

RAPID METRORAIL GURGAON LIMITED

FINANCIAL STATEMENT

2014-15

**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, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design

Deloitte Haskins & Sells

audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2015, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164(2) of the Act.




**Deloitte
Haskins & Sells**

(f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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



(Jitendra Agarwal)
Partner
(Membership No. 87104)

Place: Gurgaon
Date: 24 April, 2015

Deloitte
Haskins & Sells

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

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

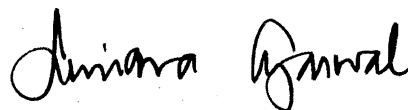
- (i) In respect of its fixed assets :
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - b. The fixed assets were physically verified during the year by the Management in accordance with a regular programme of 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.
- (ii) The Company's operations during the year did not give rise to any inventory. Therefore, the provisions of clause 3(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has granted unsecured loans to companies covered in the Register maintained under Section 189 of the Companies Act, 2013. In respect of such loans:
 - a. The receipts of principal amounts and interest have been regular.
 - b. There is no overdue amount in excess of Rs. 1 lakh remaining outstanding as at the year-end.
- (iv) 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 for the purchase of fixed assets and for the 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.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public. Therefore, the provisions of clause 3(v) of the Order are not applicable to the Company.
- (vi) According to the information and explanations given to us the maintenance of cost records have not been prescribed for any of the product/service of the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013.
- (vii) 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, Service 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 year did not give rise to any liability for Wealth Tax, Sales Tax, Value Added Tax, Customs Duty and Excise Duty.



**Deloitte
Haskins & Sells**

- b. There are no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at 31 March, 2015 for a period of more than six months from the date they became payable.
 - c. There are no dues of Income-tax, Sales Tax, Service Tax, Value Added Tax, Wealth Tax, Customs Duty, Excise Duty and Cess which have not been deposited as on March 31, 2015 on account of any disputes.
 - d. There are no amounts that are due to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder.
- (viii) The accumulated losses of the Company at the end of the financial year are less than fifty per cent of its net worth and the Company has incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) 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.
- (x) 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.
- (xi) 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.
- (xii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

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



(Jitendra Agarwal)
Partner
(Membership No. 87104)

Place: Gurgaon
Date: 24 April, 2015

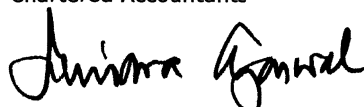
Rapid Metrorail Gurgaon Limited
Balance Sheet as at 31 March, 2015

Particulars	Note No.	As at 31 March, 2015 Rupees	As at 31 March, 2014 Rupees
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	5,524,041,660	4,484,041,660
(b) Reserves and surplus	4	<u>(2,066,399,475)</u>	<u>(713,064,521)</u>
		<u>3,457,642,185</u>	<u>3,770,977,139</u>
2 Share application money pending allotment		-	98,000,000
3 Non - current liabilities			
(a) Long-term borrowings	5	7,684,797,607	7,585,181,325
(b) Deferred tax liabilities (net)	6	-	-
(c) Other long term liabilities	7	140,778,242	88,350,364
(d) Long - term provisions	8	<u>922,192</u>	<u>544,963</u>
		<u>7,826,498,041</u>	<u>7,674,076,652</u>
4 Current liabilities			
(a) Current maturities of long-term debt	9	12,015,488	-
(b) Trade payables	10	62,611,047	54,272,825
(c) Other current liabilities	11	322,743,132	914,629,655
(d) Short-term provisions	12	<u>1,983,128</u>	<u>1,344,182</u>
		<u>399,352,795</u>	<u>970,246,662</u>
TOTAL		<u>11,683,493,021</u>	<u>12,513,300,453</u>
B ASSETS			
1 Non - current assets			
(a) Fixed assets			
(i) Tangible assets	13 A	7,355,133	8,126,216
(ii) Intangible assets	13 B	<u>11,414,702,017</u>	<u>11,778,087,000</u>
		<u>11,422,057,150</u>	<u>11,786,213,216</u>
(b) Long - term loans and advances	14	59,796,934	62,559,835
(c) Other non- current assets	15	<u>300,000</u>	<u>436,161,028</u>
		<u>11,482,154,084</u>	<u>12,284,934,079</u>
2 Current assets			
(a) Trade receivables	16	34,251,286	9,617,322
(b) Cash and cash equivalents	17	81,880,031	168,064,531
(c) Short-term loans and advances	18	82,835,936	50,684,521
(d) Other current assets	19	<u>2,371,684</u>	<u>-</u>
		<u>201,338,937</u>	<u>228,366,374</u>
TOTAL		<u>11,683,493,021</u>	<u>12,513,300,453</u>

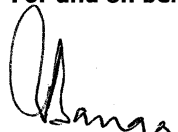
See accompanying notes forming part of the financial statement:


In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants


Jitendra Agarwal
Partner

For and on behalf of the Board of Directors


Rajiv Banga
Director
(DIN-02093324)


Deepak Dasgupta
Director
(DIN-00457925)


Jagdish Aggarwal
Chief Financial Officer


Arita Bhattacharya
Company Secretary

Place: Gurgaon
Date: 24 April, 2015

Place: Gurgaon
Date: 24 April, 2015


Rapid Metrorail Gurgaon Limited
Statement of Profit and Loss for the year ended 31 March, 2015

Particulars	Note No.	For the year	For the year
		ended 31 March, 2015	ended 31 March, 2014
		Rupees	Rupees
1. Revenue from operations	20	417,462,695	102,944,961
2. Other income	21	25,774,304	46,170,168
3. Total revenue (1 + 2)		443,236,999	149,115,129
4. Expenses:			
(a) Employee benefits expense	22	105,837,530	54,565,990
(b) Finance costs	23	938,823,411	347,620,898
(c) Depreciation and amortisation expense	13 A & B	365,684,723	220,282,940
(d) Other expenses	24	386,226,289	163,418,484
Total expenses		1,796,571,953	785,888,312
5. Loss for the year (3-4)		(1,353,334,954)	(636,773,183)
6. Earnings per equity share of Rs. 10 each	27		
(a) Basic		(2.64)	(4.55)
(b) Diluted		(2.64)	(4.55)

See accompanying notes forming part of the financial statements

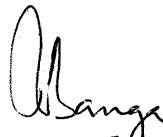
In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

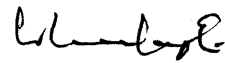


Jitendra Agarwal
Partner

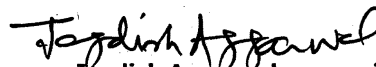
For and on behalf of the Board of Directors



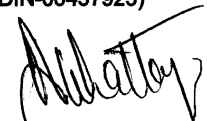
Rajiv Banga
Director
(DIN-02093324)



Deepak Dasgupta
Director
(DIN-00457925)



Jagdish Aggarwal
Chief Financial Officer



Arita Bhattacharya
Company Secretary

Place: Gurgaon
Date: 24 April, 2015

Place: Gurgaon
Date: 24 April, 2015

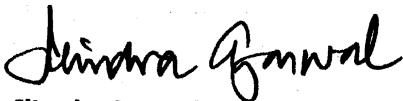
Rapid MetroRail Gurgaon Limited
Cash Flow Statement for the year ended 31 March, 2015

	For the year ended 31 March, 2015	For the year ended 31 March, 2014
	Rupees	Rupees
A. Cash flow from operating activities		
Net loss before tax	(1,353,334,954)	(636,773,183)
<i>Adjustments for :-</i>		
Interest income	(25,155,437)	(42,774,948)
Finance costs	938,823,411	339,894,012
Depreciation and amortisation expense	365,684,723	220,282,940
Loss on sale of fixed assets	-	178,760
Provision for employee benefits	1,016,175	895,749
Operating loss before working capital changes	(72,966,082)	(118,296,670)
<i>Changes in working capital:</i>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Long term loans and advances	17,816,957	(21,419,306)
Short term loans and advances	(32,151,415)	(4,230,713)
Trade receivables	(24,633,964)	(9,617,322)
Other non-current assets	401,624,000	(83,419,778)
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade payables	8,338,222	38,804,570
Other current liabilities	(35,199,962)	8,800,363
Other long term liabilities	52,427,878	48,850,364
Cash generated from operations	315,255,634	(140,528,492)
Net income tax (paid) / refunds	(15,054,056)	(8,819,786)
Net cash flow from/(used in) operating activities (A)	300,201,578	(149,348,278)
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances	(598,156,363)	(3,190,083,781)
Proceeds from sale of fixed assets	15,750	1,321,365
Interest received	57,020,781	42,828,510
Net cash flow from/(used in) investing activities (B)	(541,119,832)	(3,145,933,906)
C. Cash flow from financing activities		
Proceeds from issue of equity shares	942,000,000	1,637,200,000
Proceeds from Share application money	-	98,000,000
Proceeds from long term borrowings	111,631,770	1,772,352,967
Finance costs paid	(898,898,016)	(339,894,012)
Net cash flow from/(used in) financing activities (C)	154,733,754	3,167,658,955
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(86,184,500)	(127,623,229)
Cash and cash equivalents at the beginning of the year	168,064,531	295,687,760
Cash and cash equivalents at the end of the year	81,880,031	168,064,531
(As per Note 17)		

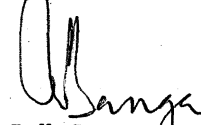
See accompanying notes forming part of the financial statements

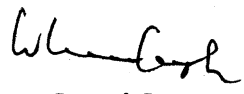
In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants


Jitendra Agarwal
Partner

For and on behalf of the Board of Directors


Rajiv Banga
Director
(DIN-02093324)


Deepak Dasgupta
Director
(DIN-00457925)


Jagdish Aggarwal
Chief Financial Officer


Arita Bhattacharya
Company Secretary

Place: Gurgaon
Date: 24 April, 2015

Place: Gurgaon
Date: 24 April, 2015

RAPID METRORAIL GURGAON LIMITED
Notes forming part of the financial statement

Note No. 1 - Background

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

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

Note No. 2 - Significant accounting policies

I Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year except for change in the accounting policy for depreciation as more fully described in Note No. 39.

II Use of estimates

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

III Fixed assets (Tangible / Intangible)

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

IV Depreciation and amortisation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

A. Tangible assets

- (i) Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

Asset type	Useful life (in years)
Data processing equipment – Server and Networking equipment	3
Specialised office equipment	3
Cars purchased by the company for employees	5
Assets provided to employees	3

- (ii) Leasehold improvement costs are capitalised and amortised over the period of lease agreement. All categories of assets costing less than Rs. 5,000 each, Mobile Phones and Ipad / Tablets are fully depreciated in the year of purchase.

- (iii) The residual value of all the assets is retained at Rs. 1 each.



RAPID METRORAIL GURGAON LIMITED
Notes forming part of the financial statement

B. Intangible assets (Metro Rail Project)

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

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

Asset type	Useful life
Civil structures (Stations, viaduct, depots etc.)	95 years
Plant and equipment	
- Rolling stock	30 years
- Lifts and escalators	30 years
- Others (Signaling, tracks, automatic fare collection etc.)	10 years
Signage	5 years

Amortisation of Intangible assets is based on concession agreement terms and economic benefits that are expected to accrue to the Company over the concession period, considering, inter alia, the following factors:

- (i) The useful life of civil structure has been assessed on design basis report issued by the Independent consultant.
- (ii) The useful life of lifts, escalators and rolling stock is certified by the manufacturer and based on the design criteria and performance specification required by Company.

C. Intangible assets (others)

Asset type	Useful life
Software	4 years

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

V. Impairment of assets

The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:

- (a) an intangible asset that is not yet available for use; and
- (b) an intangible asset that is amortised over a period exceeding ten years from the date when the asset is available for use.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss.

VI. Foreign currency transactions

Initial recognition

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

Measurement at the balance sheet date

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

Treatment of exchange differences

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

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

Accounting for forward contracts

Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the balance sheet date. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense in the period in which such cancellation or renewal is made.

On

VII Revenue recognition

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

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

VIII Other income

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

IX Employee benefits

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

Defined contribution plans

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

Defined benefit plans

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

Short-term employee benefits

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

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

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

Long-term employee benefits

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

X Taxes on income

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

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

XI Provisions and contingencies

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



XII Segment reporting

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

XIII Borrowing costs

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

XIV Earnings Per Share

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

XV Leases

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

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

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

XVII Cash flow statement

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

XVIII Derivative contracts

The Company enters into derivative contracts in the nature of foreign currency swaps and forward contracts with an intention to hedge its existing assets and liabilities, firm commitments and highly probable transactions in foreign currency. Derivative contracts which are closely linked to the existing assets and liabilities are accounted as per the policy stated for Foreign currency transactions and translations.

All other derivative contracts are marked-to-market and losses are recognised in the Statement of Profit and Loss.

XIX Preliminary expenses

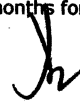
Preliminary expenses incurred on incorporation are written off fully in the period of commencement of the business.

XX Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

XXI Operating cycle

Based on the nature of services/ activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.



Rapid Metro Rail Gurgaon Limited
Notes forming part of the financial statement

Note No. 3 - Share capital

Particulars	As at 31 March, 2015		As at 31 March, 2014	
	Number	Rupees	Number	Rupees
(a) Authorised				
Equity Shares of Rs. 10/- each with voting rights	660,000,000	6,600,000,000	460,000,000	4,600,000,000
	660,000,000	6,600,000,000	460,000,000	4,600,000,000
(b) Issued, Subscribed and fully paid up				
Equity Shares of Rs. 10/- each with voting rights	552,404,166	5,524,041,660	448,404,166	4,484,041,660
Total	552,404,166	5,524,041,660	448,404,166	4,484,041,660

Refer Notes (i) to (iv) below

Notes:

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

Particulars	Year ended 31 March, 2015		Year ended 31 March, 2014	
	Number	Rupees	Number	Rupees
EQUITY SHARES WITH VOTING RIGHTS				
Shares outstanding at the beginning of the year	448,404,166	4,484,041,660	104,166	1,041,660
Shares Issued during the year	104,000,000	1,040,000,000	42,000,000	420,000,000
Shares converted during the year	-	-	406,300,000	4,063,000,000
Shares outstanding at the end of the year	552,404,166	5,524,041,660	448,404,166	4,484,041,660
PREFERENCE SHARES				
Shares outstanding at the beginning of the year	-	-	284,580,000	2,845,800,000
Shares Issued during the year	-	-	121,720,000	1,217,200,000
Shares converted during the year	-	-	(406,300,000)	(4,063,000,000)
Shares outstanding at the end of the year	-	-	-	-

During the previous year Compulsory Convertible Preference Shares (CCPS) carrying 0% dividend were converted into 1 equity share of Rs. 10/- each for each CCPS of Rs. 10 each.

(ii) 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.

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

Particulars	Year ended 31 March, 2015		Year ended 31 March, 2014	
	Number	Rupees	Number	Rupees
EQUITY SHARES HELD BY:				
IL&FS Transportation Networks Limited, the parent company of the holding company	193,332,083	1,933,320,830	156,932,083	1,569,320,830
IL&FS Rail Limited, the Holding Company	359,045,000	3,590,450,000	291,445,000	2,914,450,000

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

Particulars	Year ended 31 March, 2015		Year ended 31 March, 2014	
	No. of Shares held	% Holding	No. of Shares held	% Holding
Equity Shares				
IL&FS Rail Limited	359,045,000	65.00%	291,445,000	65.00%
IL&FS Transportation Networks Limited	193,332,083	35.00%	156,932,083	35.00%



Rapid Metrorail Gurgaon Limited
Notes forming part of the financial statement

Note No. 4 - Reserves and surplus

Particulars	As at 31 March, 2015 Rupees	As at 31 March, 2014 Rupees
(a) Surplus/(deficit) in Statement of Profit and Loss		
Opening balance	(713,064,521)	(76,291,338)
Add: Loss for the year	(1,353,334,954)	(636,773,183)
Closing balance	<u>(2,066,399,475)</u>	<u>(713,064,521)</u>

Note No. 5 - Long term borrowings

Particulars	As at 31 March, 2015 Rupees	As at 31 March, 2014 Rupees
Secured		
(a) Term loans		
From banks		
-Indian Rupee	7,096,000,000	7,050,126,450
-Foreign Currency	588,797,607	535,054,875
Total	<u>7,684,797,607</u>	<u>7,585,181,325</u>

Notes:

(i) Term loan 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 rupee carry interest rate at bench mark prime lending rate (BMPLR) plus 1.25% and are repayable in 52 unequal quarterly installments commencing in the quarter ending June 30, 2016 and terminating on March 31, 2029, as per the repayment schedule set out below:

Financial year	Repayment (% of debt)	Amount of Debt Repayment (Rupees)
2016-2017	2.00	141,920,000
2017-2018	3.00	212,880,000
2018-2019	4.00	283,840,000
2019-2020	5.00	354,800,000
2020-2021	6.00	425,760,000
2021-2022	7.00	496,720,000
2022-2023	8.00	567,680,000
2023-2024	9.00	638,640,000
2024-2025	10.00	709,600,000
2025-2026	10.00	709,600,000
2026-2027	12.00	851,520,000
2027-2028	12.00	851,520,000
2028-2029	12.00	851,520,000
Total	<u>100.00</u>	<u>7,096,000,000</u>

Term loans from banks in foreign currency carry interest rate at LIBOR plus 4.6% 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:

Financial Year	Repayment (% of debt)	Amount of Debt Repayment (Rupees)
2016-2017	2.00	11,775,952
2017-2018	3.00	17,663,928
2018-2019	4.00	23,551,904
2019-2020	5.00	29,439,880
2020-2021	86.00	506,365,942
Total	<u>100.00</u>	<u>588,797,607</u>

(iii) For the current maturities of long-term borrowings refer to Note 9

Jh

Rapid Metrorail Gurgaon Limited
Notes forming part of the financial statement

Note No. 6 - Deferred tax liabilities (net)

The Company has carried out its deferred tax computation in accordance with the Accounting Standard (AS) – 22 on 'Taxes on Income' specified under Section 133 of the Companies Act, 2013. In view of carry forward losses and unabsorbed depreciation, the recognition of deferred tax assets is restricted to deferred tax liability arising on timing difference in respect of depreciation. In the absence of virtual certainty as on the date of the balance sheet, that there will be sufficient taxable income available to realize such assets in near future, the Company has not recognized additional deferred tax assets in respect of balance unabsorbed depreciation and business losses. The Components of deferred tax are as follows:

Particulars	As at 31 March, 2015 Rupees	As at 31 March, 2014 Rupees
Tax effect of items constituting deferred tax liabilities:		
Difference between book balance and tax balance of fixed assets	637,870,363	435,437,806
	<u>637,870,363</u>	<u>435,437,806</u>
Tax effect of items constituting deferred tax assets:		
Provision for employee benefits	987,518	411,977
Carried forward business loss and unabsorbed depreciation	636,882,844	435,025,829
	<u>637,870,363</u>	<u>435,437,806</u>
Deferred tax liabilities (net)	<u>-</u>	<u>-</u>

Note No. 7 - Other long term liabilities

Particulars	As at 31 March, 2015 Rupees	As at 31 March, 2014 Rupees
(a) Others		
Connectivity charges payable	110,246,575	30,246,575
Advance from customers	-	27,767,122
Security deposits from customers	30,531,667	30,336,667
Total	<u>140,778,242</u>	<u>88,350,364</u>

Note No. 8 - Long term provisions

Particulars	As at 31 March, 2015 Rupees	As at 31 March, 2014 Rupees
(a) Provision for employee benefits		
For compensated absences	922,192	544,963
Total	<u>922,192</u>	<u>544,963</u>

Note No. 9 - Current maturities of long-term debt

Secured

(a) Term loans

From banks
-Foreign Currency

12,015,488	-
<u>12,015,488</u>	<u>-</u>

Note: Refer Note 5 for details of security

Note No. 10 - Trade payables

Particulars	As at 31 March, 2015 Rupees	As at 31 March, 2014 Rupees
(a) Trade payables (other than Acceptances)	62,611,047	54,272,825
Total	<u>62,611,047</u>	<u>54,272,825</u>

Note:

(a) According to the records available with the Company, there are 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 year end together with the interest paid / payable as required under the said act have not been given.

On

Rapid Metrorail Gurgaon Limited
Notes forming part of the financial statement

Note No. 11 - Other current liabilities

Particulars	As at 31 March, 2015 Rupees	As at 31 March, 2014 Rupees
(a) Interest accrued and due on borrowings (see note below)	39,925,395	-
(b) Other payables		
(i) Payables on purchase of capital assets	218,367,021	814,978,977
(ii) Advances from customers	53,999,047	73,100,000
(iii) Retention money	1,421,839	1,090,390
(iv) Statutory dues (contribution to Provident Fund, Withholding taxes, VAT etc.)	4,271,443	25,460,288
(v) Book overdraft	4,758,387	-
Total	322,743,132	914,629,655

Notes:

- (i) Interest accrued and due comprises differential interest payable on borrowings as per minutes of the meeting with the Company's bankers held on 20 March, 2015.

Note No. 12 - Short term provisions

Particulars	As at 31 March, 2015 Rupees	As at 31 March, 2014 Rupees
(a) Provision for employee benefits For compensated absences	1,983,128	1,344,182
	1,983,128	1,344,182

Oh

Rapid Metro rail Gurgaon Limited
Notes forming part of the financial statement

Note No. 13 - Fixed assets

Particulars	(Amount in Rupees)									
	Gross block				Accumulated depreciation/amortisation				Net block	
	As at 1 April 2014	Additions	Deletions	As at 31 March 2015	As at 1 April 2014	For the year (see note 40)	On deletions /adjustment	As at 31 March 2015	As at 31 March, 2015	As at 31 March, 2014
A. Tangible assets (owned)										
(a) Furniture and fixture	4,315,719	45,519	2,850	4,358,388	525,288	495,554	2,850	1,017,992	3,340,396	3,790,431
(b) Office equipment	1,435,785	999,857	135,081	2,300,561	968,056	628,540	121,186	1,475,410	825,151	467,729
(c) Data processing equipment	3,522,960	147,200	17,548	3,652,612	1,744,990	1,087,207	15,693	2,816,504	836,108	1,777,970
(d) Vehicles	627,623	-	-	627,623	125,541	13,525	-	139,066	488,557	502,082
(e) Plant and machinery	1,687,339	351,831	-	2,039,170	99,335	74,914	-	174,249	1,864,921	1,588,004
Total	11,589,426	1,544,407	155,479	12,978,354	3,463,210	2,299,740	139,729	5,623,221	7,355,133	8,126,216
Previous year	4,859,784	9,381,007	2,651,365	11,589,426	2,541,668	2,072,782	1,151,240	3,463,210	8,126,216	2,318,116
B. Intangible assets										
(a) Software	1,050,728	-	-	1,050,728	597,478	120,844	-	718,322	332,406	453,250
(b) Metro rail project on BOT basis:										
(i) Civil structure	6,071,393,780	-	-	6,071,393,780	37,416,420	63,769,341	-	101,185,761	5,970,208,019	6,033,977,360
(ii) Plant and machinery	5,886,196,964	-	-	5,886,196,964	177,795,015	291,867,134	-	469,662,149	5,416,534,815	5,708,401,949
(iii) Signage	38,138,323	-	-	38,138,323	2,883,882	7,627,664	-	10,511,546	27,626,777	35,254,441
Total	11,996,779,795	-	-	11,996,779,795	218,692,795	363,384,983	-	582,077,778	11,414,702,017	11,778,087,000
Previous year	567,351	11,996,212,444	-	11,996,779,795	482,637	218,210,158	-	218,692,795	11,778,087,000	84,714

Total depreciation and amortisation expense	31 March, 2015	31 March, 2014
(a) Tangible assets	2,299,740	2,072,782
(b) Intangible assets	363,384,983	218,210,158
	365,684,723	220,282,940

Jh

Rapid Metrorail Gurgaon Limited
Notes forming part of the financial statement

Note No. 14 - Long - term loans and advances

Particulars	As at 31 March, 2015 Rupees	As at 31 March, 2014 Rupees
Unsecured, considered good		
Other than related parties		
(a) Security deposits:	19,885,875	20,691,875
(b) Prepaid expenses	9,285,304	23,392,878
(c) Advances to vendors	-	3,333,332
(d) Loan to employees	2,913,022	2,483,073
(e) Advance income tax (Net of provision of Rs. 4,962,982)	27,712,733	12,658,677
Total	59,796,934	62,559,835

Note:

Long term loans and advances include amounts due from:

(i) Directors of the Company	-	-
(ii) Other officers of the Company	562,488	-

Note No. 15 - Other non-current assets

Particulars	As at 31 March, 2015 Rupees	As at 31 March, 2014 Rupees
Unsecured, considered good		
(a) Fixed deposit with banks held as margin money or security against borrowings and other commitments	300,000	401,924,000
(b) Interest accrued on fixed deposits	-	34,237,028
Total	300,000	436,161,028

J

Rapid Metrorail Gurgaon Limited
Notes forming part of the financial statement

Note No. 16 - Trade receivables

Particulars	As at March 31, 2015 Rupees	As at 31 March, 2014 Rupees
<u>Unsecured, considered good</u>		
Due for less than 6 months	34,251,286	9,617,322
	<u>34,251,286</u>	<u>9,617,322</u>

Note No. 17 - Cash and cash equivalents

Particulars	As at March 31, 2015 Rupees	As at 31 March, 2014 Rupees
(a) Cash on hand	2,109,358	2,362,965
(b) Balances with banks		
-in current accounts	27,910,673	28,081,304
-In ECB current accounts (in equivalent Indian rupees)	-	4,750,262
-in fixed deposits (with less than 3 months maturity)	51,860,000	132,870,000
Total	<u>81,880,031</u>	<u>168,064,531</u>

Note No. 18 - Short - term loans and advances

Particulars	As at March 31, 2015 Rupees	As at 31 March, 2014 Rupees
<u>Unsecured, considered good</u>		
(a) Inter corporate deposit to a fellow subsidiary	31,208,988	-
(b) Loans and advances to employees	1,135,467	-
(c) Prepaid expenses	10,337,438	12,685,387
(d) Balances with government authorities		
- Service Tax credit receivable	3,422,496	6,211,644
(e) Others		
Advance to vendors	3,610,011	6,668,837
Prepaid Gratuity	1,355,639	648,546
Other receivables	31,765,897	24,470,107
Total	<u>82,835,936</u>	<u>50,684,521</u>

Note:

Short-term loans and advances include amounts due from:

(i) Directors of the Company	-	-
(ii) Other officers of the Company	151,174	-

Note No. 19 - Other current assets

Particulars	As at March 31, 2015 Rupees	As at 31 March, 2014 Rupees
(a) Interest accrued but not due on bank deposits	2,371,684	-
Total	<u>2,371,684</u>	<u>-</u>

Jh

Rapid Metro Rail Gurgaon Limited
Notes forming part of the financial statement

Note No. 20 - Revenue from operations

Particulars	For the year ended 31 March, 2015 Rupees	For the year ended 31 March, 2014 Rupees
(a) Sale of services		
Fare revenue	148,368,110	27,895,713
Non fare revenue (advertisement income)	269,094,585	75,049,248
	<u>417,462,695</u>	<u>102,944,961</u>

Note No. 21 - Other income

Particulars	For the year ended 31 March, 2015 Rupees	For the year ended 31 March, 2014 Rupees
(a) Interest income		
Interest on bank deposits	22,880,218	42,774,948
Interest on short term deposit	2,275,219	-
Interest on income tax refund	53,814	78,680
Interest -Others	113,210	3,291,590
(b) Other non-operating income		
Miscellaneous income	451,843	24,950
Total	<u>25,774,304</u>	<u>46,170,168</u>

Note No. 22 - Employee benefits expense

Particulars	For the year ended 31 March, 2015 Rupees	For the year ended 31 March, 2014 Rupees
(i) Salaries and wages	93,216,022	45,557,635
(ii) Contribution to provident and other funds	10,094,121	5,537,033
(iii) Staff welfare expenses	2,527,387	3,471,322
Total	<u>105,837,530</u>	<u>54,565,990</u>

Or

Rapid Metrorail Gurgaon Limited
Notes forming part of the financial statement

Note No. 23 - Finance costs

Particulars	For the year ended 31 March, 2015 Rupees	For the year ended 31 March, 2014 Rupees
(a) Interest expense on:		
(i) Borrowings	917,676,243	339,894,012
(ii) Others		
- Interest on delayed payment of income tax	198	-
(b) Other borrowing costs	21,146,970	7,726,886
Total	938,823,411	347,620,898

Note No. 24 - Other expenses

Particulars	For the year ended 31 March, 2015 Rupees	For the year ended 31 March, 2014 Rupees
(a) Legal and professional charges	45,463,679	17,875,648
(b) Travelling and conveyance	6,119,175	1,733,035
(c) Rent including lease rent	59,657,515	24,707,240
(d) Registration fee	-	2,793,500
(e) Payment to auditors (see note below)	1,367,185	1,731,743
(f) Connectivity charges	80,000,000	30,246,575
(g) Rates and taxes	924,500	1,230,674
(h) Repair and maintenance - Machinery	31,359,418	9,787,303
(i) Repair and maintenance - Others	163,694	1,689,260
(j) Communication expenses	2,647,323	1,549,416
(k) Loss on sale of fixed assets (net)	-	178,760
(l) Insurance charges	13,409,358	6,346,574
(m) Power and fuel	56,346,714	18,267,094
(n) Directors' sitting fees	1,582,696	1,403,600
(o) Business promotion expenses	3,167,429	3,795,423
(p) Outsourced manpower expenses	71,512,643	30,914,617
(q) Event expenses	-	622,380
(r) Printing and stationery	1,190,987	1,418,869
(s) Net loss on foreign currency transactions and translation	3,136,150	1,302,467
(t) Bank charges	779,713	-
(u) Miscellaneous expenses	7,398,110	5,824,306
Total	386,226,289	163,418,484

Notes:

(i) Payment to auditors comprises:

a. Statutory audit fee	1,200,000	1,200,000
b. Other Services	-	300,000
c. Out of pocket expenses	16,790	41,245
d. Service tax on above	150,395	190,498
	1,367,185	1,731,743

Jh

Rapid Metrorail Gurgaon Limited
Notes forming part of the financial statement

Note No. 25 - Contingent liabilities and commitments (to the extent not provided for)

Particulars	As at 31 March , 2015 Rupees	As at 31 March , 2014 Rupees
(a) Contingent liabilities		
(a) Bank guarantees	300,000	300,000
(b) Claims against the Company not acknowledged as debts	-	3,019,109
(b) Commitments		
Connectivity charges (see note 26) (Net of accrued liability of Rs. 110,246,575; As at 31 March, 2014: Rs. 30,246,575)	7,489,753,425	7,569,753,425

Note No. 26 -Concession contract

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

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

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

Jh

RAPID METRORAIL GURGAON LIMITED
Notes forming part of the financial statement

Note No. 27 - Earnings per equity share

Particulars	Unit	For the year ended 31 March, 2015	For the year ended 31 March, 2014
(a) Earnings per equity share:			
Loss for the year	Rupees	(1,353,334,954)	(636,773,183)
Weighted average number of equity shares outstanding during the year	Numbers	512,387,728	139,898,413
Nominal Value of Equity Shares	Rupees	10.00	10.00
Basic Earnings per Share	Rupees	(2.64)	(4.55)
Effect of potential equity shares related to conversion of preference shares/shares application money	Numbers	-	134,247
Weighted average number of equity shares for calculation of diluted earnings per share	Numbers	512,387,728	140,032,659
Diluted Earnings per Share	Rupees	(2.64)	(4.55)

Note No. 28 - Segment reporting

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

Note No. 29 - Leasing arrangements

The Company has entered into operating lease arrangements of business center for a period of 12 years. The lease agreement provides for an increase in lease charges by 12% in every 3 years. The last three years of the lease agreement are rent free. The minimum future lease payments during lease periods under the foregoing arrangements in the aggregate for each of the following periods is as follows:

	As at 31 March, 2015	As at 31 March, 2014
	Rupees	Rupees
(i) not later than one year	27,999,648	27,999,648
(ii) later than one year and not later than 5 years	32,666,256	60,665,904
(iii) later than five years	-	-

Lease payments recognised in the statement of profit and loss is Rs. 59,657,515 (Previous year Rs. 24,707,240).

Note No. 30 - Detail of borrowing cost capitalised

	For the year ended 31 March, 2015	For the year ended 31 March, 2014
	Rupees	Rupees
Intangible assets (Metro Rail Project)	-	529,816,336

Jh

RAPID METRORAIL GURGAON LIMITED
Notes forming part of the financial statement

Note No. 31 - Value of imports calculated on CIF basis

	For the year ended 31 March, 2015	For the year ended 31 March, 2014
	Rupees	Rupees
(a) Capital assets	-	249,561,935

Note No. 32 - Expenditure in foreign currency

	For the year ended 31 March, 2015	For the year ended 31 March, 2014
	Rupees	Rupees
(a) Travelling	-	1,449,777
(b) Interest on borrowings	30,070,421	64,052,272
	<u>30,070,421</u>	<u>65,502,049</u>

Note No. 33 - Foreign currency exposures

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

	As at 31 March, 2015	As at 31 March, 2014
Payables		
Foreign currency (USD)	-	200,777
Indian Rupees	-	11,975,605
Long term borrowings		
Foreign currency (USD)	619	9,598,445
Indian Rupees	38,744	535,054,875

Note No. 34 - Forward Contract outstanding

	As at 31 March, 2015	As at 31 March, 2014
Number of Contracts	1	7
Foreign currency (Euro)	-	4,924,096
Foreign currency (USD)	2,000,000	9,598,445
Equivalent Indian Rupees	125,181,600	964,826,315
Buy/Sell	Buy	Buy

Note No. 35 - Interest rate Swap

Interest rate swaps to hedge against fluctuations in interest rate changes: No. of contracts - 4 (As at 31 March, 2014 - 5)

Note No. 36 - Currency swaps

Currency swaps (other than forward exchange contracts stated above) to hedge against fluctuations in changes in exchange rate. No. of contracts: 4 (As at 31 March, 2014: 5)

Jh

RAPID METRORAIL GURGAON LIMITED
Notes forming part of the financial statement

Note No. 37 - Employee benefits

Defined-Contribution Plans

The Company offers its employees defined contribution plan in the form of provident fund and superannuation fund. Provident 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, 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. 4,073,020 (previous year Rs. 1,497,133) for Provident Fund contributions and Rs. 3,825,204 (previous year Rs. 1,621,900) 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 based on years of service and the employee's compensation. The gratuity scheme covers all regular employees. In the case of the gratuity scheme, the Company contributes to a trust administered by HDFC Standard Life Insurance.

I. Change in benefit obligation

	31 March, 2015	31 March, 2014
	Rupees	Rupees
Present value of obligation at the beginning of the year	3,350,513	1,151,188
Current service cost	2,348,829	2,119,709
Interest expenses	234,741	80,767
Actuarial (gains) / losses	20,875	282,055
Benefits paid	<u>(832,499)</u>	<u>(283,206.00)</u>
Present value of obligations at the end of the year	5,122,459	3,350,513

ii. Fair value of plan assets

	31 March, 2015	31 March, 2014
	Rupees	Rupees
Fair value of plan assets at the beginning of the year	3,999,059	1,688,216
Expected return on plan assets	419,086	227,491
Contributions by the Company	2,902,990	2,529,518
Benefits paid	(832,499)	(283,206.00)
Actuarial (gains) / losses	<u>(10,538)</u>	<u>(162,960)</u>
Fair value of plan assets at the end of the year	6,478,098	3,999,059

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, 2015	31 March, 2014
	Rupees	Rupees
Expected return on plan assets	419,086	227,491
Actuarial (gains) / losses	<u>(10,538)</u>	<u>(162,960)</u>
Actual return on plan assets	408,548	64,531

iv. Amount recognised in the Balance Sheet

	31 March, 2015	31 March, 2014
	Rupees	Rupees
Present value of defined benefit obligations	5,122,459	3,350,513
Fair value of Plan Assets	<u>6,478,098</u>	<u>3,999,059</u>
Net liability/(asset) recognised in the balance sheet	(1,355,639)	(648,546)

v. Expenses recognised in statement of Profit and Loss

	31 March, 2015	31 March, 2014
	Rupees	Rupees
Current service costs	2,348,829	2,119,709
Interest expense	234,741	80,767
Expected return on plan assets	<u>(419,086)</u>	<u>(227,491)</u>
Net actuarial gains/(losses)	<u>31,413</u>	<u>445,015</u>
Expenses recognised in the statement of profit and Loss	2,195,897	2,418,000

Jh

RAPID METRORAIL GURGAON LIMITED
Notes forming part of the financial statement

vi. Balance Sheet reconciliation	31 March, 2015	31 March, 2014
	Rupees	Rupees
Net liability/(asset) at the beginning of the year	(648,546)	(537,028)
Expenses as above	2,195,897	2,418,000
Contribution paid	(2,902,990)	(2,529,518)
Net liability/(asset) at the end of the year	(1,355,639)	(648,546)

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.

vii. Principal actuarial assumptions	31 March, 2015	31 March, 2014
Discount rate	8.00% p.a.	8.00% p.a.
Expected salary increase rate	6.50% p.a.	6.50% p.a.
Expected return on scheme assets	8.00% p.a.	8.00% p.a.
Attrition Rate	2.00% p.a.	2.00% p.a.
Mortality table used	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

The expected rate of return on plan assets is determined after considering several applicable factors such as the composition of the plan assets, investment strategy, market scenario, etc.. In order to protect the capital and optimise returns within acceptable risk parameters, the plan assets are well diversified.

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion,

viii. Experience adjustment	31 March, 2015	31 March, 2014	31 March, 2013	31 March, 2012	31 March, 2011
	Rupees	Rupees	Rupees	Rupees	Rupees
Present value of DBO	(5,122,459)	(3,350,513)	(1,151,188)	(382,838)	(129,582)
Fair value of plan assets	6,478,098	3,999,059	1,688,216	535,774	260,238
Funded status [Surplus / (Deficit)]	1,355,639	648,546	537,028	152,936	130,656
On Obligations - (Gain)/Loss	20,875	282,055	76,576	58,153	(392,191)
On Plan Assets - Gain/(Loss)	(10,538)	(162,960)	(35,668)	(35,668)	(14,115)

Other Details

- a) The Employer's best estimate of the contributions expected to be paid to the plan during the next 12 months is Rs. 1,478,742 (Previous year Rs. 1,975,680)

Actuarial assumptions for compensated absences

	31 March, 2015	31 March, 2014
Discount rate	8.00% p.a.	8.00% p.a.
Expected salary increase rate	6.50% p.a.	6.50% p.a.
Expected return on scheme assets	8.00% p.a.	8.00% p.a.
Attrition Rate	2.00% p.a.	2.00% p.a.
Mortality table used	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

JK

RAPID METRORAIL GURGAON LIMITED
Notes forming part of the financial statement

Note No. 38 - Related Party Disclosures

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

Holding Company:	IL&FS Rail Limited 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 Rail Limited IL&FS Trust Company Limited (ITCL) IL&FS Investment Managers Limited (IIML) Rapid Metrorail Gurgaon South Limited
Key Management Person (KMP):	Mr. Pritam Kumar (Manager) (w.e.f 20 October, 2014)

	Amount in Rupees
Particulars	Holding / Ultimate Holding Company Fellow subsidiary Key Managerial Personnel

B. Transactions during the year:

Shares capital issued

IL&FS Transportation Networks Limited	364,000,000 (147,000,000)	-	-
IL&FS Rail Limited	676,000,000 (273,000,000)	-	-

Compulsory Convertible Preference Shares issued*

IL&FS Transportation Networks Limited	-	-	-
IL&FS Rail Limited	-	(791,180,000)	-

*(These shares have been converted in equity shares)

Operating expenses

Infrastructure Leasing & Financial Services Limited	36,975,558 (18,954,102)	-	-
IL&FS Trust Company Limited (ITCL)	-	250,000 (106,898)	-
IL&FS Rail Limited	-	-24,786,584 (-27,351,489)	-
Rapid Metrorail Gurgaon South Limited	-	-9,263,897 (-)	-

Construction and development expenses (CWIP)

Infrastructure Leasing & Financial Services Limited	-	-	-
IL&FS Rail Limited	-	104,097,420 (1,432,767,284)	-
IL&FS Trust Company Limited (ITCL)	-	-	-
IL&FS Transportation Networks Limited	-	(174,002)	-

Jh

RAPID METRORAIL GURGAON LIMITED
Notes forming part of the financial statement

Particulars	Amount in Rupees		
	Holding / Ultimate Holding Company	Fellow subsidiary	Key Managerial Personnel
Prepaid expenses			
IL&FS Transportation Networks Limited	-	-	-
	(720,721)	(-)	(-)
Inter Corporate Deposits placed			
IL&FS Financial Services Limited	-	182,078,474	-
	(-)	(-)	(-)
Inter Corporate Deposits received back			
IL&FS Financial Services Limited	-	150,869,486	-
	(-)	(-)	(-)
Interest income			
IL&FS Financial Services Limited	-	2,275,219	-
	(-)	(-)	(-)
Managerial remuneration			
Mr. Pritam Kumar	-	-	266,667
	(-)	(-)	(-)
Notes:			
1. Figures in brackets represent previous year number			
Balances at year end			
Trade payables			
Infrastructure Leasing & Financial Services Limited	320,744	-	-
	(9,213)	(-)	(-)
IL&FS Transportation Networks Limited	-	-	-
	(532,608)	(-)	(-)
Other current liabilities			
IL&FS Rail Limited	79,479,856	-	-
	(336,317,591)	(-)	(-)
Inter Corporate Deposits (Asset)			
IL&FS Financial Services Limited	-	31,208,988	-
	(-)	(-)	(-)
Interest accrued (Asset)			
IL&FS Financial Services Limited	-	556,829	-
	(-)	(-)	(-)
Equity share capital			
IL&FS Transportation Networks Limited	1,933,320,830	-	-
	(1,569,320,830)	(-)	(-)
IL&FS Rail Limited	3,590,450,000	-	-
	(2,914,450,000)	(-)	(-)
Share application money			
IL&FS Transportation Networks Limited	-	-	-
	(98,000,000)	(-)	(-)

Note: The figures in brackets represent balances as on 31 March, 2014

Ph

Rapid Metrorail Gurgaon Limited
Notes forming part of the financial statement

Note No. 39

During the year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1, 2014, the Company changed its method of depreciation for certain categories of fixed assets from written down value (WDV) method to straight line method (SLM). Consequent to this change, all assets are now being depreciated under SLM. The Company also revised the estimated useful life of some of its tangible assets to align the useful life with those specified in Schedule II of the Companies Act, 2013. In respect of Intangible assets (Metro rail Project), life of the assets have been assessed based on technical advice, taking into account the nature of assets, the estimated usage of the asset, the operating conditions of the asset, manufacturing warranties and maintenance support etc. The details of previously applied depreciation method and rates/useful life are as follows:

Asset	Previous depreciation method	Previous depreciation rate / useful life	Revised useful life based on SLM
Tangible assets			
Vehicles (provided to employees)	WDV	25.89%/10 years	5 years
Vehicles (Others)	WDV	25.89%/10 years	8 years
Data processing equipment	SLM	25%/4 years	3 years
Office equipment	WDV	13.91%/20 years	5 years
Furniture and fixtures	WDV	18.10%/15 years	10 years
Plant and machinery	WDV	13.91%/20 years	15 years
Intangible assets (Metro rail project)			
Civil structure	SLM	60 years	97 years
Rolling stock	SLM	13 years	30 years
Lifts and escalators	SLM	13 years	30 years
Other plant and equipment	SLM	13 years	15 years
Signage	SLM	5 years	5 years

The difference between accumulated depreciation as of 31 March, 2014 recomputed above and the corresponding accumulated depreciation in the books as per earlier method amounting to Rs. 40,318 has been credited to the statement of Profit and Loss for the year ended 31 March, 2015.

The depreciation expense in the Statement of Profit and Loss for the year is lower by Rs. 105,454 consequent to the above change in the method of depreciation in respect of tangible assets.

The depreciation expense in the Statement of Profit and Loss for the year is lower by Rs. 180,083,055 consequent to the change in the useful life of the intangible (Metro rail Project) assets.

Note No. 40

Management has carried out a review of the carrying value of fixed assets as at 31 March, 2015 in accordance with the provisions of Accounting Standard - 28, Impairment of Assets. Based on the review, the management is of the opinion that there is no impairment that necessitate any adjustments to the carrying value of fixed assets.

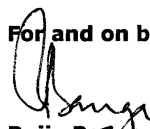
Ah

Rapid Metrorail Gurgaon Limited
Notes forming part of the financial statement

Note No. 41

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

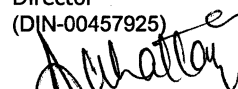
For and on behalf of the Board of Directors



Rajiv Banga
Director
(DIN-02093324)


Jagdish Aggarwal
Chief Financial Officer

Deepak Dasgupta
Director
(DIN-00457925)


Arita Bhattacharya
Company Secretary

Place: Gurgaon
Date: 24 April, 2015

