAIL GURGAON LIMITED

ANNUAL REPORT

2012-13

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 31st March, 2013, 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 referred to in Section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, 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 the 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 the internal controls 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.

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



Deloitte Haskins & Sells

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 31st March, 2013;
- (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 referred to in Section 211(3C) of the Act.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 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, 16 April, 2013

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 (viii), (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.
- (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.



**Deloitte
Haskins & Sells**

- (ix) 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, 2013 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, 2013 on account of any dispute.
- (x) 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.
- (xi) 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.
- (xii) 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.
- (xiii) 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.
- (xiv) 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.
- (xv) 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 the Company has incurred capital expenditure during the year against which current liabilities are outstanding at year-end which has resulted in use of short-term funds to the extent of Rs. 435,179,309 for long-term investment.
- (xvi) 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.
- (xvii) According to the information and explanations given to us, during the year covered by our report, the Company has not issued any debentures.

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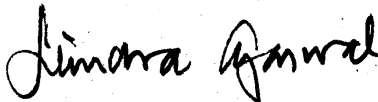
RAPID METRORAIL GURGAON LIMITED
BALANCE SHEET AS AT 31 MARCH, 2013

Particulars	Note No.	As at 31 March, 2013 Rupees	As at 31 March, 2012 Rupees
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	2,846,841,660	1,451,041,660
(b) Reserves and surplus	4	(76,291,336)	(35,966,749)
2 Non - current liabilities			
(a) Long-term borrowings	5	5,812,828,358	2,996,240,000
(b) Other long term liabilities	6	39,500,000	22,500,000
(c) Long - term provisions	7	333,739	111,463
3 Current liabilities			
(a) Trade payables	8	15,468,255	8,885,209
(b) Other current liabilities	9	1,114,110,406	490,833,048
(c) Short-term provisions	10	659,657	215,716
TOTAL		<u>9,753,450,738</u>	<u>4,933,860,347</u>
B ASSETS			
1 Non - current assets			
(a) Fixed assets (Net)			
(i) Tangible assets	11 A	2,318,116	1,533,059
(ii) Intangible assets	11 B	84,714	226,552
(iii) Capital work-in-progress		8,967,456,924	4,634,989,705
(b) Long - term loans and advances	12	88,654,603	176,845,798
2 Current assets			
(a) Cash and bank balances	13	645,987,760	115,109,870
(b) Short - term loans and advances	14	46,453,808	5,125,908
(c) Other current assets	15	2,494,812	29,455
TOTAL		<u>9,753,450,738</u>	<u>4,933,860,347</u>

See accompanying notes forming part of the financial statements

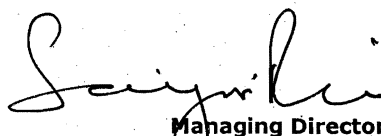
In terms of our report attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants



JITENDRA AGARWAL
Partner

For and on behalf of the Board of Directors



Managing Director



Director



Company Secretary

Place: Gurgaon
Date: 16th April, 2013

Place: Gurgaon
Date: 16th April, 2013

RAPID METRORAIL GURGAON LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2013

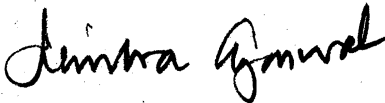
Particulars	Note No.	For the year ended 31 March, 2013	For the year ended 31 March, 2012
		Rupees	Rupees
1. Revenue from operations	16	1,116,999	1,763,891
2. Other income	17	5,640,450	5,018,521
3. Total Revenue (1 + 2)		6,757,449	6,782,412
4. Expenses:			
(a) Employee benefits expense	18	8,650,773	2,123,851
(c) Depreciation and amortisation expense	11 A & B	1,101,532	761,674
(c) Other expenses	19	35,134,732	23,046,854
Total Expenses		44,887,036	25,932,379
5. Profit/(loss) before tax (3 -4)		(38,129,587)	(19,149,967)
6. Tax expense:			
(a) Current tax expense		2,195,000	2,100,000
(b) Short provision for tax relating to prior years		-	667,382
		2,195,000	2,767,382
7. Profit/(loss) for the year (5-6)		(40,324,587)	(21,917,349)
8. Earnings per equity share of Rs. 10 each	29		
(a) Basic		(387.12)	(210.41)
(b) Diluted		(387.12)	(210.41)

See accompanying notes forming part of the financial statements

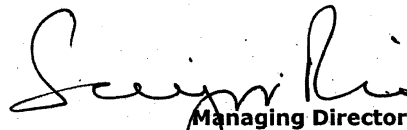
In terms of our report attached

For and on behalf of the Board of Directors

For **DELOITTE HASKINS & SELLS**
Chartered Accountants



JITENDRA AGARWAL
Partner



Managing Director



Director



Company Secretary

Place: Gurgaon
Date: 16th April, 2013

Place: Gurgaon
Date: 16th April, 2013

RAPID METRORAIL GURGAON LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2013

	For the year ended 31 March, 2013	For the year ended 31 March, 2012
	Rupees	Rupees
Cash Flow from Operating Activities		
Net profit before tax	(38,129,587)	(19,149,967)
Adjustments for :-		
Interest income	(5,504,891)	(5,018,421)
Depreciation and amortisation	1,101,532	761,674
Provision for employee benefits	666,217	224,080
Operating profit/(loss) before working capital changes	(41,866,730)	(23,182,634)
Adjustments for changes in working capital:		
(Increase)/Decrease in long term loans and advances	(3,495,236)	(22,623,764)
(Increase)/Decrease in short term loans and advances	(41,327,900)	483,661
Increase/(Decrease) in other long term liabilities	17,000,000	22,500,000
(Increase)/Decrease in trade receivables	-	6,833,632
Increase/(Decrease) in trade payables	6,583,046	46,045,579
Increase/(Decrease) in other current liabilities	35,943,162	-
Net cash flow from/(Used in) operating activities	(27,163,658)	30,056,474
Income Tax paid (Net)	(2,742,452)	(4,199,925)
Net cash flow from/(Used in) operating activities (A)	(29,906,110)	25,856,549
Cash flow from Investing Activities		
Purchase of fixed assets (including CWIP, expenditure during construction and capital advances)	(3,654,673,792)	(2,624,172,954)
Bank balances not considered as Cash and cash equivalents	(350,100,000)	-
Interest received	3,039,534	5,432,213
Proceeds from sale of fixed assets	29,900	-
Net Cash from/(used in) investing activities (B)	(4,001,704,358)	(2,618,740,741)
Cash flow from Financing Activities		
Proceeds from issue of preference shares	1,395,800,000	630,000,000
Proceeds from long term borrowings	2,816,588,358	1,586,830,622
Net Cash from/(used in) Financing Activities (C)	4,212,388,358	2,216,830,622
Net Increase/(decrease) in Cash and Cash equivalents during the year (A+B+C)	180,777,890	(376,053,569)
Cash and Cash Equivalent at the beginning of the year	114,909,870	490,963,439
Cash and Cash Equivalent at the end of the year	295,687,760	114,909,870
Net Increase / (Decrease) in Cash and Cash Equivalents	180,777,890	(376,053,569)
Notes:		
Reconciliation of Cash and bank balance		
Cash and bank as per balance sheet	645,987,760	115,109,870
Less: Fixed deposit under lien not considered as cash and cash equivalent	350,300,000	200,000
Cash and cash equivalents as per cash flow statement	295,687,760	114,909,870

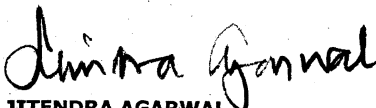
Interest paid on borrowings has been capitalised and reflected as cash used in investing activity under the head 'purchase of fixed assets'

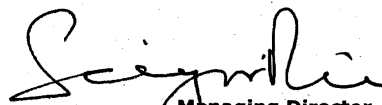
See accompanying notes forming part of the financial statements


In terms of our report attached

For and on behalf of the Board of Directors

For DELOITTE HASKINS & SELLS
Chartered Accountants


JITENDRA AGARWAL
Partner


Managing Director


Company Secretary


Director

Place: Gurgaon
Date: 16th April, 2013

Place: Gurgaon
Date: 16th April, 2013

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 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 project.

Note No. 2 - Significant Accounting Policies

I Basis of preparation of Financial Statements

The financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles in India, the provisions of the Companies Act, 1956 and the applicable Accounting standards referred to in Section 211(3C) of the Companies Act, 1956. All incomes and expenditures having a material bearing on the financial statements are recognised on accrual basis.

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 as of the date of the financial statements, the reporting income and expenses during the reporting period and the disclosure of contingent liabilities. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Actual results could differ from these estimates.

III Fixed Assets and Depreciation/Amortisation

a Tangible fixed assets:

Tangible fixed assets acquired by the Company are reported at acquisition cost, with deductions for accumulated depreciation and impairment losses, if any.

The acquisition cost includes the purchase price (excluding refundable taxes) and expenses, such as delivery and handling costs, installation, legal services and consultancy services, directly attributable to bringing the asset to the site and in working condition for its intended use.

Where the construction or development of any asset requiring a substantial period of time to set up for its intended use is funded by borrowings, the corresponding borrowing costs are capitalised up to the date when the asset is ready for its intended use.

Depreciation on tangible fixed assets is computed as under:

i. In respect of premises, depreciation is computed on the Straight Line Method at the rates provided under Schedule XIV of the Companies Act, 1956.

ii. 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
Computers	4 years
Specialised Office Equipment	3 years
Assets Provided to Employees	3 years
Licensed Software	Over the licence period
Intellectual Property Rights	5-7 years

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RAPID METRORAIL GURGAON LIMITEE

Notes forming part of the financial statement

iii. Depreciation on fixed assets, other than on assets specified in IV (a) (i) and (ii) 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.

iv. Leasehold improvement costs are capitalised and amortised on a straight-line basis over the period of lease agreement unless the corresponding rates under Schedule XIV are higher, in which case, such higher rates are used.

v. 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 and amortisation

Intangible assets, other than those covered by SCAs, comprise of software.

Intangible assets are reported at acquisition cost with deductions for accumulated amortisation and impairment losses, if any.

Intangible assets, other than those covered by SCAs, are amortised on a "straight line" basis over their estimated useful lives. The estimated useful life of software is four years.

c Impairment of assets

The carrying values of assets of the Company's cash-generating units are reviewed for impairment annually or more often if there is an indication of decline in value. If any indication of such impairment exists, the recoverable amounts of those assets are estimated and impairment loss is recognised, if the carrying amount of those 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 estimated future cash flows to their present value based on appropriate discount factor.

IV Foreign Currency Transactions

a. Transactions in foreign currencies are translated to the reporting currency based on the exchange rate on the date of the transaction. Exchange difference arising on settlement/restatement of short-term foreign currency monetary assets and liabilities are recognised as income or expenses in the Statement of Profit and Loss.

b. Cash and bank balances, receivables, (other than those that are in substance the Company's net investment in a non-integral foreign operation), and liabilities (monetary items) denominated in foreign currency outstanding as at the year-end are valued at closing date rates, and unrealised translation differences are included in the Statement of Profit and Loss.

c. The Exchange difference 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 asset.

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RAPID METRORAIL GURGAON LIMITEE

Notes forming part of the financial statement

V. Employee Benefits

a Short term

Short term employee benefits are recognised as an expense at the undiscounted amount expected to be paid over the period of services rendered by the employees to the Group.

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.

i. Defined-contribution plans

These are plans in which the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. These comprise of contributions to the employees' provident fund, family pension fund and superannuation fund. The Company's payments to the defined contribution plans are reported as expenses in the period in which the employees perform the services that the payment covers.

ii. Defined-benefit plans

Expenses for defined-benefit gratuity plans are calculated as at the balance sheet date by independent actuaries in a manner that distributes expenses over the employee's working life. These commitments are valued at the present value of the expected future payments, using projected unit credit method with consideration for calculated future salary increases, using a discount rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on government bonds with a remaining term that is almost equivalent to the average balance working period of employees.

iii. Other Employee Benefits

Compensated absences which accrue to employees and which can be carried to future periods but are expected to be encashed or availed in twelve months immediately following the year end are reported as expenses during the year in which the employees perform the services that the benefit covers and the liabilities are reported at the undiscounted amount of the benefits after deducting amounts already paid. Where there are restrictions on availment or encashment of such accrued benefit or where the availment or encashment is otherwise not expected to wholly occur in the next twelve months, the liability on account of the benefit is actuarially determined using the projected unit credit method.

VI Taxes on Income

a. Taxes include taxes on income, adjustment attributable to earlier periods and changes in deferred taxes. Taxes are determined in accordance with enacted tax regulations and tax rates in force and in the case of deferred taxes at rates that have been substantively enacted.

b. Deferred tax is calculated to correspond to the tax effect arising when final tax is determined. Deferred tax corresponds to the net effect of tax on all timing differences, which occur as a result of items being allowed for income tax purposes during a period different from when they are recognised in the financial statements.

c. Deferred tax assets are recognised with regard to all deductible timing differences to the extent that it is probable that taxable profit will be available against which deductible timing differences can be utilised. When the Group's entities carry forward unused tax losses and unabsorbed depreciation, deferred tax assets are recognised only to the extent there is virtual certainty backed by convincing evidence that sufficient future taxable income will be available against which deferred tax assets can be realised.

d. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced by the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or a part of the aggregate deferred tax asset to be utilised.

VII Provisions, Contingent Liabilities and Contingent Assets

a. A provision is recognised when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

b. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on best estimates required to settle the obligation at the Balance Sheet date.

c. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

d. Contingent liabilities are not recognised but are disclosed in the notes to the financial statement.

e. A contingent asset is neither recognised nor disclosed.

RAPID METRORAIL GURGAON LIMITED

Notes forming part of the financial statement

VIII Segment Reporting

- a. Segment revenues, expenses, assets and liabilities are identified to segments on the basis of their relationship to the operating activities of the Segment.
- b. Revenue, expenses, assets and liabilities, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, are included under "Unallocated Revenue/Expenses/Assets/Liabilities".

IX Financial Income and Borrowing Costs

- a. Financial income and borrowing costs includes interest income on bank deposits and interest expenses on loans.
- b. Interest income is accrued evenly over the period of the instrument.
- c. Borrowing costs are recognised in the period to which they relate, regardless of how the funds have been utilised, except where it relates to the financing of construction of development of assets requiring a substantial period of time to prepare for their intended future use. Interest is capitalised up to the date when the asset is ready for its intended use.

X Earnings Per Share

- a. Basic earnings per share is calculated by dividing the net profit after tax for the year attributable to equity shareholders of the Company by the weighted average number of equity shares in issue during the year.
- b. Diluted earnings per share is calculated by dividing the net profit after tax for the year attributable to equity shareholders of the Group by the weighted average number of equity shares determined by assuming conversion on exercise of conversion rights for all potential dilutive securities.

XI 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.

XII Cash and Cash Equivalents

Cash and bank balances, and current investments that have insignificant risk of change in value and original duration of up to three months, are included in the Company's cash and cash equivalents in the Cash Flow Statement.

XIII Cash Flow Statement

The Cash Flow Statement is prepared in accordance with the "Indirect Method" as explained in the Accounting Standard (AS) 3 on "Cash Flow Statement".

XIV Preliminary Expenses

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

XV Current/Non-Current Assets and Liabilities

Assets are classified as current when it satisfied any of the following crireric

- a) It is expected to be realized within 12 months from the reporting dat
- b) It is held for trading purpose

All other assers are classified as Non-curren

Liabilities are classified as current when it satisfied any of the following crireric

- a) It is expected to be settled within 12 months after the reporting dat
- b) It is held for trading purpose

All other liabilities are classified as Non-curren

Dr

RAPID METRORAIL GURGAON LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No. 3 - Share Capital

Particulars	As at 31 March, 2013		As at 31 March, 2012	
	Number	Rupees	Number	Rupees
(a) Authorised				
Equity Shares of Rs. 10/- each with voting rights	150,000	1,500,000	150,000	1,500,000
Compulsory Convertible Preference Shares (CCPS) of Rs. 10/- each	342,000,000	3,420,000,000	232,000,000	2,320,000,000
	342,150,000	3,421,500,000	232,150,000	2,321,500,000
(b) Issued, Subscribed and fully Paid up				
Equity Shares of Rs. 10/- each with voting rights	104,166	1,041,660	104,166	1,041,660
Compulsory Convertible Preference Shares (CCPS) of Rs. 10/- each	284,580,000	2,845,800,000	145,000,000	1,450,000,000
Total	284,684,166	2,846,841,660	145,104,166	1,451,041,660

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, 2013		For the year ended 31 March, 2012	
	Number	Rupees	Number	Rupees
EQUITY SHARES WITH VOTING RIGHTS				
Shares outstanding at the beginning of the year	104,166	1,041,660	104,166	1,041,660
Shares Issued during the year	-	-	-	-
Shares outstanding at the end of the year	104,166	1,041,660	104,166	1,041,660
PREFERENCE SHARES				
Shares outstanding at the beginning of the year	145,000,000	1,450,000,000	82,000,000	820,000,000
Shares Issued during the year	139,580,000	1,395,800,000	63,000,000	630,000,000
Shares outstanding at the end of the year	284,580,000	2,845,800,000	145,000,000	1,450,000,000

(iii) Compulsory Convertible Preference Shares (CCPS) carrying 0% dividend are convertible into 1 equity share of Rs. 10/- each for each CCPS of Rs. 10/- each within 90 days of commencement of operations of Metro Rail Project.

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

Particulars	As at 31 March, 2013		As at 31 March, 2012	
	Number	Rupees	Number	Rupees
EQUITY SHARES HELD BY:				
IL&FS Transportation Networks Limited, the holding company	27,083	270,830	27,083	270,830
Subsidiary of the holding company	50,000	500,000	50,000	500,000
PREFERENCE SHARES HELD BY:				
IL&FS Transportation Networks Limited, the holding company	99,603,000	996,030,000	50,750,000	507,500,000
Subsidiary of the holding company	184,977,000	1,849,770,000	94,250,000	942,500,000

IL&FS Transportation Networks Limited (ITNL) directly and indirectly by means of its shareholding in IL&FS Rail Limited holds more than 50% of the equity share capital of the Company. Accordingly ITNL is the holding company and Infrastructure Leasing & Financial Services Limited is the ultimate holding company.

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

Particulars	As at 31 March, 2013		As at 31 March, 2012	
	No. of Shares held	% Holding	No. of Shares held	% Holding
Equity Shares				
IL&FS RAIL Limited	50,000	48.00%	50,000	48.00%
IL&FS Transportation Networks Limited	27,083	26.00%	27,083	26.00%
DLF Metro Limited	27,083	26.00%	27,083	26.00%
Preference Shares:				
IL&FS RAIL Limited	184,977,000	65.00%	94,250,000	65.00%
IL & FS Transportation Networks Limited	99,603,000	35.00%	50,750,000	35.00%

RAPID METRORAIL GURGAON LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No. 4 - Reserves and surplus

Particulars	As at 31 March, 2013 Rupees	As at 31 March, 2012 Rupees
(a) Surplus/(deficit) in Statement of Profit and Loss		
Opening Balance	(35,966,749)	(14,049,400)
Add/(less) Profit/(loss) for the year	(40,324,587)	(21,917,349)
Closing Balance	<u>(76,291,336)</u>	<u>(35,966,749)</u>

Note No. 5 - Long Term Borrowings

Particulars	As at 31 March, 2013 Rupees	As at 31 March, 2012 Rupees
Secured		
(a) Term loans		
From banks		
- Indian Rupee	5,364,959,408	2,996,240,000
- Foreign currency	447,868,950	-
Total	<u>5,812,828,358</u>	<u>2,996,240,000</u>

Notes:

(i) Term loans from banks are Secured against first charge on all revenue receipts from the 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 (BMPLR) less 1.75% and are repayable 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. 7,096,000,000/-
Loans Disbursed till March 31, 2013 is Rs. 5,364,959,408/-

Financial Year	Repayment (% of debt)	Amount of Debt Repayment (Rupees)
2015-2016	2.00	107,299,188
2016-2017	3.00	160,948,782
2017-2018	4.00	214,598,376
2018-2019	5.00	268,247,970
2019-2020	6.00	321,897,564
2020-2021	7.00	375,547,159
2021-2022	8.00	429,196,753
2022-2023	9.00	482,846,347
2023-2024	10.00	536,495,941
2024-2025	10.00	536,495,941
2025-2026	12.00	643,795,129
2026-2027	12.00	643,795,129
2027-2028	12.00	643,795,129
Total	<u>100.00</u>	<u>5,364,959,408</u>

(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)
Loans Disbursed till March 31, 2013 is Rs. 447,868,950 (USD 8,234,000)

Financial Year	Repayment (% of debt)	Amount of Debt Repayment (Rupees)
2015-2016	2.00	8,957,379
2016-2017	3.00	13,436,069
2017-2018	4.00	17,914,758
2018-2019	5.00	22,393,448
2019-2020	86.00	385,167,297
Total	<u>100.00</u>	<u>447,868,950</u>

RAPID METRORAIL GURGAON LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS****Note No. 6 - Other long term liabilities**

Particulars	<u>As at 31 March, 2013</u> Rupees	<u>As at 31 March, 2012</u> Rupees
(a) Others		
Advance from customers	19,875,000	22,500,000
Security Deposit from customers	19,625,000	-
Total	<u>39,500,000</u>	<u>22,500,000</u>

Note No. 7 - Long Term Provisions

Particulars	<u>As at 31 March, 2013</u> Rupees	<u>As at 31 March, 2012</u> Rupees
(a) Provision for employee benefits		
For compensated absences	333,739	111,463
Total	<u>333,739</u>	<u>111,463</u>

Note No. 8 - Trade Payables

Particulars	<u>As at 31 March, 2013</u> Rupees	<u>As at 31 March, 2012</u> Rupees
(a) Trade Payables (other than Acceptances)	15,468,255	8,885,209
Total	<u>15,468,255</u>	<u>8,885,209</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.



RAPID METRORAIL GURGAON LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS****Note No. 9 - Other Current Liabilities**

Particulars	<u>As at 31 March, 2013</u> Rupees	<u>As at 31 March, 2012</u> Rupees
(a) Interest accrued but not due on borrowings	-	33,054,931
(b) Other payables		
(i) Payables on purchase of capital assets	1,015,818,865	428,484,669
(ii) Advance from customers	53,625,000	-
(iii) Retention Money	468,438	-
(iii) Security deposits	-	250,920
(iv) Statutory Dues	34,053,085	29,042,528
(v) Book Overdraft	2,703,792	-
(vi) Deferred premium on forward contracts	7,441,226	-
Total	<u>1,114,110,406</u>	<u>490,833,048</u>

Note:

- (i) The Company is setting up a Metro Rail Project, which is in construction stage. Therefore payables in respect of construction of the project have been considered as 'Payables on purchase of capital assets'

Note No. 10 - Short term provisions

Particulars	<u>As at 31 March, 2013</u> Rupees	<u>As at 31 March, 2012</u> Rupees
(a) Provision for employee benefits		
(i) Provision for compensated absences	659,657	215,716
Total	<u>659,657</u>	<u>215,716</u>

RAPID METRORAIL GURGAON LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No. 11 - Fixed Assets

Particulars	Gross Block				Accumulated Depreciation			Net Block		
	As at 1 April 2012	Additions	Disposals	As at 31 March, 2013	As at 1 April 2012	Depreciation for the year	On Disposals /adjustment	As at 31 March, 2013	As at 31 March, 2013	As at 31 March, 2012
A. Tangible Assets (owned)										
(a) Plant and equipment (Previous year)	- (-)	146,850 (-)	- (-)	146,850 (-)	- (-)	12,144 (-)	- (-)	12,144 (-)	134,706 (-)	- (-)
(b) Furniture & Fixture (Previous year)	58,660 (58,660)	15,700 (-)	- (-)	74,360 (58,660)	19,005 (10,241)	8,581 (8,764)	- (-)	27,586 (19,005)	46,774 (39,655)	39,655 (48,419)
(c) Vehicles (Previous year)	1,695,000 (1,695,000)	- (-)	- (-)	1,695,000 (1,695,000)	843,956 (546,648)	220,336 (297,308)	- (-)	1,064,292 (843,956)	630,708 (851,044)	851,044 (1,148,352)
(d) Office Equipment (Previous year)	244,667 (174,801)	269,395 (69,866)	36,899 (-)	477,163 (244,667)	193,787 (123,395)	244,400 (70,392)	36,899 (-)	401,288 (193,787)	75,875 (50,880)	50,880 (51,406)
(e) Data Processing Equipment (Previous year)	1,153,605 (943,753)	1,342,706 (209,852)	29,900 (-)	2,466,411 (1,153,605)	562,125 (318,753)	474,233 (243,372)	- (-)	1,036,358 (562,125)	1,430,053 (591,480)	591,480 (625,000)
Total	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
(Previous Year)	(2,872,214)	(279,718)	(-)	(3,151,932)	(999,037)	(619,836)	(-)	(1,618,873)	(1,533,059)	(1,873,177)
B. Intangible Assets										
(a) Software	567,351	-	-	567,351	340,799	141,838	-	482,637	84,714	226,552
Total	567,351	-	-	567,351	340,799	141,838	-	482,637	84,714	226,552
(Previous Year)	(567,351)	(-)	(-)	(567,351)	(198,961)	(141,838)	(-)	(340,799)	(226,552)	(368,390)

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RAPID METRORAIL GURGAON LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENT:****Note No. 12 - Long - term loans and advances**

Particulars	As at 31 March, 2013 Rupees	As at 31 March, 2012 Rupees
<u>Unsecured, considered good</u>		
(a) Capital advances:		
To related parties	29,421,810	126,964,433
Other than related parties	26,912,050	21,603,310
(b) Security Deposits:		
Other than related parties	19,453,178	17,128,178
(c) Other loans and advances		
Prepaid expenses	8,342,816	7,184,331
Loan to employees	685,858	674,107
(d) Advance Income Tax (net of provision Rs. 4,962,382; previous year Rs. 2,767,382)	3,838,891	3,291,439
Total	<u>88,654,603</u>	<u>176,845,798</u>

Note:

Long term loans and advances include amounts due from

- (i) Directors of the Company
- (ii) Officers of the Company

RAPID METRORAIL GURGAON LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No. 13 - Cash and bank balances

Particulars	As at 31 March, 2013 Rupees	As at 31 March, 2012 Rupees
A. Cash and cash equivalents		
(a) Cash on hand	970	5,944
(b) Balances with banks		
-in current accounts	2,291,485	17,133,926
-in fixed deposits (Original maturity of 3 months or less)	283,540,000	97,770,000
(c) Balances with banks in foreign country		
-In Current accounts (In equivalent indian rupees)	9,855,305	-
Total - Cash and cash equivalents (A)	295,687,760	114,909,870
B. Other Bank balances		
(a) In deposit account	350,000,000	-
(b) In earmarked accounts		
Balances held as security against bank gurantee	300,000	200,000
Total - Other bank balances (B)	350,300,000	200,000
Total - Cash and bank balances (A+B)	645,987,760	115,109,870
Of the above, the balances that meet the definition of Cash and Cash equivalents as per AS 3 Cash Flow Statemnets is	295,687,760	114,909,870

Notes:

- (a) Balances in Fixed deposits with banks include deposit under lien amounting to Rs. 300,000 (previous year Rs. 200,000) which have an original maturity of more than 12 months.

Note No. 14 - Short - term loans and advances

Particulars	As at 31 March, 2013 Rupees	As at 31 March, 2012 Rupees
<u>Unsecured, considered good</u>		
(a) Loans and advances to employees	383,910	258,907
(b) Others		
Prepaid expenses	8,184,643	3,825,857
Advance to vendors	4,941,353	888,208
Prepaid Gratuity	537,028	152,936
Other receivables	32,406,874	-
Total	46,453,808	5,125,908

Note No. 15 - Other Current Assets

Particulars	As at 31 March, 2013 Rupees	As at 31 March, 2012 Rupees
(a) Interest accrued but not due	2,494,812	29,455
Total	2,494,812	29,455

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RAPID METRORAIL GURGAON LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS****Note No. 16 - Revenue From Operations**

Particulars	For the year ended 31 March, 2013 Rupees	For the Year ended 31 March, 2012 Rupees
(a) Sale of Services		
Advertisement Income	1,116,999	1,763,891
Total	1,116,999	1,763,891

Note No. 17 - Other Income

Particulars	For the year ended 31 March, 2013 Rupees	For the Year ended 31 March, 2012 Rupees
(a) Interest income		
Interest on bank deposits	5,504,891	5,018,421
Interest -Others	135,259	-
(b) Other non-operating income		
Miscellaneous Income	300	100
Total	5,640,450	5,018,521

Note No. 18 - Employee Benefits Expenses

Particulars	For the year ended 31 March, 2013 Rupees	For the Year ended 31 March, 2012 Rupees
(i) Salaries and wages	5,994,951	1,837,411
(ii) Contribution to provident and other funds	522,078	107,260
(iii) Staff welfare expenses	2,133,744	179,180
Total	8,650,773	2,123,851

RAPID METRORAIL GURGAON LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS****Note No. 19 - Other expenses**

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
	Rupees	Rupees
Legal and professional fees	16,299,774	9,134,950
Travelling and conveyance	767,133	755,863
Rent	2,081,657	1,031,868
Registration Expenses	5,506,130	7,500,000
Auditors' remuneration	932,306	1,002,585
Rates and taxes	24,296	19,394
Repair & maintenance - others	511,650	550,965
Communication expenses	250,063	161,257
Insurance charges	243,172	46,381
Power and fuel	109,339	193,333
Directors' fees	469,664	400,000
Business promotion expenses	731,594	110,011
Loss on foreign currency transactions/translation	154,337	883,704
Event expenses	2,486,988	802,377
Printing and stationery	271,624	28,423
Bank charges	754,149	235,163
Outsourced labour	1,404,905	-
Advertisement expenses	588,989	84,517
Donation	400,000	-
Miscellaneous expenses	1,146,962	106,063
Total	35,134,732	23,046,854

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

a. Statutory audit fee	800,000	800,000
b. Other Services	-	100,000
c. Out of pocket expenses	29,749	5,227
b. Service tax on above	102,557	97,358
	932,306	1,002,585

RAPID METRORAIL GURGAON LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS****Note No. 20 - Contingent Liabilities and Commitments (to the extent not provided for)**

Particulars	As at 31 March, 2013 Rupees	As at 31 March, 2012 Rupees
(a) Contingent Liabilities		
(a) Bank guarantees	300,000	300,000
(b) Claims against the Company not acknowledged as debts	-	-
(b) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances paid amounting to Rs. 56,333,860 (previous year Rs. 148,567,743)	1,679,605,561	4,626,008,580
(c) Connectivity charges	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. The liability for the same will be accounted for on connectivity to the Sikanderpur Metro Station.

Note No. 21 -Concession Contract

The Company has 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 accepts 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.

RAPID METRORAIL GURGAON LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS****Note No. 22 - Capital work-in-progress**

The details of amounts included under 'capital work-in-progress' are as follows:

Particulars	As at 31 March, 2012 Rupees	Incurred during the year Rupees	As at 31 March, 2013 Rupees
Civil and Development works	2,749,553,661	2,181,753,354	4,931,307,015
Rolling Stock, Signal, Power Communication etc.	779,320,976	1,462,234,996	2,241,555,972
Salary, wages and bonus	26,386,568	39,721,097	66,107,665
Contribution to Provident and other funds	2,087,404	2,843,593	4,930,997
Staff welfare expenses	1,106,671	1,703,892	2,810,563
Travelling and conveyance expenses	3,932,504	5,414,462	9,346,966
Rent	16,241,246	6,225,289	22,466,535
Office maintenance	4,955,928	2,155,315	7,111,243
Electricity	626,792	348,713	975,505
Communication expenses	606,992	797,612	1,404,604
Insurance	4,513,561	1,715,594	6,229,155
Legal, professional and consultancy expenses	529,266,054	79,603,687	608,869,741
Connectivity Charges	50,000,000	-	50,000,000
Development Fees	50,000,000	-	50,000,000
Other expenses	19,287,437	16,967,295	36,254,731
Sub-total	4,237,885,794	3,801,484,899	8,039,370,692
Loan process/syndication fee	135,110,452	8,903,864	144,014,316
Interest on Term loans	268,970,826	521,756,457	790,727,283
Foreign exchange fluctuation	-	5,671,931	5,671,931
Total	4,641,967,072	4,337,817,151	8,979,784,222
Less- Interest income	6,977,367	5,349,931	12,327,298
Total	4,634,989,705	4,332,467,220	8,967,456,924

RAPID METRORAIL GURGAON LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No. 23 - Value imports calculated on CIF basis

	<u>For the year ended 31 March, 2013</u> Rupees	<u>For the year ended 31 March, 2012</u> Rupees
(a) Capital assets	<u>1,100,089,874</u>	<u>168,806,493</u>

Note No. 24 - Expenditure in foreign currency

	<u>For the year ended 31 March, 2013</u> Rupees	<u>For the year ended 31 March, 2012</u> Rupees
(a) Travelling	3,202,794	475,844
(b) Legal and Professional	1,496,626	-
(c) Interest on borrowings	10,221,494	-
(d) Bank charges	300,294	-
	<u>15,221,208</u>	<u>475,844</u>

Note No. 25- Foreign currency exposures

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

	<u>As at 31 March, 2013</u>	<u>As at 31 March, 2012</u>
Payables		
Foreign currency (USD)	-	790,965
Indian Rupees	-	<u>41,254,461</u>
Long term borrowings		
Foreign currency (USD)	2,514,000	-
Indian Rupees	<u>136,734,700</u>	-

Note No. 26 - Forward Contract outstanding

	<u>As at 31 March, 2013</u>	<u>As at 31 March, 2012</u>
Number of Contracts	4	-
Foreign currency (Euro)	1,535,083	-
Foreign currency (USD)	5,720,000	-
Equivalent Indian Rupees	484,353,134	-
Buy/Sell	Buy	-

Note No. 27 - Interest rate Swap

Interest rate swaps to hedge against fluctuations in interest rate changes: No. of contracts - 3 (As at 31 March, 2012 - Nil)

RAPID METRORAIL GURGAON LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No. 28 - 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. 210,139 (previous year Rs. 58,134) for Provident Fund contributions and Rs. 227,972 (previous year 24,499) for superannuation fund contributions in the Statement of profit and 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 typically based on years of service and the employee's compensation (immediately before retirement). The gratuity scheme covers substantially 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

	31 March, 2013	31 March, 2012
	Rupees	Rupees
Present value of obligation at the beginning of the year	382,838	129,582
Current Service Cost	661,147	184,089
Interest Expenses	30,627	11,014
Actuarial (Gain) / Loss	76,576	58,153
Present value of obligations at the end of the year	1,151,188	382,838

ii. Fair value of Plan Assets

	31 March, 2013	31 March, 2012
	Rupees	Rupees
Fair value of plan assets at the beginning of the year	535,774	260,238
Expected return on scheme assets	88,960	31,840
Contributions by the Company	1,003,833	279,364
Actuarial (Gain) / Loss	59,649	(35,668)
Fair value of plan assets at the end of the year	1,688,216	535,774

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

	31 March, 2013	31 March, 2012
	Rupees	Rupees
Expected return on plan assets	88,960	31,840
Actuarial (Gain) / Loss	59,649	(35,668)
Actual return on plan assets	148,609	(3,828)

iv. Amount recognised in the Balance Sheet

	31 March, 2013	31 March, 2012
	Rupees	Rupees
Present value of defined benefit obligations	1,151,188	382,838
Fair value of Plan Assets	1,688,216	535,774
Net liability/(asset) recognised in the balance sheet	(537,028)	(152,936)

v. Expenses recognised in statement of profit & loss	31 March, 2013	31 March, 2012
	Rupees	Rupees
Current service costs	661,147	184,089
Interest expense	30,627	11,014
Expected return on investment	(88,960)	(31,840)
Net actuarial gain/(loss) recognized during the year	16,927	93,821
Past service cost	(535,774)	-
Expenditure recognised in statement of profit and Loss	83,967	257,084

vi. Balance Sheet reconciliation	31 March, 2013	31 March, 2012
	Rupees	Rupees
Net liability/(asset) at the beginning of the year	(152,936)	(130,656)
Expenses as above	83,967	257,084
Contribution paid	(1,003,833)	(279,364)
Past service cost	535,774	-
Net liability/(asset) at the end of the year	(537,028)	(152,936)

The actuarial calculations used to estimate defined benefit commitments and expenses are based on

vii. Principal Actuarial assumptions	31 March, 2013	31 March, 2012
Rate for discounting liabilities	8.00% p.a.	8.50% 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)

viii. Experience Adjustment	31 March, 2013	31 March, 2012
	Rupees	Rupees
Present value of DBO	(1,151,188)	(382,838)
Fair value of plan assets	1,688,216	535,774
Funded status [Surplus / (Deficit)]	537,028	152,936
On Obligations - (Gain)/Loss	76,576	58,153
On Plan Assets - Gain/(Loss)	59,649	(35,668)

Other Details

The Employer's best estimate of the contributions expected to be paid to the plan during the next 12 months is Rs. 1,975,680 (Previous year Rs. 237,462).

The entire amount is funded with the HDFC Standard Life insurance, investment pattern is not available

RAPID METRORAIL GURGAON LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No. 29 - Earnings Per Equity Share

Particulars	Unit	For the year ended 31 March, 2013	For the year ended 31 March, 2012
(a) Earnings Per Equity Share:			
Net profit after tax	Rupees	(40,324,587)	(21,917,349)
Weighted average number of equity shares outstanding during the year	Numbers	104,166	104,166
Nominal Value of Equity Shares	Rupees	10.00	10.00
Basic Earnings per Share	Rupees	(387.12)	(210.41)
Effect of potential equity shares related to conversion of preference shares	Numbers	203,740,548	124,276,297
Weighted average number of equity shares for calculation of diluted earnings per share	Numbers	203,844,714	124,380,463
Diluted Earnings per Share	Rupees	(0.20)	(0.18)
Diluted Earnings per Share restricted to basic earning:	Rupees	(387.12)	(210.41)

Note No. 30 - Segment Reporting

The Company is engaged in infrastructure development 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. 31 - 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, 2013 Rupees	As at 31 March, 2012 Rupees
(i) not later than one year	25,159,104	25,159,104
(ii) later than one year and not later than 5 years	88,665,552	109,158,048
(iii) later than five years	-	-

Lease payments recognised in the statement of profit and loss is Rs. 2,081,657 (Previous year Rs. 1,031,868).

Note No. 32 - Detail of borrowing cost capitalised

	For the year ended 31 March, 2013 Rupees	For the year ended 31 March, 2012 Rupees
Capital work-in-progress	530,660,321	242,781,063

Note No. 33 - Deferred Tax

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 and retirement benefit. 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:

	As at 31.03.2012 Rupees	As at 31.03.2012 Rupees
A. Deferred Tax Liability		
a. Prepaid Retirement benefits	-	-
b. Difference in book and tax depreciation	48,336	25,462
Total - A	48,336	25,462
B. Deferred Tax Asset		
a. Provision for employee benefits	48,336	25,462
Net deferred tax (liability)/asset (A-B)	-	-

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RAPID METRORAIL GURGAON LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS****Note No. 34 - Related Party Disclosures**

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)
Ultimate Holding Company:	Infrastructure Leasing & Financial Services Limited (IL&FS)
Fellow Subsidiary Companies	IL&FS Financial Services Limited (IFIN) IL&FS Property Management & Services Limited (IPMSL) (Till 15 September, 2011) IL&FS Rail Limited IL&FS Trust Company Limited (ITCL) IL&FS Investment Managers Limited (IIML) IL&FS Technologies Limited

Particulars	Holding / Ultimate Holding Company	Fellow subsidiary	Key Managerial Personnel
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B. Transactions during the year:

Shares capital issued

IL&FS Transportation Networks Limited	488,530,000 (220,500,000)	- (-)	- (-)
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IL&FS Rail Limited	- (-)	907,270,000 (409,500,000)	- (-)
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Operating Expenses

Infrastructure Leasing & Financial Services Limited	9,164,404 (9,901,315)	- (-)	- (-)
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IL&FS Rail Limited	- (-)	-26,581,185 (-17,788,635)	- (-)
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IL&FS Property Management & Services Limited	- (-)	- (97,983)	- (-)
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RAPID METRORAIL GURGAON LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

Particulars	Holding / Ultimate Holding Company	Fellow subsidiary	Key Managerial Personnel
Construction and development expenses (CWIP)			
Infrastructure Leasing & Financial Services Limited	44,608,401 (25,103,801)	- (-)	- (-)
IL&FS Rail Limited	- (-)	1,936,229,424 (2,335,817,183)	- (-)
IL&FS Financial Services Limited	- (-)	- (3,198,522)	- (-)
IL&FS Property Management & Services Limited	- (-)	- (286,943)	- (-)
IL&FS Trust Company Limited (ITCL)	- (-)	280,900 (275,750)	- (-)
IL&FS Investment Managers Limited	- (-)	5,686,940 (11,340,827)	- (-)
IL&FS Technologies Limited	- (-)	5,393,729 (-)	- (-)
IL&FS Transportation Networks Limited	1,802,649 (-)	- (-)	- (-)
Prepaid Expenses			
IL&FS Transportation Networks Limited	591,786 (-)	- (-)	- (-)

Notes:

1. Figures in brackets represent previous year number
2. Reimbursement of expenses/cost is not included in above.

RAPID METRORAIL GURGAON LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

Particulars	Holding / Ultimate Holding Company	Fellow subsidiary	Key Managerial Personnel
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Balances at year end**C. Trade Payables**

Infrastructure Leasing & Financial Services Limited	61,051 (1,490,888)	- (-)	- (-)
IL&FS Investment Managers Limited	- (-)	- (9,885,725)	- (-)
IL&FS Transportation Networks Limited	123,439 (-)	- (-)	- (-)
<u>Other current liabilities</u>			
IL&FS Rail Limited	- (-)	71,830,423 (148,992,095)	- (-)
<u>Capital Advance</u>			
IL&FS Rail Limited	- (-)	29,421,810 (126,964,433)	- (-)

Note: The figures in brackets represent balances as on 31 March, 2012.

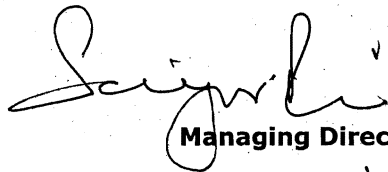
RAPID METRORAIL GURGAON LIMITED

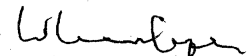
NOTES FORMING PART OF THE FINANCIAL STATEMENTS


Note No. 35

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


Managing Director


Director


Company Secretary

Place: Gurgaon
Date: 16th April, 2013

