

**RAPID METRORAIL GURGAON SOUTH LIMITED**

**FINANCIAL STATEMENT**

**2014-15**

## **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 31<sup>st</sup> 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



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preparation of the financial statements that give a true and fair view in order to design 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**

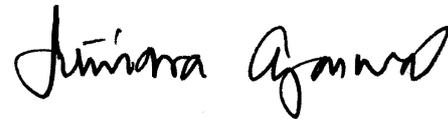
1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report 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 31<sup>st</sup> March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2015 from being appointed as a director in terms of Section 164(2) of the Act.



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- (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

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## 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) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013. Therefore, the provisions of clause 3(iii) of the Order are not applicable to the Company.
- (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. 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 and services.
- (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.



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- 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 financial institutions and banks. The Company 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 SOUTH LIMITED**  
**BALANCE SHEET AS AT 31 MARCH, 2015**

Particulars	Note No.	As at 31 March, 2015 Rupees	As at 31 March, 2014 Rupees
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	3	2,510,500,000	1,620,500,000
(b) Reserves and surplus	4	<u>(31,574,476)</u>	<u>(17,864,205)</u>
		2,478,925,524	1,602,635,795
<b>2 Non - current liabilities</b>			
(a) Long term borrowings	5	5,613,008,663	3,340,000,000
(b) Deferred tax liabilities (net)	6	-	-
(c) Long - term provisions	7	<u>280,093</u>	<u>102,928</u>
		5,613,288,756	3,340,102,928
<b>3 Current liabilities</b>			
(a) Trade payables	8	4,673,255	2,823,658
(b) Other current liabilities	9	853,682,221	668,891,402
(c) Short-term provisions	10	<u>108,808</u>	<u>50,944</u>
		858,464,284	671,766,004
<b>TOTAL</b>		<u><u>8,950,678,564</u></u>	<u><u>5,614,504,727</u></u>
<b>B ASSETS</b>			
<b>1 Non - current assets</b>			
(a) Fixed assets			
(i) Tangible assets	11	4,183,036	4,903,452
(ii) Intangible assets under development	12	<u>8,474,746,911</u>	<u>5,136,477,715</u>
		8,478,929,947	5,141,381,167
(b) Long - term loans and advances	13	<u>258,593,027</u>	<u>310,509,003</u>
		8,737,522,974	5,451,890,170
<b>2 Current assets</b>			
(a) Cash and cash equivalents	14	203,136,796	149,172,158
(b) Short - term loans and advances	15	9,394,650	13,053,400
(c) Other current assets	16	<u>624,144</u>	<u>388,999</u>
		213,155,590	162,614,557
<b>TOTAL</b>		<u><u>8,950,678,564</u></u>	<u><u>5,614,504,727</u></u>

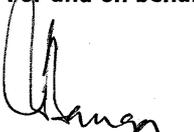
See accompanying notes forming part of the financial statements

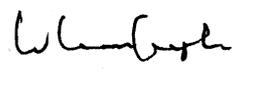
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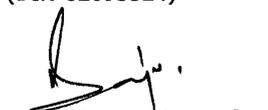
**For DELOITTE HASKINS & SELLS**  
Chartered Accountants

  
**Jitendra Agarwal**  
Partner

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

  
**Rajiv Banga**  
Managing Director  
(DIN-02093324)

  
**Deepak Dasgupta**  
Director  
(DIN-00457925)

  
**Tarun Kumar Banerjee**  
Chief Financial Officer

  
**Shikha Sachdeva**  
Company Secretary

Place: Gurgaon  
Date: 24 April, 2015

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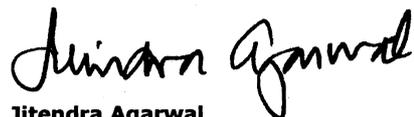
**RAPID METRORAIL GURGAON SOUTH LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2015**

Particulars	Note No.	Year ended 31	Year ended 31 March,
		March, 2015	2014
		Rupees	Rupees
1. Other income	17	2,221,716	2,507,382
2. <b>Total revenue</b>		<b>2,221,716</b>	<b>2,507,382</b>
3. Expenses:			
(a) Employee benefits expense	18	2,648,003	1,346,470
(b) Finance costs	19	-	1,078,616
(c) Depreciation and amortisation expense	11	790,199	571,121
(d) Other expenses	20	11,820,785	16,226,788
<b>Total expenses</b>		<b>15,258,987</b>	<b>19,222,995</b>
4. <b>Loss before tax (2-3)</b>		(13,037,271)	(16,715,613)
5. <b>Tax expense:</b>			
(a) Current Tax		673,000	800,000
		<b>673,000</b>	<b>800,000</b>
6. <b>Loss for the year (4-5)</b>		(13,710,271)	(17,515,613)
7. Earnings per equity share of Rs. 10 each	23		
(a) Basic		(0.07)	(0.13)
(b) Diluted		(0.07)	(0.13)

See accompanying notes forming part of the financial statements

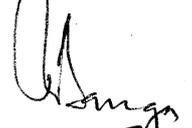
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Chartered Accountants



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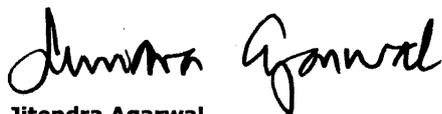
**RAPID METRORAIL GURGAON SOUTH LIMITED**  
**CASH FLOW STATEMENT FOR YEAR ENDED 31 MARCH, 2015**

	Year ended 31 March, 2015	Year ended 31 March, 2014
	Rupees	Rupees
<b>A. Cash flow from operating activities</b>		
Net loss before tax	(13,037,271)	(16,715,613)
<b>Adjustments for :-</b>		
Interest income	(2,177,698)	(2,497,611)
Depreciation and amortisation expense	790,199	571,121
Provision for employee benefits	235,029	(365,318)
<b>Operating loss before working capital changes</b>	<b>(14,189,741)</b>	<b>(19,007,421)</b>
<i>Changes in working capital:</i>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Long-term loans and advances	(11,057,611)	2,916,466
Short-term loans and advances	3,658,750	(6,297,228)
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade payables	1,849,597	(21,519,485)
Other current liabilities	10,628,434	(338,629,376)
<b>Cash generated from operations</b>	<b>(9,110,571)</b>	<b>(382,537,044)</b>
Net income tax (paid)/refunds	(357,255)	(1,567,542)
<b>B. Net cash flow from/(used in) operating activities (A)</b>	<b>(9,467,826)</b>	<b>(384,104,586)</b>
<b>Cash flow from investing activities</b>		
Capital expenditure on fixed assets, including capital advances	(3,101,518,752)	(4,450,684,087)
Interest received	1,942,553	2,108,612
<b>Net cash flow from/(used in) investing activities (B)</b>	<b>(3,099,576,199)</b>	<b>(4,448,575,475)</b>
<b>Cash flow from financing activities</b>		
Proceeds from issue of equity shares	890,000,000	1,620,000,000
Proceeds from long-term borrowings	2,273,008,663	3,340,000,000
<b>C. Net cash flow from/(used in) financing activities (C)</b>	<b>3,163,008,663</b>	<b>4,960,000,000</b>
<b>Net increase/(decrease) in Cash and cash equivalents during the year (A+B+C)</b>	<b>53,964,638</b>	<b>127,319,939</b>
Cash and cash equivalent at the beginning of the year	149,172,158	21,852,219
<b>Cash and cash equivalent at the end of the year</b>	<b>203,136,796</b>	<b>149,172,158</b>

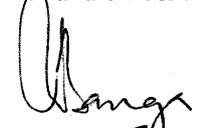
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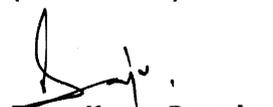
**For DELOITTE HASKINS & SELLS**  
Chartered Accountants

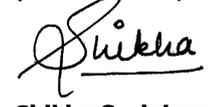
  
**Jitendra Agarwal**  
Partner

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

  
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Managing Director  
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Director  
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Chief Financial Officer

  
**Shikha Sachdeva**  
Company Secretary

Place: Gurgaon  
Date: 24 April, 2015

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Date: 24 April, 2015

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

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**Note No. 1 - Background**

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 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 project.

**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. 32.

**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.

Capital work-in-progress/Intangible assets under development:

Projects under which tangible fixed assets/Intangible assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

**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.

**Tangible assets**

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.:



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

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<b>Asset type</b>	<b>Useful life (in years)</b>
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

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.

The residual value of all the assets is retained at Rs. 1 each.

**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.

**VII Other income**

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

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

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**VIII Employee benefits**

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

**a. 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.

**b. 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.

**c. 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.

**d. 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 less the fair value of the plan assets out of which the obligations are expected to be settled. Long Service Awards are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date.

**IX 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.

**X 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.

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

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**XI 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.

**XII 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.

**XIII 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.

**XIV 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.

**XV 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.

**XVI 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.

**XVII 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.

Derivative contracts are marked-to-market and losses are recognised in the Statement of Profit and Loss. Gains arising on the same are not recognised, until realised, on grounds of prudence.

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

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**XVIII Preliminary expenses**

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

**XIX 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.

**XX 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 METRORAIL GURGAON SOUTH LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**Note No. 3 - Share capital**

Particulars	As at 31 Mar, 2015		As at 31 March, 2014	
	Number	Rupees	Number	Rupees
<b>(a) Authorised</b>				
Equity Shares of Rs. 10/- each with voting rights	460,000,000	4,600,000,000	260,000,000	2,600,000,000
	<b>460,000,000</b>	<b>4,600,000,000</b>	<b>260,000,000</b>	<b>2,600,000,000</b>
<b>(b) Issued, Subscribed and fully Paid up</b>				
Equity Shares of Rs. 10/- each with voting rights	251,050,000	2,510,500,000	162,050,000	1,620,500,000
<b>Total</b>	<b>251,050,000</b>	<b>2,510,500,000</b>	<b>162,050,000</b>	<b>1,620,500,000</b>

Refer Notes (i) to (iv) below

**Notes:**

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

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

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

Particulars	As at 31 Mar, 2015		As at 31 March, 2014	
	Number	Rupees	Number	Rupees
<b>EQUITY SHARES WITH VOTING RIGHTS</b>				
Shares outstanding at the beginning of the year	162,050,000	1,620,500,000	50,000	500,000
Shares Issued during the year	89,000,000	890,000,000	162,000,000	1,620,000,000
Shares outstanding at the end of the year	<b>251,050,000</b>	<b>2,510,500,000</b>	<b>162,050,000</b>	<b>1,620,500,000</b>

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

Particulars	As at 31 Mar, 2015		As at 31 March, 2014	
	Number	Rupees	Number	Rupees
<b>EQUITY SHARES HELD BY:</b>				
IL&FS Transportation Networks Limited, the parent Company of the holding Company	87,867,500	878,675,000	56,717,500	567,175,000
IL&FS Rail Limited, the holding Company	163,182,440	1,631,824,400	105,332,440	1,053,324,400

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

Particulars	As at 31 Mar, 2015		As at 31 March, 2014	
	No. of Shares held	% Holding	No. of Shares held	% Holding
<b>Equity Shares</b>				
IL&FS RAIL Limited	163,182,440	65.00%	105,332,440	65.00%
IL&FS Transportation Networks Limited	87,867,500	35.00%	56,717,500	35.00%

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

**Note No. 4 - Reserves and surplus**

Particulars	As at 31 March, 2015 Rupees	As at 31 March, 2014 Rupees
<b>(a) Surplus/(deficit) in Statement of Profit and Loss</b>		
Opening balance	(17,864,205)	(348,592)
Add: Loss for the year	(13,710,271)	(17,515,613)
Closing balance	<u>(31,574,476)</u>	<u>(17,864,205)</u>

**Note No. 5 - Long term borrowings**

Particulars	As at 31 March, 2015 Rupees	As at 31 March, 2014 Rupees
<b>Secured</b>		
<b>(a) Term loans</b>		
From banks		
- Indian Rupee	4,960,100,000	3,340,000,000
From financial institution		
- Foreign Currency	255,690,303	-
- Indian Rupee	397,218,360	-
<b>Total</b>	<b><u>5,613,008,663</u></b>	<b><u>3,340,000,000</u></b>

Notes:

- (i) Total loan sanctioned is Rs. 15,000,000,000  
Loan disbursed till 31 March, 2015 is Rs. 5,613,008,663
- (ii) Term loan from banks are Secured against first charge on all revenue receipts from the project and balance in escrow account
- (iii) Details of terms of repayment:

Term loans from banks in Indian Rupees carry interest rate at bench mark prime lending rate (BMPLR) plus 1.50% and Loan is repayable in 60 unequal quarterly instalments after the end of the principal moratorium period (i.e. 2 years and 6 months from actual commercial operation date), in the following manner :-

Quarter (after end of moratorium period)	Repayment (% of debt)	Amount of debt repayment (Rupees)
1-3	0.03%	1,488,030
4-7	1.00%	49,601,000
8-15	4.00%	198,404,000
16-19	4.00%	198,404,000
20-23	5.00%	248,005,000
24-27	6.00%	297,606,000
28-31	8.00%	396,808,000
32-35	9.00%	446,409,000
36-39	7.00%	347,207,000
40-43	7.60%	376,967,600
44-51	16.00%	793,616,000
52	2.50%	124,002,500
53-59	24.50%	1,215,224,500
60	5.37%	266,357,370
<b>Total</b>	<b><u>100.00%</u></b>	<b><u>4,960,100,000</u></b>

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

- (iv) Term loans from financial institutions in foreign currency carry interest rate at 6 month USD LIBOR plus margin of 390 basis points and loan is repayable in 60 unequal quarterly instalments after the end of the principal moratorium period (i.e. 2 years and 6 months from actual commercial operation date), in the following manner :-

Quarter (after end of moratorium period)	Repayment (% of debt)	Amount of debt repayment (Rupees)
1-3	0.03%	76,707
4-7	1.00%	2,556,903
8-11	2.00%	5,113,806
12-15	2.00%	5,113,806
16-19	4.00%	10,227,612
20-23	5.00%	12,784,515
24-27	6.00%	15,341,418
28-31	8.00%	20,455,224
32-35	9.00%	23,012,127
36-39	7.00%	17,898,321
40-43	7.60%	19,432,463
44-51	16.00%	40,910,448
52	2.50%	6,392,258
53-55	10.50%	26,847,482
56-59	14.00%	35,796,642
60	5.37%	13,730,569
<b>Total</b>	<b>100.00%</b>	<b>255,690,303</b>

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

Particulars	As at 31 March, 2015 Rupees	As at 31 March, 2014 Rupees
(a) Provision for employee benefits		
For compensated absences	58,243	30,064
For gratuity	221,850	72,864
<b>Total</b>	<b>280,093</b>	<b>102,928</b>

**Note No. 7 - 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 realise such assets in near future, the Company has not recognised additional deferred tax assets in respect of employee benefits, 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
<b>Deferred tax (liabilities)/assets</b>		
<u>Tax effect of items constituting deferred tax liabilities</u>		
On difference between book balance and tax balance of fixed assets	19,507	3,109
Tax effect of items constituting deferred tax liabilities	<u>19,507</u>	<u>3,109</u>
<u>Tax effect of items constituting deferred tax assets</u>		
Provision for compensated absences, gratuity and other employee benefits	19,507	3,109
Tax effect of items constituting deferred tax assets	<u>                    </u>	<u>                    </u>
<b>Deferred tax (liabilities)/assets (net)</b>	<u>                    </u>	<u>                    </u>

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

**Note No. 8 - Trade payables**

Particulars	As at 31 March, 2015 Rupees	As at 31 March, 2014 Rupees
(a) Trade payables (other than acceptances)	4,673,255	2,823,658
<b>Total</b>	<b>4,673,255</b>	<b>2,823,658</b>

**Note:**

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.

**Note No. 9 - Other current liabilities**

Particulars	As at 31 March, 2015 Rupees	As at 31 March, 2014 Rupees
(a) Other payables		
(i) Payables on purchase of capital assets	828,146,149	653,983,764
(ii) Statutory dues (contribution to Provident Fund, withholding tax, VAT etc.)	25,514,863	14,907,638
(iii) Others liabilities	21,209	-
<b>Total</b>	<b>853,682,221</b>	<b>668,891,402</b>

**Note No. 10 - Short term provisions**

Particulars	As at 31 March, 2015 Rupees	As at 31 March, 2014 Rupees
(a) Provision for employee benefits		
(i) Provision for compensated absences	104,280	49,457
(ii) Provision for gratuity (net)	4,528	1,487
<b>Total</b>	<b>108,808</b>	<b>50,944</b>

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

**Note No. 11 - Fixed assets**

(Amount in Rupees)

Particulars	Gross block			Balance as at 31 March, 2015	Accumulated depreciation			Net block		
	Balance as at 1 April, 2014	Additions	Disposals		Balance as at 1 April, 2014	For the year (See note 32)	Eliminated on disposal of assets	Balance as at 31 March, 2015	Balance as at 31 March, 2015	Balance as at 31 March, 2014
<b>A. Tangible assets (owned)</b>										
(a) Office Equipment (Previous year)	723,770 (15,000)	53,960 (708,770)	9,995 -	767,735 (723,770)	208,228 (14,999)	156,356 (193,229)	9,995	354,589 (208,228)	413,146 (515,542)	515,542 (1)
(b) Data Processing Equipment (Previous year)	409,115 (87,425)	4,850 (321,690)	- -	413,965 (409,115)	73,934 (3,124)	136,752 (70,810)	-	210,686 (73,934)	203,279 (335,181)	335,181 (84,301)
(c) Furniture & Fixture (Previous year)	98,984 -	10,973 (98,984)	- -	109,957 (98,984)	98,959 -	271 (98,959)	-	99,230 (98,959)	10,727 (25)	25 -
(d) Leasehold improvements (Previous year)	2,430,332 -	- (2,430,332)	- -	2,430,332 (2,430,332)	70,217 -	382,523 (70,217)	-	452,740 (70,217)	1,977,592 (2,360,115)	2,360,115 -
(e) Plant and equipment (Previous year)	736,876 -	- (736,876)	- -	736,876 (736,876)	69,643 -	12,900 (69,643)	-	82,543 (69,643)	654,333 (667,233)	667,233 -
(f) Vehicles (Previous year)	1,093,619 -	- (1,093,619)	- -	1,093,619 (1,093,619)	68,263 -	101,397 (68,263)	-	169,660 (68,263)	923,959 (1,025,356)	1,025,356 -
<b>Total</b>	<b>5,492,696</b>	<b>69,783</b>	<b>9,995</b>	<b>5,552,484</b>	<b>589,244</b>	<b>790,199</b>	<b>9,995</b>	<b>1,369,448</b>	<b>4,183,036</b>	<b>4,903,452</b>
(Previous year)	(102,425)	(5,390,271)	-	(5,492,696)	(18,123)	(571,121)	-	(589,244)	(4,903,452)	(84,302)

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

	<u>As at 31-Mar-14 Rupees</u>	<u>Additions during the year Rupees</u>	<u>As at 31-Mar-15 Rupees</u>
<b>Note No. 12 - Intangible assets under development</b>			
<b>a. Intangible assets under development</b>			
Civil work, Rolling stock etc.	2,703,867,251	2,774,668,719	5,478,535,970
Other direct costs	57,605,502	771,965	58,377,467
	<u>2,761,472,753</u>	<u>2,775,440,684</u>	<u>5,536,913,437</u>
<b>b. Expenditure during development (Pending allocation)</b>			
Salary, wages and bonus	7,262,603	12,255,561	19,518,164
Contribution to provident and other funds	747,873	426,808	1,174,681
Staff welfare expenses	540,030	888,044	1,428,074
Travelling and conveyance expenses	842,073	1,063,659	1,905,732
Rent	-	7,151,575	7,151,575
Office maintenance	2,760	1,688,741	1,691,501
Power and fuel	1,103,552	1,293,454	2,397,006
Communication expenses	302,245	392,045	694,290
Insurance	1,557,393	3,914,532	5,471,925
Legal, professional, consultancy and advisory fees	1,825,639,564	15,657,949	1,841,297,513
Loan processing/syndication fee	396,143,894	6,643,749	402,787,643
Interest on term loans	141,616,447	495,721,579	637,338,026
Foreign exchange fluctuation	-	17,134,432	17,134,432
Miscellaneous expenses	1,829,662	1,165,968	2,995,630
	<u>2,377,588,096</u>	<u>565,398,096</u>	<u>2,942,986,192</u>
<b>Total (a+b)</b>	5,139,060,849	3,340,838,780	8,479,899,629
c. Less: Interest income on temporary deployment of borrowed funds	2,583,134	2,569,584	5,152,718
<b>Net (a+b-c)</b>	<u><u>5,136,477,715</u></u>	<u><u>3,338,269,196</u></u>	<u><u>8,474,746,911</u></u>

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

**Note No. 13 - Long - term loans and advances**

Particulars	As at 31 March, 2015 Rupees	As at 31 March, 2014 Rupees
<b>Unsecured, considered good</b>		
(a) Capital advances to related party	241,572,930	304,230,772
(b) Prepaid expenses	328,300	5,470,689
(c) Advance income tax (Net of Provision for tax Rs. 1,473,000; Previous year Rs. 800,000)	451,797	767,542
(d) Security deposits	16,240,000	40,000
<b>Total</b>	<b>258,593,027</b>	<b>310,509,003</b>

**Note No. 14 - Cash and cash equivalents**

Particulars	As at 31 March, 2015 Rupees	As at 31 March, 2014 Rupees
(a) Cash on hand	19,185	6,322
(b) Balances with banks		
- In current accounts	53,117,611	44,165,836
- In deposit accounts	150,000,000	105,000,000
<b>Total</b>	<b>203,136,796</b>	<b>149,172,158</b>

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

203,136,796	149,172,158
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**Note No. 15 - Short - term loans and advances**

Particulars	As at 31 March, 2015 Rupees	As at 31 March, 2014 Rupees
<b>Unsecured, considered good</b>		
(a) Loans and advances to related party	26,995	-
(b) Prepaid expenses	8,929,597	12,789,705
(c) Balances with government authorities		
- Service Tax credit receivable	438,058	263,695
<b>Total</b>	<b>9,394,650</b>	<b>13,053,400</b>

**Note No. 16 - Other current assets**

Particulars	As at 31 March, 2015 Rupees	As at 31 March, 2014 Rupees
<b>Unsecured, considered good</b>		
(a) Interest accrued but not due on bank deposits	624,144	388,999
<b>Total</b>	<b>624,144</b>	<b>388,999</b>

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

**Note No. 17 - Other income**

Particulars	Year ended 31 March, 2015	Year ended 31 March, 2014
	Rupees	Rupees
<b>(a) Interest income</b>		
Interest on bank deposits	2,177,698	2,497,611
Interest on Income tax refund	35,672	-
<b>(b) Other non operating income</b>		
Net gain on foreign currency transactions and translation	5,246	-
Miscellaneous income	3,100	9,771
<b>Total</b>	<b>2,221,716</b>	<b>2,507,382</b>

**Note No. 18 - Employee benefits expense**

Particulars	Year ended 31 March, 2015	Year ended 31 March, 2014
	Rupees	Rupees
(a) Salaries and wages	2,189,150	1,210,378
(b) Contribution to provident and other funds	182,954	80,636
(c) Gratuity expense	152,027	-
(d) Staff Welfare	123,872	55,456
<b>Total</b>	<b>2,648,003</b>	<b>1,346,470</b>

**Note No 19 - Finance costs**

Particulars	Year ended 31 March, 2015	Year ended 31 March, 2014
	Rupees	Rupees
(a) Interest expense on:		
- Interest on delayed payment of income tax	-	1,078,616
<b>Total</b>	<b>-</b>	<b>1,078,616</b>

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

**Note No. 20 - Other expenses**

Particulars	Year ended 31 March, 2015 Rupees	Year ended 31 March, 2014 Rupees
Communication expenses	50,963	3,830
Business promotion expenses	630,199	830,365
Rent	1,100,241	-
Office maintenance	274,200	-
Electricity	43,919	-
Travelling and conveyance	25,733	15,472
Rates and taxes	41,262	13,693
Registration fee	6,122,691	13,090,000
Director sitting fees	840,452	471,912
Legal and Professional charges	1,479,713	259,140
Payment to auditors	1,123,600	1,413,701
Printing and stationery	2,080	-
Net loss on foreign currency transactions and translation	-	13,524
Insurance expenses	42,631	1,662
Miscellaneous expenses	43,101	113,489
<b>Total</b>	<b>11,820,785</b>	<b>16,226,788</b>

**Note:**

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

a. Statutory audit fee	1,000,000	1,000,000
b. Other services	-	250,000
c. Out of pocket expenses	-	8,189
d. Service tax on above	123,600	155,512
	<b>1,123,600</b>	<b>1,413,701</b>

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

**Note No. 21 - Contingent liabilities and commitments (to the extent not provided for)**

Particulars	As at 31 March, 2015 Rupees	As at 31 March, 2014 Rupees
<b>Commitments</b>		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances paid amounting to Rs. 241,572,930 (previous year Rs. Rs. 304,230,772))	9,699,344,578	14,148,115,143
(b) Connectivity charges	20,000,000,000	20,000,000,000

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 totaling to Rs. 2000 crores.

**Note No. 22 - 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. 23 - Earnings per equity share**

Particulars	Unit	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Loss for the year	Rupees	(13,710,271)	(17,515,613)
Weighted average number of equity shares outstanding during the year	Numbers	205,654,110	130,351,370
Nominal Value of Equity Shares	Rupees	10.00	10.00
Basic Earnings per Share	Rupees	(0.07)	(0.13)
Weighted average number of equity shares for calculation of diluted earnings per share	Numbers	205,654,110	130,351,370
Diluted Earnings per Share	Rupees	(0.07)	(0.13)

**Note No. 24 - Segment reporting**

The Company is engaged in construction of a metro rail project, 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. 25 - Leasing arrangements**

The Company has entered into sharing arrangement of office premises with its fellow subsidiary Company. Lease charges recognised during the year are Rs. 8,251,816. (previous year Rs. Nil)

**Note No. 26 - Detail of borrowing cost capitalised**

	For the year ended 31 March, 2015 Rupees	For the year ended 31 March, 2014 Rupees
Intangible assets under development (Metro Rail Project)	<b>502,365,328</b>	<b>267,508,449</b>

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

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**Note No. 27 - Expenditure in foreign currency**

	<b>For the year ended 31 March, 2015 Rupees</b>	<b>For the year ended 31 March, 2014 Rupees</b>
(a) Interest on borrowings (capitalised)	<u>24,014,706</u>	<u>-</u>

**Note No. 28 - Foreign currency exposures**

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

	<b>As at 31 March, 2015</b>	<b>As at 31 March, 2014</b>
<b>Long term borrowings</b>		
Foreign currency (USD)	4,085,110	-
Indian Rupees	<u>255,690,303</u>	<u>-</u>

**Note No. 29 - Currency and interest rate swap**

Currency swaps (other than forward exchange contracts stated above) to hedge against fluctuations in changes in exchange rate and Interest rate swaps to hedge against fluctuations in interest rate changes: No. of contracts - 3 (previous year Nil).



**RAPID METRORAIL GURGAON SOUTH LIMITED**  
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**Note No. 30 - Employee benefits**

**a. 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. 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. 87,481 (previous year 35,000) for Provident Fund contributions, Rs. 94,773 (previous year Rs. 45,636) for superannuation fund contributions and Rs. 700 for labour welfare fund contribution in the Statement of Profit and Loss.

**b. 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.

**i. Change in benefit obligation**

	<b>31 March, 2015</b>	<b>31 March, 2014</b>
	<b>Rupees</b>	<b>Rupees</b>
Present value of obligation at the beginning of the year	74,351	374,325
Current service cost	169,301	127,055
Interest expense	5,948	29,946
Benefits paid	-	-
Actuarial (gain)/loss	(23,222)	(456,975)
Present value of obligations at the end of the year	<b>226,378</b>	<b>74,351</b>

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

	<b>31 March, 2015</b>	<b>31 March, 2014</b>
	<b>Rupees</b>	<b>Rupees</b>
Present value of defined benefit obligations	226,378	74,351
Net liability/(asset) recognised in the balance sheet	<b>226,378</b>	<b>74,351</b>

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

	<b>31 March, 2015</b>	<b>31 March, 2014</b>
	<b>Rupees</b>	<b>Rupees</b>
Current service costs	169,301	127,055
Interest expense	5,948	29,946
Net actuarial gain/(loss) recognized during the year	(23,222)	(456,975)
Expenditure recognized in Statement of Profit and Loss/capitalised	<b>152,027</b>	<b>(299,974)</b>

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

**vi. Experience adjustment**

	<b>31 March, 2015</b>	<b>31 March, 2014</b>	<b>31 March, 2013</b>
	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>
Present value of DBO	226,378	74,351	374,325
On obligations - (Gain) / Loss	(23,222)	(456,975)	-

**v. Principal actuarial assumptions**

	<b>31 March, 2015</b>	<b>31 March, 2014</b>
Rate for discounting liabilities	8.00% p.a.	8.50% p.a.
Expected salary increase rate	6.50% p.a.	6.50% 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



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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, increments and other relevant factors.

**vi Actuarial assumptions for compensated absences**

	<u><b>31 March, 2015</b></u>	<u><b>31 March, 2014</b></u>
Rate for discounting liabilities	8.00% p.a.	8.50% p.a.
Expected salary increase rate	6.50% p.a.	6.50% 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

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

**Note No. 31 - 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 (IRL) IL&FS Transportation Networks Limited (ITNL)
Ultimate Holding Company:	Infrastructure Leasing & Financial Services Limited
Fellow Subsidiary Companies	IL&FS Financial Services Limited (IFIN) IL&FS Trust Company Limited (ITCL) Rapid MetroRail Gurgaon Limited (RMGL) IL&FS Global Financial Services (UK) Limited

Particulars	Amount in Rupees	
	Holding / Ultimate Holding Company	Fellow subsidiary
<b>B. Transactions during the year:</b>		
<b>Shares capital issued</b>		
IL&FS Transportation Networks Limited	311,500,000 (567,000,000)	- (-)
IL&FS Rail Limited	578,500,000 (1,053,000,000)	- (-)
<b>Operating expenses</b>		
IL&FS Rail Limited	60,130 (-)	- (-)
Rapid MetroRail Gurgaon Ltd	- (-)	1,345,676 (-)
<b>Construction and development expenses (CWIP)</b>		
Infrastructure Leasing & Financial Services Limited	137,411 (227,977)	- (-)
IL&FS Rail Limited	390,842 (3,535,010)	- (-)
IL&FS Financial Services Limited	- (-)	- (2,217,808)
IL&FS Transportation Networks Limited	2,641,874,424 (3,268,230,660)	- (-)
IL&FS Trust Company Limited	- (-)	348,316 (224,720)
IL&FS Global Financial Services (UK) Limited	- (-)	123,746 (38,827,383)
Rapid MetroRail Gurgaon Limited	- (-)	8,226,033 (-)
<b>Capital advance given/adjusted</b>		
IL&FS Transportation Networks Limited	-62,657,842 (304,230,772)	- (-)



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

Particulars	Holding / Ultimate Holding Company	Amount in Rupees Fellow subsidiary
<b>Prepaid expenses</b>		
Infrastructure Leasing & Financial Services Limited	-	-
	(64,337)	(-)
Notes:		
1. The figures in brackets represent transactions for the previous year.		
<b>c. Balances at year end</b>		
<b>Other current liabilities</b>		
IL&FS Transportation Networks Limited	658,989,874	-
	(548,956,783)	(-)
<b>Short term loans and advances</b>		
Infrastructure Leasing & Financial Services Limited	26,995	-
	(-)	(-)
<b>Capital advance</b>		
IL&FS Transportation Networks Limited	241,572,930	-
	(304,230,772)	(-)
<b>Share Capital</b>		
IL&FS Transportation Networks Limited	878,675,000	-
	(567,175,000)	(-)
IL&FS Rail Limited	1,631,824,400	-
	(1,053,324,400)	(-)
<b>Guarantees received</b>		
IL&FS Rail Limited	500,000,000	-
	(500,000,000)	(-)

Notes:

1. The figures in brackets represent balances as on 31 March, 2014

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

**Note No. 32**

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 assets to align the useful life with those specified in Schedule II other than those specified in note no. 1(iv). The details of previously applied depreciation method, rates / useful life are as follows:

Asset	Previous depreciation method	Previous depreciation rate / useful life	Revised useful life based on SLM
<b>Tangible assets</b>			
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

The difference between accumulated depreciation as of March 31, 2014 recomputed as above and the corresponding accumulated depreciation in the books as per earlier method, amounting to Rs. 46,678 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. 169,834 consequent to the above change in the method of depreciation.

**Note No. 33**

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)

  
**Deepak Dasgupta**  
 Director  
 (DIN-00457925)

  
**Tarun Kumar Banerjee**  
 Chief Financial Officer

  
**Shikha Sachdeva**  
 Company Secretary

Place: Gurgaon  
 Date: 24 April, 2015

