

Rapid MetroRail Gurgaon South Limited

ANNUAL REPORT

2012-2013

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF RAPID METRORAIL GURGAON SOUTH LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **RAPID METRORAIL GURGAON SOUTH 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 period 24 August 2012, the date of incorporation of the Company to 31 March, 2013 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

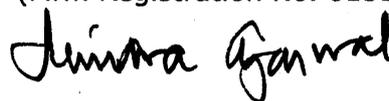
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (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 period ended on that date and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the period 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 period 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 period, 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, 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. During the course of our audit, we have not observed any major weakness in such internal control system. The Company's operations during the period do not give rise to any purchase of inventory or sale of goods and services.
- (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 period 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.

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- (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, 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 period did not give rise to any liability for Investor Education and Protection Fund, Sales Tax, Wealth Tax, Service Tax, Customs Duty 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) The Company has not taken any loan from banks or financial institutions and has not issued any debentures. Therefore, the provisions of clause 4(xi) of the Order are not applicable to the Company.
- (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) According to the information and explanations given to us, the Company has not availed any term loans. Therefore, the provisions of clause 4(xvi) of the Order are not applicable to the Company.
- (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 period against which current liabilities are outstanding at year-end which has resulted in use of short-term funds to the extent of Rs. 1,492,661,199 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 period covered by our report, the Company has not issued any debentures.
- (xviii) According to the information and explanations given to us, the Company has not raised any money by public issues.

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- (xix) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the period.

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



(Jitendra Agarwal)
Partner
(Membership No. 87104)

GURGAON, 16 April, 2013

RAPID METRORAIL GURGAON SOUTH LIMITED

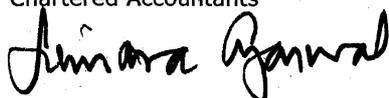
BALANCE SHEET AS AT 31 MARCH, 2013

Particulars	Note No.	As at 31 MARCH, 2013 Rupees
A EQUITY AND LIABILITIES		
1 Shareholders' funds		
(a) Share capital	3	500,000
(b) Reserves and surplus	4	(348,592)
2 Non - current liabilities		
(a) Deferred tax liabilities (Net)	5	-
(b) Long - term provisions	6	519,190
3 Current liabilities		
(a) Trade payables	7	24,343,143
(b) Other current liabilities	8	1,496,926,447
TOTAL		<u>1,521,940,188</u>
B ASSETS		
1 Non - current assets		
(a) Fixed assets (Net)	9	
(i) Tangible assets		84,302
(ii) Intangible assets		
(iii) Capital work-in-progress	16	1,484,820,340
(c) Long - term loans and advances	10	8,427,155
2 Current assets		
(a) Cash and cash equivalents	11	21,852,219
(b) Short - term loans and advances	12	6,756,172
TOTAL		<u>1,521,940,188</u>

See accompanying notes forming part of the financial statements

In terms of our report attached

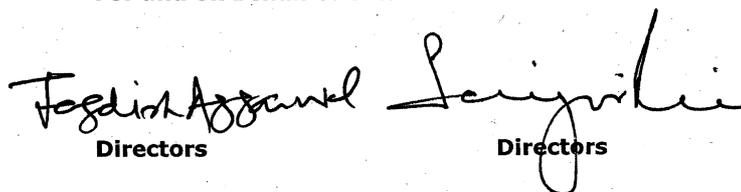
For DELOITTE HASKINS & SELLS
Chartered Accountants



JITENDRA AGARWAL
Partner

Place: Gurgaon
Date: 16 April, 2013

For and on behalf of the Board of directors



Directors

Directors

Place: Gurgaon
Date: 16 April, 2013

RAPID METRORAIL GURGAON SOUTH LIMITED

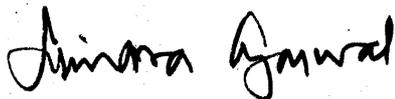
STATEMENT OF PROFIT AND LOSS FOR THE PERIOD FROM 24 AUGUST, 2012 to 31 MARCH, 2013

Particulars	Note No.	For the period ended 31 March, 2013
		Rupees
1. Revenue from operations		-
2. Total Revenue		-
3. Expenses:		
(a) Employee benefits expenses	13	46,859
(c) Depreciation and amortization expenses	9	18,123
(c) Administrative & general expenses	14	254,630
(d) Preliminary Expenses written-off		28,980
Total Expenses		348,592
4. Profit /(loss) before tax (3 -4)		(348,592)
5. Tax expense:		
(a) Current tax		-
(b) Deferred tax		-
7. Profit/(loss) for the period (5-6)		(348,592)
8. Earnings per equity share of Rs. 10 each	18	
(a) Basic		(6.97)
(b) Diluted		(6.97)

See accompanying notes forming part of the financial statement

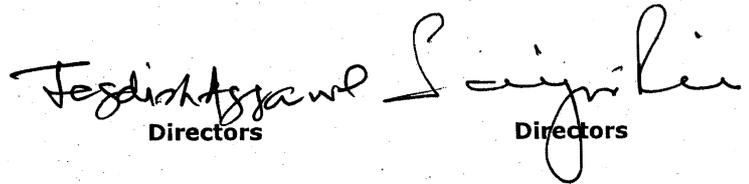
In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants



JITENDRA AGARWAL
Partner

For and on behalf of the Board of directors



Directors

Directors

Place: Gurgaon
Date: 16 April, 2013

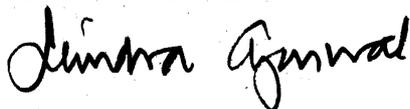
Place: Gurgaon
Date: 16 April, 2013

RAPID METRORAIL GURGAON SOUTH LIMITED
CASH FLOW STATEMENT FOR THE PERIOD FROM 24 AUGUST, 2012 to 31 MARCH, 2013

	For the period ended 31 March, 2013 Rupees
Cash Flow from Operating Activities	
Net profit/(loss) before tax	(3,48,592)
Adjustments for :-	
Depreciation and amortisation	18,123
Provision for employee benefits	5,19,190
Operating profit/(loss) before working capital changes	1,88,721
Adjustments for changes in working capital:	
(Increase)/Decrease in long term loans and advances	(84,27,155)
(Increase)/Decrease in short term loans and advances	(67,56,172)
Increase/(Decrease) in trade payables	2,43,43,144
Increase/(Decrease) in other current liabilities	12,75,37,014
Net cash flow from/(Used in) operating activities	13,68,85,551
Income Tax paid (Net)	-
Net cash flow from/(Used in) operating activities (A)	13,68,85,551
Cash flow from Investing Activities	
Purchase of fixed assets (including CWIP, expenditure during construction and capital advances)	(34,15,33,332)
Advance from related party	22,60,00,000
Net Cash from/(used in) investing activities (B)	(11,55,33,332)
Cash flow from Financing Activities	
Proceeds from issue of equity share capital	5,00,000
Net Cash from/(used in) financing activities (C)	5,00,000
Net Increase/(decrease) in Cash and cash equivalents during the year (A+B+C)	2,18,52,219
Cash and Cash Equivalent at the beginning of the period	-
Cash and Cash Equivalent at the end of the period	2,18,52,219
Net Increase / (Decrease) in Cash and cash equivalents	2,18,52,219
Notes:	
Reconciliation of Cash and cash equivalents	
Cash and cash equivalents as per balance sheet	2,18,52,219
Less: Fixed deposit under lien not considered as cash	-
Cash and cash equivalents as per cash flow statement	2,18,52,219

In terms of our report attached

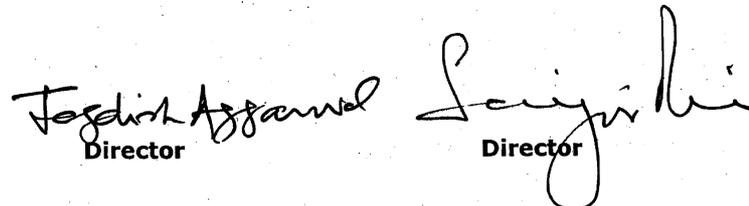
For DELOITTE HASKINS & SELLS
Chartered Accountants



JITENDRA AGARWAL
Partner

Place: Gurgaon
Date: 16 April, 2013

For and on behalf of the Board of directors



Place: Gurgaon
Date: 16 April, 2013

RAPID METRORAIL GURGAON SOUTH LIMITED

Notes forming part of the financial statement

Note No. 1

The Company was incorporated under the Companies Act, 1956 on 24 August, 2012 for the purpose of development of urban and inter urban mass and freight transport infrastructure projects in Gurgaon.

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

RAPID METRORAIL GURGAON SOUTH LIMITED

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 thereof during the year is 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.

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.

RAPID METRORAIL GURGAON SOUTH LIMITED

Notes forming part of the financial statement

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.

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".

RAPID METRORAIL GURGAON SOUTH LIMITED

Notes forming part of the financial statement

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 criteria:

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

All other assets are classified as Non-current

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

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

All other liabilities are classified as Non-current

RAPID METRORAIL GURGAON SOUTH LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No. 3 - Share Capital

Particulars	As at 31 March, 2013	
	Number	Rupees
(a) Authorised		
Equity Shares of Rs. 10/- each with voting rights	50,000	500,000
	50,000	500,000
(b) Issued, Subscribed and fully Paid up		
Equity Shares of Rs. 10/- each with voting rights	50,000	500,000
Total	50,000	500,000

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	
	Number	Rupees
EQUITY SHARES WITH VOTING RIGHTS		
Shares outstanding at the beginning of the period	-	-
Shares Issued during the period	50,000	500,000
Shares outstanding at the end of the period	50,000	500,000

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

Particulars	As at 31 March, 2013	
	Number	Rupees
EQUITY SHARES HELD BY:		
IL&FS Transportation Networks Limited, Ultimate Holding Company	17,500	175,000
IL&FS Rail Limited, Holding Company	32,440	324,400

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

Particulars	As at 31 March, 2013	
	No. of Shares held	% Holding
Equity Shares		
IL&FS RAIL Limited	32,440	64.88%
IL&FS Transportation Networks Limited	17,500	35.00%

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

Particulars	As at 31 March, 2013 Rupees
(a) Surplus/(deficit) in Statement of Profit and Loss	
Opening Balance	-
Add: Profit for the period	(348,592)
Closing Balance	<u>(348,592)</u>

Note No. 5 - Deferred Tax Liability

Particulars	As at 31 March, 2013 Rupees
Deferred Tax Liability:	
On difference between book balance and tax balance of fixed assets	2,995
	<u>2,995</u>
Deferred Tax Asset:	
Provision for employee benefits	1,708
Unabsorbed depreciation and business loss	1,287
	<u>2,995</u>
Net Deferred Tax Liability	<u>-</u>

Note No. 6 - Long Term Provisions

Particulars	As at 31 March, 2013 Rupees
(a) Provision for employee benefits	
For compensated absences	144,865
For gratuity	374,325
Total	<u>519,190</u>

Note No. 7 - Trade Payables

Particulars	As at 31 March, 2013 Rupees
(a) Trade Payables (other than Acceptances)	24,343,143
Total	<u>24,343,143</u>

Note:

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.

Note No. 8 - Other Current Liabilities

Particulars	As at 31 March, 2013 Rupees
(a) Other payables	
(i) Payables on purchase of capital assets	1,143,389,433
(ii) Statutory Dues	127,537,014
(iii) Advance from related party	226,000,000
Total	<u>1,496,926,447</u>



RAPID METRORAIL GURGAON SOUTH LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No. 9 - Fixed Assets

(Amount in Rupees)

Particulars	Gross Block			Accumulated Depreciation			Net Block	
	As at 1 April 2012	Additions during the period	As at 31 March, 2013	As at 1 April 2012	Depreciation for the period	As at 31 March, 2013	As at 31 March, 2013	As at 31 March, 2012
A. Tangible Assets (owned)								
(a) Office Equipment	-	15,000	15,000	-	14,999	14,999	1	-
(b) Data Processing Equipment	-	87,425	87,425	-	3,124	3,124	84,301	-
Total	-	102,425	102,425	-	18,123	18,123	84,302	-

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RAPID METRORAIL GURGAON SOUTH LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No. 10 - Long - term loans and advances

Particulars	As at 31 March, 2013 Rupees
<u>Unsecured, considered good</u>	
(a) Prepaid expenses	8,427,155
Total	<u>8,427,155</u>

Note No. 11 - Cash and cash equivalents

Particulars	As at 31 March, 2013 Rupees
(a) Cash on hand	5,157
(b) Balances with banks -in current accounts	21,847,062
Total	<u>21,852,219</u>

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

21,852,219

Note No. 12 - Short - term loans and advances

Particulars	As at 31 March, 2013 Rupees
<u>Unsecured, considered good</u>	
(a) Prepaid expenses	6,756,172
Total	<u>6,756,172</u>



RAPID METRORAIL GURGAON SOUTH LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No. 13 - Employee benefits expense

Particulars	For the period ended 31 March, 2013
	<u>Rupees</u>
(a) Salaries and wages	43,227
(b) Contribution to provident and other funds	3,632
Total	<u>46,859</u>

Note No. 14 - Other expenses

Particulars	For the period ended 31 March, 2013
	<u>Rupees</u>
(a) Other expenses	
Printing and stationery	7,075
Communication expenses	2,000
Business promotion expenses	132,432
Rates and taxes	763
Legal and professional charges	112,360
Total	<u>254,630</u>



RAPID METRORAIL GURGAON SOUTH LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No. 15 - Capital work-in-progress

Particulars	Incurred during the period Rupees	As at 31 March, 2013 Rupees
Salary, wages and bonus	3,503,119	3,503,119
Contribution to Provident and other funds	466,531	466,531
Staff welfare expenses	60,946	60,946
Travelling and conveyance expenses	134,485	134,485
Communication expenses	37,639	37,639
Legal, professional and consultancy expenses	503,701,776	503,701,776
Connectivity Charges	100,000,000	100,000,000
Other expenses	1,163,953	1,163,953
Consultancy and advisory fee	605,500,000	605,500,000
Sub-total	1,214,568,449	1,214,568,449
Loan process/syndication fee	270,251,892	270,251,892
Total	1,484,820,340	1,484,820,340



RAPID METRORAIL GURGAON SOUTH LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENT:****Note No. 16 - Contingent Liabilities and Commitments (to the extent not provided for**

Particulars	<u>As at 31 March, 2012</u> Rupees
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(a) Connectivity charges

In terms of the Concession Contract, the Company is required to pay connectivity charges of Rs. 100 crores per year from the beginning of the 16th year of the signing of the concession agreement till 35th year i.e for 20 years totalling to Rs. 2000 crores. The liability for the same will be accounted for on connectivity from the Sikanderpur Station to Sector 56, Gurgaon.

Note No. 17 -Concession contract

The Company has entered into a Concession Contract with Haryana Urban Development Authority (HUDA) on 3 January, 2013 for development of Metro Rail Project from Sikanderpur Station to Sector 56 in Gurgaon ('the Project'). As per the terms of the Contract, the Company accepts the concession for a period of 98 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.

Note No. 18 - Earnings Per Equity Share

Particulars	Unit	<u>For the period ended 31 March, 2013</u>
(a) Earnings Per Equity Share:		
Net profit/(loss) after tax	Rupees	(348,592)
Weighted average number of equity shares outstanding during the year	Numbers	50,000
Nominal Value of Equity Shares	Rupees	10.00
Basic Earnings per Share	Rupees	(6.97)
Weighted average number of equity shares for calculation of diluted earnings per share	Numbers	50,000
Diluted Earnings per Share	Rupees	(6.97)

Note No. 19 - 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.

RAPID METRORAIL GURGAON SOUTH LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS****Note No. 20 - 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 contributions are normally based on a certain proportion of the employee's salary. The Company recognised Rs. 1,734 for Provident Fund contributions, Rs. 1,878 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 Profit and Loss account.

i. Change in benefit obligation

	31 March, 2013
	Rupees
Present value of obligation at the beginning of the period	-
Current Service Cost	3,74,325
Interest Expenses	-
Benefits Paid	-
Acturial (Gain) / Loss	-
Present value of obligations at the end of the period	3,74,325

ii. Amount recognised in the Balance Sheet

	31 March, 2013
	Rupees
Present value of defined benefit obligations	3,74,325
Net liability/(asset) recognised in the balance sheet	3,74,325

iii. Expenses recognised in statement of profit and loss/capitalised

	31 March, 2013
	Rupees
Current service costs	3,74,325
Interest expense	-
Expected return on investment	-
Net actuarial gain/(loss) recognized during the period	-
Past service cost	-
Expenditure recognized in Statement of profit and loss/capitalised	3,74,325

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

iv. Principal Actuarial assumptions

	31 March, 2013
Rate for discounting liabilities	8.50% p.a.
Expected salary increase rate	6.50% p.a.
Attrition Rate	2.00% p.a.
Mortality table used	Indian assured lives mortality (2006-08) Ultimate

RAPID METRORAIL GURGAON SOUTH LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS****Note No. 21 - 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 period):

Holding Company:	IL&FS Rail Limited
Ultimate Holding Company:	Infrastructure Leasing & Financial Services Limited (IL&FS) IL&FS Transportation Networks Limited (ITNL)
Fellow Subsidiary Companies	IL&FS Financial Services Limited (IFIN) IL&FS Trust Company Limited (ITCL)

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	1,75,000	-	-
IL&FS Rail Limited	3,24,400	-	-
Operating Expenses			
IL&FS Rail Limited	28,980	-	-
Construction and development expenses (CWIP)			
Infrastructure Leasing & Financial Services Limited	2,03,611	-	-
IL&FS Rail Limited	86,49,772	-	-
IL&FS Financial Services Limited	-	16,85,40,000	-
IL&FS Transportation Networks Limited	1,10,00,00,000	-	-
IL&FS Trust Company Limited (ITCL)	-	17,97,760	-
Prepaid Expenses			
IL&FS Rail Limited	1,51,68,879	-	-
Infrastructure Leasing & Financial Services Limited	14,448	-	-

Notes:

1.Reimbursement of expenses/cost is not included in above.

Particulars	Holding / Ultimate Holding Company	Fellow subsidiary	Key Managerial Personnel
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c. Balances at year end

Other current liabilities

IL&FS Rail Limited	24,98,47,631	-	-
IL&FS Transportation Networks Limited	99,00,00,000	-	-
Infrastructure Leasing & Financial Services Limited	44,057	-	-
IL&FS Trust Company Limited (ITCL)	-	16,17,984	-
IL&FS Financial Services Limited	-	15,16,86,000	-

Share Capital

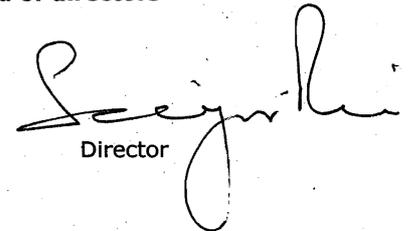
IL&FS Transportation Networks Limited	1,75,000	-	-
IL&FS Rail Limited	3,24,400	-	-

Note No. 22

Financial statements are prepared for the period 24 August, 2012 (Date of incorporation) to 31 March, 2013. This being first year of the Company, there are no previous year's comparatives.

For and on behalf of the Board of directors


Director


Director

Place: Gurgaon
Date: 16.4.13

