

**STATUTORY AUDIT REPORT**  
**FOR**  
**FY : 2013 - 2014**

***MUMBAI METRO RAIL***  
***CORPORATION LIMITED***

**ASHRA & COMPANY**  
**CHARTERED ACCOUNTANTS**

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Opp. Shreyas Cinema, L.B.S. Marg,  
Ghatkopar (West), Mumbai – 400 086.  
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**INDEPENDENT AUDITORS' REPORT**  
**TO THE MEMBERS OF**  
**MUMBAI METRO RAIL CORPORATION LIMITED.**

We have audited the accompanying financial statements of MUMBAI METRO RAIL CORPORATION LIMITED (the Company), which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (the Act) read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's responsibility:**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with 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 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



**OPINION**

1. 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 subject to points mentioned in conformity with the accounting principles generally accepted in India:
  - a. In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
  - b. In the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date
2. Emphasis on the Matter:
  - a. Company does not follow mercantile system of accounting and recognizes income and expenses on cash basis except in the case of professional fees & Audit Fees payable to Auditors and Company Secretaries. TDS is deducted at the time of payment of expenditure.
  - b. Company receives funds from MMRDA towards operational activities of the Company at regular intervals and also MMRDA allocates expenditure by passing the journal entries. The company accounts this amounts received as Long Term Borrowings from MMRDA. We would like to state that till the closing of Audit as on 31<sup>st</sup> of March 2014 Company has received Rs.64.33 crores from MMRDA.
  - c. As per our Notes on zero balances attached to this report (Page : 7).

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

1. As required by the Companies (Auditor's Report) Order, 2003 (the Order) issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the company as so far as appears from our examination of those books.
  - c) The Balance Sheet and the Statement of Profit and Loss, dealt with by this Report are in agreement with the books of account.



# ASHRA & COMPANY

CHARTERED ACCOUNTANTS


M.L. Ashra B.Com. U.U.J.C.A.  
J.M. Ashra B.Com. J.C.A., DCA(ICA)  
N.J. Ashra B.Com. J.C.A.

- d) In our opinion, the Balance Sheet and the Statement of Profit and Loss comply with Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
- e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2014, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2014, from being appointed as a director in terms of Section 274(1)(g) of the Act.

Place: Mumbai

Date: 6<sup>th</sup> December, 2014

For ASHRA & COMPANY  
CHARTERED ACCOUNTANTS  
ICAI FRN No. 100700W

  
JAYESH M. ASHRA  
PARTNER  
Membership No. 103964



**MUMBAI METRO RAIL CORPORATION LIMITED**

**ANNEXURE TO AUDITOR'S REPORT  
FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2014**

(Referred to in paragraph 1 of our report of even date)

1) Fixed Assets :

- (a) The Company has procured certain fixed assets during the year, and is maintaining records of fixed assets showing full particulars, including quantitative details.
- (b) The company has physically verified the assets and no material discrepancies were noticed. In our opinion and according to the information and explanations given to us the frequency of verification is reasonable.
- (c) Substantial part of fixed assets has not been disposed off during the year. Hence, going concern status of the company has not been affected.

2) Inventories :

The company does not have any inventory. Hence sub clauses (b) and (c) of clause 4(ii) of the order is not applicable.

3) Loans to/from Section 301 parties :

- (a) The company has taken loan from one party covered in the register maintained under section 301 of the Companies Act, 1956 and/or from companies under the same management as defined under sub-section (1B) of the Companies Act, 1956. The maximum amount involved during the year was Rs. 64,33,33,756/- and year end balance of loans taken from such parties was Rs. 64,33,33,756/-
  - (b) The company has not granted any loan to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 and hence the clause (b) to (d) of paragraph 4 (iii) of the Order are not applicable.
  - (c) In our opinion and according to the information and explanations given to us, all the above loans are interest free. As there is no written terms and conditions, loan repayment schedule cannot be analysed.
- 4) In our opinion, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of fixed assets. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control.



- 5) According to the information and explanations given to us, the Company has not entered into any contracts and arrangements in excess of Rs.5,00,000/- during the year with parties covered in the register maintained under Section 301 of the Companies Act, 1956 and accordingly, clause 4 (v) of the Order is not applicable to the Company.
- 6) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits to which the provisions of Sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 apply.
- 7) The company's paid-up capital and reserves do not exceed Rs.50 lacs. Accordingly, clause 4(vii) of the order is not applicable.
- 8) The Central Government has not prescribed maintenance of cost records by the Company under section 209 (1) d of the Act.
- 9) In respect of Statutory Dues :

(A) The company is generally regular in depositing undisputed statutory dues including income tax, wealth tax, provident fund and other material statutory dues as applicable with the appropriate authorities.

(B) Disputed amount of liability are as under and the same are included in contingent liability disclosed in Notes to accounts.

Nature of liability	Year Amount (Rs.)	Forum Where pending
	-----NIL-----	

- 10) In our opinion and according to the information and explanations given to us, the accumulated losses of the Company are more than fifty percent of its net worth as at 31<sup>st</sup> March 2014. The Company has incurred cash losses in the current financial year covered by our audit and in the immediately preceding financial year.
- 11) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution/bank. The Company has not issued any Debentures.
- 12) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13) In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provision of clause 4(xx) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.



# ASHRA & COMPANY

## CHARTERED ACCOUNTANTS


M. L. Ashra B.Com. F.I.C.I.A.  
J. M. Ashra B.Com. J.C.A. DEVA(ICA)  
N. J. Ashra B.Com. J.C.A.

- 14) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- 15) In our opinion and according to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.
- 16) To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, the Company has not availed any term loans during the year and hence clause 4 (xvi) of the Order is not applicable to the Company.
- 17) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we report that no funds raised on short term basis have been used for long term investment. No long term funds have been used to finance short term assets except permanent working capital.
- 18) According to the information and explanations given to us, the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.
- 19) During the financial year, the Company did not issue any debentures. Hence the provisions of Clause 4(xx) of the Companies (Auditor's Report) Order, 2003 regarding creation of security for debentures are not presently applicable to the company.
- 20) The company has not raised any money by way of public issues during the year. Accordingly, the provisions of Clause 4(xx) of the Companies (Auditor's Report) Order, 2003 on the end use of money are not presently applicable to the Company.
- 21) During the course of our examination of books and records of the company, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such a case by the management.

Place: Mumbai

Date: 6<sup>th</sup> December, 2014

For ASHRA & COMPANY  
CHARTERED ACCOUNTANTS  
ICAI FRN No.100700W

  
JAYESH M. ASHRA  
PARTNER  
Membership No.103964



**Mumbai Metro Rail Corporation Limited (MMRCL)**  
**Note to Audit Report for Zero Balances as on 31<sup>st</sup> March, 2014**

We refer to the Balance Sheet, Statement of Profit and Loss Account and Schedules of MMRCL as on 31<sup>st</sup> March, 2014. There are Schedules to the Balance Sheet and Statement of Profit and Loss Accounts having NIL balance and accordingly they are not printed in the schedules to Balance Sheet. A list of such schedules is as under:

Sr. No.	Schedules Name	Sch. No.	Balance as on 31/03/2014	Balance as on 31/03/2013
1	Short Term Borrowing	4	0	0
2	Short Term Provision	7	0	0
3	Non Current Investment	9	0	0
4	Long Term Loans and Advances	10	0	0
5	Current Investments	12	0	0
6	Inventories	13	0	0
7	Trade Receivables	14	0	0
8	Short Term Loans and Advance	16	0	0
9	Revenue from Operations	17	0	0
10	Cost of materials consumed/Purchases	19	0	0
11	Changes in Inventories	20	0	0
12	Employee Benefit Expenses	21	0	0
13	Exceptional Items	25	0	0

It is also observed that there are many items in Schedules where particulars are mentioned but as against that amounts are not mentioned. Please treat all those items as Nil or Zero.



# MUMBAI METRO RAIL CORPORATION LIMITED

MMRDA Building, Plot C-14-15, Bandra Kurla Complex, Bandra East, Mumbai 400051


Balance Sheet as at 31st March, 2014

Particulars	Notes No.	Current Year 2013-2014	Previous Year 2012-2013
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	1	500,000.00	500,000
(b) Reserves and Surplus	2	(7,346,018)	(2,984,173)
(c) Money received against share warrants			
<b>(2) Share Application money pending allotment</b>			
<b>(3) Non-Current Liabilities</b>			
(a) Long-Term Borrowings	3	643,333,756.00	442,568,255
(b) Deferred Tax Liabilities (Net)			
(c) Other Long Term Liabilities			
(d) Long Term Provisions			
<b>(4) Current Liabilities</b>			
(a) Short-Term Borrowings	4		
(b) Trade Payables	5	199,655.00	83,601
(c) Other Current Liabilities	6	17,851	-
(d) Short-Term Provisions	7		
<b>Total Equity &amp; Liabilities</b>		<b>636,705,244</b>	<b>440,167,683</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
<b>(a) Fixed Assets</b>			
(i) Gross Block	8	172,755	-
(ii) Depreciation		34,551	-
(iii) Net Block		138,204	-
(b) Non-current investments	9		
(c) Deferred tax assets (net)			
(d) Long term loans and advances	10		
(e) Other non-current assets	11	579,243,298.00	376,360,178.00
<b>(2) Current Assets</b>			
(a) Current investments	12		
(b) Inventories	13		
(c) Trade receivables	14		
(d) Cash and cash equivalents	15	55,044,458.00	61,544,221
(e) Short-term loans and advances	16		
(f) Other current assets			
<b>Total Assets</b>		<b>636,705,244</b>	<b>440,167,683</b>

Accounting Policies and Notes to Accounts  
Schedules referred above form part of accounts


As per our Report of even date  
For ASHRA & COMPANY  
CHARTERED ACCOUNTANTS

On Behalf of the Board  
Mumbai Metro Rail Corporation Limited

  
J. M. ASHRA  
PARTER  
Membership No. 103964



  
Sanjay Sethi  
Managing Director

  
Director

Date: 6 DEC 2014  
Place:



**MUMBAI METRO RAIL CORPORATION LIMITED**

*Schedule Forming Part of Accounts*

**Note : 1 Share Capital**

Sr. No	Particulars	Current Year 2013-14	Previous Year 2012-13
1	<b>AUTHORISED CAPITAL</b> 25,00,000 Equity Shares of Rs. 100/- each.	250,000,000.00	250,000,000.00
		250,000,000.00	250,000,000.00
2	<b>ISSUED, SUBSCRIBED &amp; PAID UP CAPITAL</b> To the Subscribers of the Memorandum 5000 Equity Shares of Rs. 100/- each, Fully Paid up Share capital by allotment	500,000.00	500,000.00
	<b>Total Rs.</b>	500,000.00	500,000.00

(a)

Particulars	Equity Shares			
	as of 31.03.2014		as of 31.03.2013	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	5,000.00	500,000.00	5,000.00	500,000.00
Shares Issued during the year	Nil	Nil	Nil	Nil
Shares outstanding at the end of the year	5,000.00	500,000.00	5,000.00	500,000.00

(b)

Name of the Shareholder	Equity Shares			
	as of 31.03.2014		as of 31.03.2013	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Mumbai Metropolitan Region Development Authority(MMRDA)	4,940.00	98.80	4,940.00	98.80

(c) The Company has only one class of equity shares having par value of Rs.100 per share.

**Note : 2 Reserve & Surplus**

Sr. No	Particulars	Current Year 2013-14	Previous Year 2012-13
1	Capital Reserve		
	a) Govt Subsidy		
2	Capital Redemption Reserve		
3	Securities Premium reserve		
4	Debenture Redemption Reserve		
5	Revaluation Reserve		
6	Shares Option Outstanding Account		
7	Other Reserve - General Reserve		
	<b>Sub Total - A</b>		
8	Surplus (Profit & Loss Account)		
	Balance brought forward from previous year	(2,984,173)	(1,876,619)
	Add: Excess I.Tax Provision written off		
	Add: Profit for the period	(4,361,845.00)	(1,107,554)
	Less: Transfer to General Reserve		
	<b>Sub Total - B</b>	(7,346,018)	(2,984,173)
	<b>Total (A + B)Rs.</b>	(7,346,018)	(2,984,173)



## MUMBAI METRO RAIL CORPORATION LIMITED

### Schedule Forming Part of Accounts

#### Note : 3 Long Term Borrowings

Sr. No	Particulars	Current Year 2013-14	Previous Year 2012-13
1	Bonds / Debentures		
2	<u>Term Loan</u>		
	- From Bank		
	- From Other Parties		
3	Deferred Payment Liabilities		
4	Deposit		
5	Loans & Advances From Related Parties	643,333,756	442,568,255
6	Long Term Maturities of Finance lease obligation		
7	Loans From Directors		
8	Other Loans & Advances		
	<b>Total Rs.</b>	<b>643,333,756</b>	<b>442,568,255</b>

#### Note : 5 Trades Payable

Sr. No	Particulars	Current Year 2013-14	Previous Year 2012-13
1	<u>-Sundry Creditors Supplies:</u>		
a			
b			
	<b>Sub-total - A</b>		
2	<u>-Sundry Creditors for Services:</u>		
a	Audit Fees	132,913	83,601
b	Commission Payable		
c	Professional Fees Payable to CS	66742	
d	Others		
	<b>Sub-total - B</b>	<b>199,655</b>	<b>83,601</b>
	<b>Total (A + B)</b>	<b>199,655</b>	<b>83,601</b>

#### Note : 6 Other Current Liabilities

Sr. No	Particulars	Current Year 2013-14	Previous Year 2012-13
1	Income tax	17851	-
	<b>Total Rs.</b>	<b>17851</b>	<b>-</b>



**Note : 08 Fixed Assets**

Sr. No	Particulars	Current Year 2013-14	Previous Year 2012-13
1	Apple I-pad	43,000	-
	Canon Xerox Machine	129,755	-
	Gross Block	172,755	-
	Less Depreciation	34,551	-
	<b>Total Rs.</b>	<b>138,204</b>	<b>-</b>

**Note : 11 Other Non Current Assets**

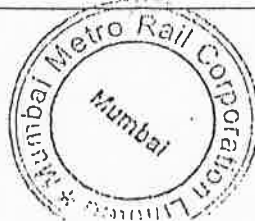
Sr. No	Particulars	Current Year 2013-14	Previous Year 2012-13
1	Long Term Trade Receivables a) Secured, Considered Good : b) Unsecured, Considered Good : c) Doubtful		
2	Others	579,243,298	376,360,178
	<b>Total Rs.</b>	<b>579,243,298</b>	<b>376,360,178</b>

**Note : 15 Cash & Cash Equivalent**

Sr. No	Particulars	Current Year 2013-14	Previous Year 2012-13
1	<u>Cash-in-Hand</u> Cash Balance Petty Cash Balance  Sub Total (A)	- - -	- - -
2	<u>Bank Balance</u> United Bank of India HDFC  Sub Total (B)	55,034,458 10,000	61,544,221
3	<u>Cheques on Hand</u> (C)		-
	<b>Total [ A + B + C ]</b>	<b>55,044,458</b>	<b>61,544,221</b>

**Note :16 Short Terms Loans and Advances**

Sr. No	Particulars	Current Year 2013-14	Previous Year 2012-13
1	Loans & Advances from related parties a) Secured, Considered Good :  b) Unsecured, Considered Good :  c) Doubtful		
2	Others <i>Advance Recoverable in cash or in kind or for value to be considered good</i> Advance to Suppliers Advance Income Tax & TDS Balance With Revenue Authorities ( Indirect Taxes) Prepaid Expenses Preliminary Expenses MTNL Deposits	2,263,284 16,000	2,263,284 -
	<b>Total Rs.</b>	<b>2,279,284</b>	<b>2,263,284</b>



Notes Forming Part of the Profit & Loss Accounts as at 31.3.2014

Note : 18 Other Income

Sr. No.	Particulars	Current Year 2013-14	Previous Year 2012-13
1	Interest Receipts		
2	Rent Receipts		
3	Other Income	65,000.00	-
	Total Rs.	65,000.00	-



# MUMBAI METRO RAIL CORPORATION LIMITED

[NOTES FORMING INTEGRAL PART OF ACCOUNTS FOR THE Y.E. 31st MARCH, 2014

**A) Significate Accounting Policies :**

- 1 Basis of preparation of Accounts  
The accounts have been prepared under the historical cost convention in accordance with the accepted accounting principles in India and the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956
  
- 2 System of Accounting  
The Company general follows the mercantile system of accounting and recognises income and expenditure on accrual basis.
  
- 3 Use of Estimates  
The preparation Financial Statement is in accordance with generally accepted accounting principles. As per the Management, the best estimates and assumptions are made wherever necessary and reported in the amount of assets and liabilities as on the date of financial statement as well as in the amount of revenue and expenses during the reporting period. The Management believes that the estimates used in the preparation of the financial statement are prudent and reasonable. Actual results could differ from these estimates. Any variance is recognised prospectively in current or future period in which the results are known/ materialised.
  
- 4 Provision, Contingent liabilities and Contingent Assets  
Provision, to the extent found necessary as per the Management, have been made based on best estimates and are also recognised in respect of present liability in respect of prior activity. Contingent Assets have not been recognised and hence not reported.

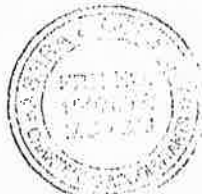
**B) Notes on Accounts**

	31 March, 2014	31 March, 2013
1 Managerial Remuneration under Section 198 of the Companies Act, 1956		
Salaires	(872.37)	(221.51)
2 Earnings Per Share	155,253.00	50,562.00
3 Payment to Auditors		
4 The Company as duly complied with the Accounting Standards referred to in sub-section 3 ( c ) of Section 211 of the Companies Act, 1956		
5 Previous year's figure have been regrouped and rearranged wherever necessary, to conform to this year's classification		

*Accounting Policies and Notes to Accounts  
Schedules referred above form part of accounts*

As per our Report of even date  
For ASHRA & COMPANY  
CHARTERED ACCOUNTANTS

J.M. ASHRA  
PARTNER  
Membership No. 103964



On Behalf of the Board  
Mumbai Metro Rail Corporation Limited

*Sanjay Selhi* *Uzma*  
Managing Director Director



Date: 6 DEC 2014  
Place: