



MMRC

मुंबई मेट्रो रेल कॉर्पोरेशन लि.

MUMBAI METRO RAIL CORPORATION LTD.



Annual Report
2016 - 2017



**TUNNELLING IN PROGRESS
AT NAYA NAGAR, MAHIM
FOR PACKAGE - 4**



MD MMRC Ms. Ashwini Bhide, IAS at Urban Mobility India Exhibition cum Conference 2016



MMRC Stall at Urban Mobility Conference um Exhibition 2016.



Glimpses of Groundbreaking ceremony of Package - 1...



Glimpses of Groundbreaking ceremony of Package - 1..



MMRCL officials and contractors on the occasion of signing Civil contract for Metro - 3.



Contractor receiving LOA from the hands of MR. S.K.Gupta, Director (Projects)



MD. MMRC, Ms. Ashwini Bhide welcoming Honble Chief Minister for TBM lowering event at Naya Nagar.



Hon'ble Chief Minister witnessing lowering of TBM at Nayanagar (1)



Unloading of TBM Cutter Head at Port



Geotechnical Survey at Girgaum



Glimpses of Groundbreaking ceremony of Package – 6



Secant Piling at Science Museum Station



Glimpses of Groundbreaking ceremony of Package - 7.



Temporary shaft Pali ground near marol naka



MD, MMRC along with team participated in the Standard Chartered Mumbai Marathon 2016.



MD, MMRC along with team participated in the Standard Chartered Mumbai Marathon 2016...

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MUMBAI METRO RAIL CORPORATION LTD.

BOARD OF DIRECTORS

Shri Rajiv Gauba	Chairman, MMRCL & Secretary – Ministry of Urban Development Government of India [upto 23.-6.2017]
Shri. Durga Shanker Mishra	Chairman, MMRCL & Secretary – Ministry of Urban Development Government of India [from 23.-6.2017]
Smt. Ashwini Bhide	Managing Director, MMRCL
Smt.Jhanja Tripathy	Joint Secretary & Financial Advisor, Ministry of Urban Development Government of India
Shri.M.K.Sinha	Director, MMRCL & OSD (UT) and Ex- officio Joint Secretary – Ministry of Urban Development, Government of India
Shri A.K.Gupta	Director, MMRCL & Director Electrical, Government of India
Shri .K.K.Aggrawal	Director, MMRCL & Divisional Railway Manager, Mumbai Central Division, Western Railway, Government of India
Shri U P S Madan	Director, MMRCL & Metropolitan Commissioner, Government of Maharashtra
Shri Ajoy Mehta	Director, MMRCL & Municipal Commissioner of Greater Mumbai, Government of Maharashtra
Dr.Nitin Kareer	Director, MMRCL & Principal Secretary Urban Development-1, Government of Maharashtra
Shri. D.K.Jain	Director, MMRCL & Additional Chief Secretary Finance, Government of Maharashtra
Shri S.K.Gupta	Director (Projects), MMRCL
Shri A.A.Bhatt	Director (Systems), MMRCL
Shri. A. Khandelwal	Director (Finance), MMRCL
Shri. Rahul Asthana	Independent Director, MMRCL
Shri. Aditya P Mishra	Independent Director, MMRCL

COMPANY SECRETARY

Ms. Ritu Deb

STATUTORY AUDITORS

M/s.RSVA & Co
Chartered Accountants,
Block – 1,3rd floor,
Khaitan Chambers,
143-145 Modi Street, Fort,
Mumbai – 400 001

SECRETARIAL AUDITOR

D.A.Kamat & Co
A/308, Royal Sands,
Shastri Nagar, Behind Fame Adlabs,
New Link Road,
Andheri (West), Mumbai – 400 053

BANKERS

- | | |
|------------------------|-------------------------|
| 1. State Bank of India | 3. United Bank of India |
| 2. HDFC Bank | 4. ICICI Bank |

REGISTERED OFFICE

MUMBAI METRO RAIL CORPORATION LIMITED

(JV of Govt.of India and Govt.of Maharashtra)
MMRDA Building, Plot No.14-15, BKC, Bandra (E), Mumbai – 400 051.

NOTICE

NOTICE is hereby given that the 9th Annual General Meeting of the Members of Mumbai Metro Rail Corporation Ltd (MMRCL) will be held on Saturday, 23rd day of September, 2017 at 11:45 AM at 9th Floor, “Committee Room”, New MMRDA Building, Bandra Kurla Complex, Bandra E, Mumbai - 400051 to transact the following business:

ORDINARY BUSINESS:

- (1)** To receive, consider and adopt the audited Balance Sheet as at 31st March, 2017 and Statement of Profit & Loss Account for the financial year ended on that date together with the Report of the Board of Directors and Auditors, including Report of the Comptroller & Auditor General, India thereon.
- (2)** To authorize the Board of Directors of the Company to fix the remuneration of the Statutory Auditors of the Company, as appointed by the Comptroller & Auditor General, India for the Financial Year 2017-18, in terms of the provisions of Section 139(5) read with Section 142 of the Companies Act, 2013.

SPECIAL BUSINESS:

- (3) Appointment of Shri. Durga Shanker Mishra, IAS as a Director of the Company**

To consider and if thought fit, to pass the following with or without modification as an **Ordinary Resolution**:

“RESOLVED THAT, in terms of the Letter No. K-14011/36/2009-Metro/MRTS-II (Vol III) dated 31st July, 2013 read with Letter No. 14011/17/2017/MRTS-Coord dated 29th June 2017 issued by the Government of India read with Section 160, 161 and other provisions of the Companies Act, 2013, as may be applicable, in this regard, and subject to all other Statutory Approvals as may be required in this regard, **Shri. Durga Shanker Mishra, IAS, Secretary,**



Ministry of Housing & Urban Affairs, Government of India, bearing DIN **No.02944212** be and is hereby appointed as an ex-officio Nominee Director of the Company with effect from 23rd June, 2017, until otherwise decided by the Government of India through further orders.”

“**RESOLVED FURTHER THAT**, Board of Directors and Company Secretary of the Company be and are hereby authorized to undertake all the necessary actions and file the necessary E-Forms to intimate the above appointment with the Ministry of Corporate Affairs and to undertake all the necessary steps in this regard.”

(4) Appointment of Shri. Abodh Khandelwal as Director of the Company:

To consider and if thought fit, to pass the following with or without modification as an **Ordinary Resolution**:

“**RESOLVED THAT**, in pursuance to Section 160, 161 and other provisions of the Companies Act, 2013, as may be applicable, and all other Statutory Approvals as may be required in this regard, **Mr. Abodh Khandelwal (DIN No. 07807394)**, who was appointed as an Additional Director in the Meeting of the Board of Directors dated 16th December, 2016, be and is hereby appointed as a Director of the Company.”

“**RESOLVED FURTHER THAT**, Board of Directors and Company Secretary of the Company be and are hereby authorized to undertake all the necessary actions and file the necessary E-Forms to intimate the above appointment with the Ministry of Corporate Affairs and to undertake all the necessary steps in this regard.”

(5) Appointment of Shri. Abodh Khandelwal as the Functional Director (Finance) of the Company

To consider and if thought fit, to pass the following with or without modification as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, and any other applicable provisions of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and subject to the requisite approval of the Central government, if any required, and subject to the provisions of the Memorandum and Articles of Association of the Company and such other Statutory Approvals, as may be required in this regard, the consent of the Members be and is hereby accorded for the appointment of **Mr. Abodh Khandelwal (DIN No. 07807394)**, as a Functional Director (Finance) being designated as Director of the Company for a period of 5 (five) years with effect from 29th March 2017 on the terms and conditions including remuneration set out in the Explanatory Statement annexed to the Notice convening this Meeting, including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year with liberty and power to the Board of Directors (hereinafter referred to as ‘the Board, which expression shall also include the Nomination and Remuneration committee for the Board, if any), in the exercise of its discretion, to grant increments and to alter and vary from time to time the terms and conditions of the said appointment, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modifications(s) or re-enactment thereof.

“RESOLVED FURTHER THAT, the minimum remuneration payable to Shri Abodh Khandelwal, in the event of loss or inadequacy of profits, if any, shall be as specified in the Section II Part II to Schedule V of the Companies Act, 2013, read with the provisions of Section 197 of the Companies Act, 2013.”

“RESOLVED FURTHER THAT, Board of Directors and Company Secretary of the Company be and are hereby authorized to undertake all the necessary actions and file the necessary E-Forms to intimate the above appointment with the Ministry of Corporate Affairs and to undertake all the necessary steps in this regard.”

(6) Appointment of Shri. K.K. Aggrawal as Director of the Company:

To consider and if thought fit, to pass the following with or without modification as an **Ordinary Resolution:**

“RESOLVED THAT, in terms of the Letter No. K-14011/12/2014–MRTS-II dated 30.09.2016, issued by Ministry of Urban Development, the Government of India read with Section 160, 161 and other provisions of the Companies Act, 2013, as may be applicable, and subject to the other Statutory Approvals as may be required in this regard, **Mr. Kailash Kumar Aggrawal, Executive Director (Works Planning), Railways** bearing **DIN No: 06589365** be and is hereby appointed as ex-officio of Government of India, Nominee Director of the Company with effect from 30th September, 2016, until otherwise decided by the Government of India, through further orders.”

“RESOLVED FURTHER THAT, Board of Directors and Company Secretary of the Company be and are hereby authorized to undertake all the necessary actions and file the necessary E-Forms to intimate the above appointment with the Ministry of Corporate Affairs and to undertake all the necessary steps in this regard.”

(7) Appointment of Shri. Rahul Asthana IAS (Retd), as Director of the Company

To consider and if thought fit, to pass the following with or without modification as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of section 149 of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and any other applicable provisions of the Companies Act, 2013, if any, and the provisions of the

Articles of Association, Mr. Rahul Asthana, IAS (retd) (DIN: 00234247) be and is hereby appointed as an Independent Director of the Company, for a tenure of 5 (five) years with effect from 8th September 2016.”

“**RESOLVED FURTHER THAT**, Board of Directors and Company Secretary of the Company be and are hereby authorized to undertake all the necessary actions and file the necessary E-Forms to intimate the above appointment with the Ministry of Corporate Affairs and to undertake all the necessary steps in this regard.”

(8) Appointment of Shri. Aditya Prakash Mishra as Director of the Company

To consider and if thought fit, to pass the following with or without modification as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of section 149 of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and any other applicable provisions of the Companies Act, 2013, if any, and the provisions of the Articles of Association, **Mr. Aditya Prakash Mishra**, (DIN: 03319240) be and is hereby appointed as an Independent Director of the Company, for a tenure of 5 (five) years with effect from 8th September 2016.”

“**RESOLVED FURTHER THAT**, Board of Directors and Company Secretary of the Company be and are hereby authorized to undertake all the necessary actions and file the necessary E-Forms to intimate the above appointment with the Ministry of Corporate Affairs and to undertake all the necessary steps in this regard.”

By Order of the Board

Place: Mumbai

Date: 24th July 2017

Sd/-

Company Secretary



NOTES:

- a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
- b) Members/ Proxies are requested to bring in duly filled in attendance slip attached herewith, to attend the Meeting.
- c) An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Businesses to be transacted at the Annual General Meeting (AGM) is annexed hereto.
- d) The Memorandum and Articles of Association of the Company, is available for the inspection of the Shareholders of the Company at the Registered Office of the Company on all working days (Mon to Fri) between 11:00 a.m. to 3:00 p.m. until the date of the Annual General Meeting.
- e) The Map to the Venue of the AGM is attached to this AGM Notice.

EXPLANATORY STATEMENT TO THE NOTICE

(Pursuant to Section 102 to the Companies Act 2013)

Item No. 3:

The Letter No. F. No. K-14011/36/2009/MRTS-II (Vol-III) dated 31.07.2013 read with Letter No. 14011/17/2017/MRTS-Coord dated 29th June 2017 as received by the Company from the Government of India appointing Shri. Durga Shanker Mishra, **IAS, Secretary, Ministry of Housing & Urban Affairs, Government of India**, as an ex-officio Nominee Director on the Board of the Company, in place of Shri. Rajiv Gauba, IAS with effect from 23rd June 2017. Accordingly, the Board of Directors appointed Shri Durga Shanker Mishra, as a Nominee Director on the Board of Directors of the Company with effect from 23rd June 2017.

The said appointment requires the approval of the shareholders by provisions of Section 152 of the Companies Act, 2013.

Shri. Durga Shanker Mishra, IAS, Secretary Ministry of Housing & Urban Affairs, Government of India has given his written consent to be appointed as Director of the Company and has declared that he is not disqualified from being appointed as per the provisions of the Companies Act, 2013.

There is no inter-se relationship between Shri Durga Shanker Mishra and other Directors

None of the Directors or Key Managerial Personnel (KMP) or their relatives, except Shri. Durga Shanker Mishra, IAS, Secretary Ministry of Housing & Urban Affairs, Government of India, is interested or concerned with the resolutions respectively, in any individual or personal manner, whatsoever, other than the shares held by them as nominees of the respective Governments and by virtue of being the nominees of the respective Governments on the Board of Directors



The Board recommends the approval of the resolutions set in Item No. 3 as Ordinary Resolutions by the Members.

Item No. 4 and 5:

The Board in their 31st Meeting vide Resolution no. 187(31)/14-15 approved the creation of the posts of Functional Directors. The Board vide Resolution No. 294(40)/16-17 approved the constitution of the Selection Committee for the post of Director (Finance) comprising Secretary, MoUD, Chairman, MMRCL; Metropolitan Commissioner, MMRDA & Director, MMRCL; Managing Director, MMRCL; Addl. Chief Secretary, Finance Dept. GOM & Director, MMRCL; Smt. Jhanja Tripathi, Director, MMRCL.

Accordingly, the Selection Committee chaired by the Chairman, MMRCL interviewed the candidates on 29th November, 2016. Based on evaluation of the candidates with the requisite criteria, the Selection Committee unanimously recommended for the appointment of Mr. Abodh Khandelwal as Director (Finance) with the IDA pay scale of Rs. 75,000 – 1,00,000/-.

Accordingly, Mr. Abodh Khandelwal was appointed as an Additional Director on the Board of Directors on 16th December 2016 and Functional Director (Finance) on the Board of Directors of the Company with effect from 28th April, 2017 and holds office till the date of the conclusion of this Annual General Meeting.

Further, in terms of the provisions of Section 196 and 197, any appointment of a Whole-time Director of the Company requires the approval of the Shareholders at the ensuing General Meeting.

The Shareholders are therefore requested to consider the said appointment. The salary and DA shall be as per IDA pay scale. Other allowances, perks, etc. are as per HR Policy approved by the Board. The appointment of Directors as made by the Board require to be ratified by the Shareholders at the ensuing Annual General Meeting.

The appointment, if approved, shall be for a period not exceeding 5 (five) years from 28th April 2017. In the event of loss or inadequacy of profits, the minimum remuneration payable to Shri Abodh Khandelwal, shall be subject to the limits specified under Section II Part II of Schedule V to the Companies Act, 2013.

There is no inter-se relationship between Shri Abodh Khandelwal and other Directors.

None of the Directors or Key Managerial Personnel (KMP) or their relatives, except Shri. Abodh Khandelwal, is interested or concerned with the resolutions respectively, in any individual or personal manner, whatsoever, other than the shares held by them as nominees of the respective Governments and by virtue of being the nominees of the respective Governments on the Board of Directors

The Board recommends the approval of the resolutions set in Item No. 4 and 5 as Ordinary Resolutions by the Members.

Item No. 6

In terms of the Letter No. K-14011/12/2014–MRTS-II dated 30.09.2016 issued by Government of India Ministry of Urban Development **Shri. Kailash Kumar Aggrawal, Executive Director (Works Planning)** is nominated in place of Shri. Shailendra Kumar with immediate effect. Accordingly, the Board appointed Shri Kailash Kumar Aggrawal as a Nominee Director on the Board of Directors of the Company with effect from 30th September 2016

The said appointment requires the approval of the shareholders by provisions of Section 152 of the Companies Act, 2013.

Kailash Kumar Aggrawal, Executive Director (Works Planning), Nominee of Government of India has given his written consent to be appointed as Director of the Company and has declared that he is not disqualified from being appointed as per the provisions of the Companies Act, 2013.

There is no inter-se relationship between Shri Kailash Kumar Aggrawal and other Directors

None of the Directors or Key Managerial Personnel (KMP) or their relatives, of Shri. Kailash Kumar Aggrawal, Executive Director (Works Planning), Nominee of Government of India, is interested or concerned with the resolutions respectively, in any individual or personal manner, whatsoever, other than the shares held by them as nominees of the respective Governments and by being the nominees of the respective Governments on the Board of Directors.

The Board recommends the approval of the resolutions set in Item No. 6 as Ordinary Resolutions by the Members.

ITEM No. 7:

The Board of Directors, in their Meeting held on 8th September 2016 had appointed Shri Rahul Asthana (DIN: 00234247) as an Additional Independent Director for a period of 5(five) years, with effect from 8th September 2016_ in terms of the provisions of Section 149(5) of the Companies Act, 2013. The said appointment has been recommended by the Nomination & Remuneration Committee of the Board of Directors.

Shri Rahul Asthana has given his written consent to be appointed as Director of the Company and has declared that he is not disqualified from being appointed as per the provisions of the Companies Act, 2013.

Further, the Company has received a Declaration of Independence U/s 149(6) of the Companies Act, 2013 from Shri Rahul Asthana.

Shri Rahul Asthana, fulfills the criteria for the appointment as an Independent Director, in the opinion of the Board of Directors.

There is no inter-se relationship between Shri Rahul Asthana and other Directors

None of the Directors or Key Managerial Personnel (KMP) or their relatives, of Shri. Rahul Asthana, Independent Director, is interested or concerned with the resolutions respectively, in any individual or personal manner, whatsoever, other than the shares held by them as nominees of the respective Governments and by being the nominees of the respective Governments on the Board of Directors.

The Board recommends the approval of the resolutions set in Item No. 7 as Ordinary Resolutions by the Members.

ITEM NO. 8:

The Board of Directors, in their Meeting held on 8th September 2016 had appointed Shri Aditya Prakash Mishra (DIN: 03319240) as an Additional Independent Director for a period of 5(five) years, with effect from 8th September 2016 in terms of the provisions of Section 149(5) of the Companies Act, 2013. The said appointment has been recommended by the Nomination & Remuneration Committee of the Board of Directors.



Shri Aditya Prakash Mishra has given his written consent to be appointed as Director of the Company and has declared that he is not disqualified from being appointed as per the provisions of the Companies Act, 2013.

Further, the Company has received a Declaration of Independence U/s 149(6) of the Companies Act, 2013 from Shri Aditya Prakash Mishra.

Shri Aditya Prakash Mishra, fulfills the criteria for the appointment as an Independent Director, in the opinion of the Board of Directors.

There is no inter-se relationship between Shri Aditya Prakash Mishra and other Directors

None of the Directors or Key Managerial Personnel (KMP) or their relatives, of Shri. Aditya Prakash Mishra, Independent Director, is interested or concerned with the resolutions respectively, in any individual or personal manner, whatsoever, other than the shares held by them as nominees of the respective Governments and by being the nominees of the respective Governments on the Board of Directors.

The Board recommends the approval of the resolutions set in Item No. 7 as Ordinary Resolutions by the Members.

By Order of the Board

Place: Mumbai
Date: 24th July 2017

Company Secretary

ADDITIONAL INFORMATION REQUIRED TO BE DISCLOSED UNDER THE SECRETARIAL STANDARDS- I

Name of the Director	Durga Shanker Mishra	Abodh Khandelwal	Kailash Kumar Aggrawal
Age	56 yrs	56 yrs	54 yrs
Qualification	IAS	CA	ENGINEER
Date of First Appointment in current designation	23 rd June 2017	16 th December 2016	30 th September 2016
Shareholding in the Company	NIL	NIL	NIL
Details of Remuneration last approved	Not Applicable	Specified in Explanatory Statement	Not Applicable

Name of the Director	Rahul Asthana	Aditya Prakash Mishra
Age	64 yrs	64 yrs
Qualification	Bachelor of Technology (B.Tech) IAS (Retd)	B.Tech Civil Engineering. Qualified Combined Engineering Services Examination
Date of First Appointment in current designation	8 th September 2016	8 th September 2016
Shareholding in the Company	NIL	NIL
Details of Remuneration last approved	Not Applicable	Not Applicable

CHAIRMAN'S SPEECH

Dear Shareholders,

I take this privilege to welcome you all to the 9th Annual General Meeting of Mumbai Metro Rail Corporation Limited.

The Directors' Report, the Audited Annual Accounts, Independent Statutory Auditors Report for the Financial year 2016-17 along with the comments of the Comptroller and Auditor General of India thereon, have already been circulated to all the shareholders and with your permission, I take them as read.

During the year under review, Company's Equity base has increased from Rs.73.20 Crores to Rs. 515.20 Crores. The corporation by judiciously deploying the funds at its disposal, earned interest income to the tune of Rs. 14.41 crores during 2016-17 as against Rs. 6.45 crores during 2015-16.

The number of Directors in the Board are 15 (fifteen) comprising five representatives each from Government of India, and Government of Maharashtra, three functional Directors and two Independent Directors.

You are all aware that acquisition of temporary and permanent land are essential for execution of Metro Rail Project. Your company has taken every endeavor in achieving this. We have already received possession of temporary land admeasuring 68.62 ha and permanent land admeasuring 5.76 ha. The process of acquisition of private land has been initiated and notice served to land owners under Maharashtra Regional & Town Planning Act, 1966 (MR&TP). Consultations are in progress. Negotiations with 70 Private land owners were initiated for acquisition under MR&TP Act and nearly 29 MoUs have been signed till March 2017. A Joint measurement

proposal was sent to SLR Mumbai City/Mumbai Suburban and 27 proposals are still ending for Legal opinion regarding Ownership and Title Search Report.

Rehabilitation & Resettlement(R&R) of 2807 Project affected Families/business & individual has been taken up by the Company as per State Government/Mumbai Urban Transport Project R & R Policy. Public consultations were held for all affected slum dweller families as well as Project Affected People (PAP) on Private Land including Girgaon & Kalbadevi. The approved Rehabilitation & Redevelopment through Action Plan was explained to Project Affected People (PAP) & amount of Rent/Transit Accommodation at MHADA Scheme is offered. Shifting process will be initiated thereafter. Slum Rehabilitation Authority(SRA) has handed over possession of 1012 additional tenements at Chakala, Andheri (E). MMRC has already rehabilitated 1310 PAPs from proposed BKC metro Station, Sahar Road, Sariput Nagar, Vidya Nagari and TBM Launching Site at Naya Nagar. Shifting of remaining PAPs on government land/other priority sites is in process and will be completed within next few months.

We have also received approval from Western Railway for Land requirement at Mumbai Central. Western Railway have agreed on revised Lease charges amounting to Rs. 44 Crores and your Company has paid the requisite amount on 07.12.2016. Company has also taken over possession of Permanent Land and Temporary Land from Western Railway.

As regards, the Forest and Coastal Regulation Zone (CRZ): Ministry of Environment, Forest and Climate Change (MoEFCC) of India, Govt of India, Regional office granted 1st stage forest clearance (In principle approval) under Section 2(II) of Forest Conservation Act, 1980 for diversion of 0.91 ha of forest land at BKC station and for diversion of 0.34 ha of land at Dharavi station. I am glad to state that Maharashtra Coastal Zone Management Authority (MCZMA) in its 119th meeting held on 30/06/2017 recommended proposals of Vidhan Bhawan station (part of station box, entry, exit and ventilation shaft) in CRZ II area / CRZ

III (small portion) and BKC casting yard at BKC to State Level Environmental Impact Assessment Authority (SEIAA).

Your Company has signed a MoU with Mumbai International Airport Limited (MIAL) on 16th September 2015 as a stake holder and MIAL have started contributing their share accordingly. A portion of the land at terminal 2 at CSI Airport Mumbai was under litigation. On advice of Ministry of Civil Aviation (MOCA) your company filed application in the Hon'ble High Court seeking relief for construction of Metro station on the said litigated land pending settlement of the dispute. Hon'ble High court vide order dt. 04/07/2016 has given relief to us and permitted handing over of land for construction of Metro station pending settlement of the dispute. Airport Authority of India vide letter dt. 2/11/2016 accorded in-principle approval for working permission to us for executing work on the suit land and work has commenced accordingly.

We have also signed a MoU with Brihanmumbai Electric Supply and Transportation (BEST) to facilitate construction of Stations and allied facilities at Hutatma Chowk and Science Museum. On 30th December 2016, Government of Maharashtra has approved modified option for car depot in 25 Ha. at Aarey colony. The subject land is excluded from Eco Sensitive Zone by Ministry of Environment and Forests. The tenders for the Depot work has also been awarded.

For the Project alignment and stations, the Municipal Corporation of Greater Mumbai (MCGM) has already identified 3891 trees that would come in the way of our project. Out of that, 1074 trees are to be cut, 1727 trees are to be transplanted and 1090 trees are to be retained and accorded its permission. The utilities likely to be affected have been identified and mapped. A writ petition was filed in High Court, Mumbai, as the permission granted by MCGM and the High Court has granted a stay on this issue. This matter reached upto Supreme Court, which dispose off the matter on 09.02.2017.

General Consultants (Agreement with GC was signed on 26th May 2015) has worked out an outline of Master program and has assumed that the entire Line 3 corridor will be commissioned in 3 phases considering Civil Works, key dates and installation, testing commissioning of various system Contracts.

On the project Implementation side, the Letter of Acceptance of Contracts were awarded on 1st of July 2016 and Contract agreement was signed on 18th July 2016. Based on date of Award and Signing of Contract Agreement of Seven Civil works (Underground Stations and Tunnels), Contracts for 7 packages of civil works signed and physical works in all contracts have commenced. Geotechnical investigation, survey, detailed design, Secant piling and casting yard work are under progress. TBMs supply has already been commenced from July 2017. Setting up of casting yards for manufacturing segments for tunnels is in progress in all seven packages.

During the year, your company has already released mobilization advance of Rs.460.04 Crores, Plant & Machinery advance amounting to Rs. 475.78 Crores and timely payment of on –account bills to the tune of Rs.469.51 Crores, to hasten the progress of construction phase of the project.

The Request for Proposals (RFP) for procurement of System Packages is under different stages for approval of Japan International Cooperation Agency (JICA). In this regard, the Prequalification process has been completed & bidders finalized for all the applicable packages viz. power supply & traction, tunnel ventilation & environmental control system, lifts & escalators, signaling & train control, platform screen doors & telecom systems, automatic fare collection system, rolling stock system and track system.

We have also signed a MoU with Tata Power on 15.02.2017 for availing 110KV power supply from Tata Power on techno commercial consideration. Tata Power has already submitted a Multi-Year Tariff proposal for period upto 2019-2020, wherein Metro category tariff has been proposed to be kept very reasonable.



As on 31st March 2017, we have in total 110 employees in the category of Regular, Deputation and Long-Term Contract and 43 posts were in the process of appointment.

I feel glad to inform you that In line with other Metros, we have also been accorded status of Founding membership by Indian Green Building Council (IGBC) to pursue green initiatives in Line 3 Projects.

Finally, I would like to extend my sincere gratitude to the stakeholders' viz. Government of India and Government of Maharashtra, MMRDA, agencies like Japan International Cooperation Agency (JICA), MIAL, various consultants and contractors for their contribution in the implementation of the project. I would also like to thank the members of the Board for their insights and advice which have greatly contributed to the advancement of the Company.

I would also like to record my acknowledgement for the efforts of the employees, their dedication and hard work in the growth of the organisation.

Durga Shanker Mishra

Chairman

Mumbai Metro Rail Corporation Limited

DIRECTORS REPORT

To,
The Members,
Mumbai Metro Rail Corporation Limited
Mumbai

Your Directors have the pleasure in presenting to you, the 9th Report of the Board of Directors of the Company on the business, operations and financial position of the Company for the Financial Year 2016-2017.

1. Financial Results and Performance

The financial position of the Company for the Financial Year ending on 31st March, 2017

(All figures in Rs. in Lakhs)

Particulars	FY 2016-2017	FY 2015-2016
Total Income	1440.86	644.70
Less: Operating Expenses	837.19	264.79
Less: Depreciation	120.93	47.19
Less: Financial Expenses	0	0
Less: Exceptional Items	0	0
Profit (Loss) Before Tax	482.74	332.72
Less: Tax Expense	529.23	113.99
Net Profit (Loss) After Tax	(46.49)	218.73
Transfer to General Reserves	0	0
Profit Carried Forward to the Balance Sheet	(46.49)	218.73

2. Transfer to General Reserves:

The Board has not transferred any amount to the General Reserves.

3. Dividend for the Financial Year 2016-17

In lieu of the losses for the current and the previous Financial Years, the Board of Directors do not recommend any Dividend on the Equity Shares of the Company.

4. Status of the Company

The Company was incorporated as a State Government Company and a wholly-owned subsidiary of MMRDA, in April 2008. In the Financial Year (2014-15), the Company has become



a 50:50 Joint Venture between the Government of India and Government of Maharashtra (through MMRDA).

The Government of India has vide their Letter No. 14011/36/2009Metro /MRTS-II (Vol III) dated 18th July 2013, appointed the Company as the Special Project Vehicle (SPV) for the execution of the Metro Line III (Colaba-Bandra-SEEPZ) Project.

The Memorandum of Association and Articles of Association reflect the change in the status of the Company, from a State Government Company to a Government Company, being a Joint Venture between Government of India and Government of Maharashtra.

5. Issue of Shares of the Company

The Authorized Share Capital of the Company stands at Rs. 50,00,00,00,000 (Rupees Five Thousand Crores only) consisting of 50 Crore Equity Shares of Rs. 100/- each.

The Company has made a Right issue of 44,200,000 equity shares of Rs. 100 each to the nominees of Government of India and Government of Maharashtra in due compliance of the provisions of Section 62 of the Companies Act, 2013 during the Financial Year 2016-17, the details are given Below:

Sr.No.	Date of Board Meeting	Number of Shares	Total Consideration
1	8 th September, 2016	23400000	2,340,000,000
2	16 th December, 2016	20800000	2,080,000,000
	Total	44200000	4,420,000,000

6. Operations of the Company

Pursuant to the approval of the Central Government vide their Letter No. 14011/36/2009-Metro /MRTS-II (Vol III) dated 18th July 2013 the Company is a SPV for the Metro Line III project for the Colaba-Bandra-SEEPZ Line. During the year under review, the Company has:

Mumbai Metro Master Plan prepared for the Mumbai City as about 150 km of Metro network, out of which 12 km has been implemented on BOOT process MMRDA. The Corporation is currently implementing the Metro Line-3 from Colaba-Bandra-SEEPZ which is 33.5 km project execution is expected to be completed by 2020. The State Govt. decided to implement the remaining corridor through MMRDA (an alternative institutional arrangement).

7. Board of Directors and Key Managerial Personnel

During the period of this Report, there were significant changes in the composition of the Board of Directors of the Company. The Board of Directors as on the date of this Report are as follows:

Name of the Director	DIN	Date of Appointment	Designation
Shri. Durga Shanker Mishra	02944212	23/06/2017	Chairman /Nominee Director
Smt. Jhanja Tripathy	06859312	12/08/2014	Nominee Director
Shri. Mukund Kumar Sinha	06774923	11/03/2015	Nominee Director
Shri. Anoop Kumar Gupta	06572327	12/08/2014	Nominee Director
Shri. Kailash Kumar Aggarwal	06589635	30/09/2016	Nominee Director
Shri. Urvinder Pal Singh Madan	03570256	02/03/2013	Nominee Director
Shri. Ajoy Mehta	00155180	27/04/2015	Nominee Director
Dr. Nitin Nandkishore Kareer	01624863	05/01/2015	Nominee Director
Shri. Dinesh Kumar Jain	07239310	27/04/2016	Nominee Director
Smt. Ashwini Satish Bhide	02861008	05/01/2015	Managing Director/Nominee Director
Shri. Subodh Kumar Gupta	07114292	14/01/2015	Functional Director
Shri. Ajaykumar A. Bhatt	07110097	06/02/2015	Functional Director
Shri. Abodh Khandelwal	07807394	28/04/2017	Functional Director
Shri. Rahul Asthana	00234247	08/09/2016	Independent Director
Shri. Aditya Prakash Mishra	03319240	08/09/2016	Independent Director

Shri. Rajiv Gauba ceased to be a part of the Board of Directors on account of transfer/ withdrawal of nomination by Government of India w.e.f. 23/06/2017. The Board of Directors places on record its appreciation to for the contribution and inputs during Shri. Rajiv Gauba's tenure with the Board. Shri. Durga Shanker Mishra was appointed as the Chairman & Director of the Company with effect from 23/06/2017.

Further, during the Financial Year 2016-17, Shri. Dinesh Kumar Jain and Shri. Kailash Kumar Aggarwal were appointed as Nominee Directors on the Board of Directors of the Company, in place of Shri S.K. Srivastava and Shri Shailendra Kumar Sharma.

Further, in terms of the provisions of Section 152 of the Companies Act, 2013, the appointment of Shri Aditya Prakash Mishra, Shri Rahul Asthana and Shri Abodh Kumar Gupta are required to be approved by the Shareholders in the 9th Annual General Meeting of the Company. The Board of Directors recommend their appointment.

There was change in the Key Managerial Personnel of the Company. The details of the Key Managerial Personnel are as follows:

Name	Designation	Date of Appointment	Date of Resignation
Smt. Ashwini Bhide	Managing Director	05 th January 2015	-
Ms. Ritu Deb	Company Secretary	15 th April 2015	-
Shri. Abodh Khandelwal	Chief Financial Officer	29 th March, 2017	-
Shri. Indranil Sarkar	Chief Financial Officer	-	29 th March, 2017

The details of the remuneration paid to the Functional Director, Managing Director and Key Managerial Personnel are provided in Form MGT-9 which forms an Annexure to this Report.

8. Independent Directors

The Company has appointed Shri Rahul Asthana and Shri Aditya Prakash Mishra as the Independent Directors in its Board Meeting held on 8th September 2016. The Independent Directors have given their Declaration of Independence U/s 149(6) of the Companies Act, 2013 for the Financial Year 2016-17.

Further, the Independent Directors of the Company met separately, without the presence of the Executive Directors, Nominee Directors and Key Managerial Personnel on 30th March, 2017 in terms of the provisions of Schedule IV to the Companies Act, 2013.

9. Details of the Board Meetings and Committee Meetings

(a) Board Meetings

The Board of Directors met 4 times during the Financial Year 2016-2017, the details of which were as follows:

Number of Board Meeting	Date of the Board Meeting	No. of Directors Present
39 th	27 th May, 2016	9
40 th	8 th September, 2016	10
41 st	16 th December, 2016	10
42 nd	9 th March, 2017	9

Name of Directors	No of Board Meetings held during FY 2016-17		
	Held	Eligible to attend	Attended
Shri. Ajoy Mehta	4	4	1
Dr. Nitin Nandkishor Kareer	4	4	3
Smt. Ashwini Satish Bhide	4	4	4
Shri. Urvinder Pal Singh Madan	4	4	3
Shri. Rajiv Gauba	4	4	4
Shri. Anoop Kumar Gupta	4	4	4
Shri. Mukund Kumar Sinha	4	4	3

Smt. Jhanja Tripathy	4	4	4
Shri. Dinesh Kumar Jain	4	4	1
Shri. Ajaykumar A. Bhatt	4	4	3
Shri. Subodh Kumar Gupta	4	4	3
Shri. Kailash Kumar Aggarwal	4	2	2
Shri. Aditya Prakash Mishra	4	1	1
Shri. Rahul Durgaprasad Asthana	4	2	2

The time gap between two Board Meetings did not exceed 120 days and one Board Meeting is held in every quarter. Adequate quorum was present for all Board Meetings. The Company follows the necessary compliance under Secretarial Standard-1 ("SS-1") issued by the Institute of Company Secretaries of India (ICSI) in respect of the conduct of the Board Meetings.

(b) Audit Committee

As per the provisions of the Companies Act, 2013, the Board of Directors have constituted an Audit Committee of the Board of Directors.

The quorum for Audit Committee is 2 members personally present.

The composition of the Audit Committee and the details of meetings attended by its members are given below:

Sr. No.	Name	Designation	Number of Meeting during the year	
			Held	Attended
1	Smt. Jhanja Tripathy	Chairperson	4	4
2	Shri. U. P .S Madan	Member	4	3
3	Shri. Rahul Asthana*	Independent Director	4	1
4	Shri. Aditya Prakash Mishra*	Independent Director	4	1
5	Shri. Ajaykumar A Bhatt	Member	4	3

*Shri Rahul Asthana and Shri Aditya Prakash Mishra, Independent Directors both were appointed during the year on 08/09/2016.

The Audit Committee Meetings were held on 8th September, 2016 ,22nd September, 2016 ,16th December,2016 and 9th March, 2017 during the financial year 2016-2017 .

The Company in its Board Meeting held on 24th July, 2017 re-constituted its Audit Committee as follows:

Sr. No.	Name	Designation
1	Shri. U. P .S Madan	Chairman
2	Shri. Rahul Asthana	Independent Director & Member
3	Shri. Aditya Prakash Mishra	Independent Director & Member

(c) Nomination and Remuneration Committee

As per the provisions of the Companies Act, 2013, the Board of Directors have constituted a Nomination and Remuneration Committee of the Board of Directors.

The quorum for Nomination and Remuneration Committee is two member personally present.

The composition of the Nomination and Remuneration Committee and the details of meetings attended by its members are given below:

Sr. No.	Name	Designation	Number of Meeting during the year	
			Entitled	Attended
1	Dr. Nitin Kareer	Chairman	3	1
2	Smt. Jhanja Tripathy	Member	3	2
3	Smt. Ashwini Bhide	Member	3	3
4	Shri. Rahul Asthana*	Independent Director	3	2
5	Shri. Aditya Prakash Mishra*	Independent Director	3	1

*Shri Rahul Asthana and Shri Aditya Prakash Mishra, Independent Directors both were appointed during the year on 08/09/2016.

The Nomination and Remuneration Committee was held on 8th September, 2016, 16th December, 2016 and 9th March 2017 during the year.

The Company is under the process of reconstituting the Nomination & Remuneration Committee in terms of the composition mandated by the provisions of Companies Act, 2013.

A copy of the Nomination and Remuneration Policy is attached as **Annexure I** to this Report.

(d) Corporate Social Responsibility Committee

As per the provision of Section 135 of the Companies Act, 2013 the Board of Directors constituted Corporate Social Responsibility Committee of the Board of Directors.

The quorum for Corporate Social Responsibility Committee is two member personally present.

The composition of the Corporate Social Responsibility Committee and the details of meetings attended by its members are given below:

Sr. No.	Name	Designation	Number of Meeting during the year	
			Entitled	Attended
1	Shri Rahul Asthana	Chairman	1	1
2	Shri Aditya Prakash Mishra	Member	1	1
3	Smt. Ashwini Bhide	Member	1	1

The Corporate Social Responsibility Committee was held on 30th March, 2017 during the year.

The Company is required to constitute a CSR Committee since it meets the criteria specified U/s 135(1) of the Companies Act, 2013, relating to the Net worth of the Company. However, the Company has not incurred any Profits for the previous three Financial Years. Accordingly, the CSR liability required to be undertaken during the Financial Year was nil.

The details of the CSR Policy along with the CSR Spend and reasons for non-spending, if any, are attached as an **Annexure II** to this Report.

(e) Share Allotment Committee

As per the provision of the Companies Act, 2013, the Board of Directors Constituted Share Allotment Committee of the Board of Directors. The Committee is a non-mandatory Committee of the Board of Directors.

The quorum for Share Allotment Committee is two member personally present.

The composition of the Share Allotment Committee and the details of meetings attended by its members are given below:

Sr. No.	Name	Designation	Number of Meeting during the year	
			Entitled	Attended
1	Shri. U. P. S. Madan	Chairperson	2	2
2	Shri. Jhanja Tripathy	Member	2	0
3	Smt. Ashwini Bhide	Member	2	2
4	Shri. Rahul Asthana	Independent Director	0	0
5	Shri. Aditya Prakash Mishra	Independent Director	0	0

The Share Allotment Committee was held on 13th September, 2016 and 4th January 2017 during the year.

10. Annual Evaluation of the Board of Directors:

The Board of Directors has adopted an evaluation framework for the annual evaluation of the Board of Directors as mandated by the Companies Act, 2013. The Independent Directors in their Meeting held under Schedule IV to the Companies Act, 2013, evaluate the performance

of the Executive and Non-Independent Directors. Further, the Nomination & Remuneration Committee evaluates the performance of all the Directors, on the established criteria set out as per the parameters in the Nomination & Remuneration Policy. Further, the Board of Directors collectively evaluate the performance of the Directors, Committees of the Board and the Board as a whole, on the established parameters

11. Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report

There are no material changes and commitments, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report.

12. Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future

There is no significant and material orders passed during the year under review, affecting the going concern status of the Company's operation.

13. Deposits:

The Company has not taken, accepted any Deposits during the year under review. Further, there are no amounts outstanding which fall within the purview of the Companies (Acceptance of Deposits) Rules, 2014.

14. Statutory Auditors:

By virtue of being a Government Company, pursuant to the provisions of Section 139(5) of the Companies Act, 2013, the Statutory Auditors of the Company are appointed by the Office of the Comptroller & Auditor General, India (CAG).

The CAG has appointed M/s RSVA & Co., Chartered Accountants (Firm Regn No: 110504W) as the Statutory Auditors of the Company for the Financial Year 2017-18.

Further, there are no frauds reported U/s 143(12) of the Companies Act, 2013, by the Statutory Auditors, requiring disclosure in the Directors Report or reporting to the Central Government.

15. Comments on the Report of the Statutory Auditors:

There are no comments, observations or remarks in the Statutory Auditors' Report requiring a reply from the Board of Directors of the Company. All comments, observations and remarks, if any are self-explanatory in nature.

16. Report of the Comptroller & Auditor General, India (CAG):

The review and Audit by Comptroller & Auditor General, India for the Financial Year 2016-17 is pending and accordingly, the Audit Report is awaited.

17. Secretarial Auditors:

The Board of Directors have appointed M/s D. A. Kamat & Co, Company Secretaries, Mumbai as the Secretarial Auditors for the Company, in terms of the provisions of Section 204 of the Companies Act, 2013. A copy of their Secretarial Audit forms a part of this Report as **Annexure III**.

18. Reply to Comments on the Report of the Secretarial Auditors:

The Board in its Meeting held on 24th July, 2017 re-constituted its Audit Committee of the Company under Section 177 of the Companies Act, 2013 and the company is under the process of complying with the requirements of Section 178 in respect of the re-constitution of the Nomination and Remuneration Committee of the Company.

19. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:

During the Financial Year 2016-17, the details of the conservation of energy, technology absorption and Foreign Exchange Earnings and Outgo are as follows:

A) Conservation of energy:	
(i) the steps taken or impact on conservation of energy;	<ul style="list-style-type: none"> i. LED as base lighting in metro systems. ii. Providing LED base signage
(ii) the steps taken by the company for utilizing alternate sources of energy;	<ul style="list-style-type: none"> i- Channeling natural light. ii- Implementing Solar energy in depot etc.
(iii) the capital investment on energy conservation equipment's;	<ul style="list-style-type: none"> i- Smart lighting system at stations i.e. public occupation base lighting, natural lighting mix lighting, use of dimmer during nonpeak periods. ii- Video monitoring of passenger density for lighting control. iii- Controlled air-conditioning based on public occupation. iv- Use of high efficiency chiller plant.

(B) Technology absorption:	
(i) The efforts made towards technology absorption;	i- Linking Regenerative braking during tender evaluation. ii- LED base smart lighting & smart AC in coaches. iii- Light weight bogies.
(ii) The benefits derived like product improvement, cost reduction, product development or import substitution;	i- Permanent magnet motors. ii- Heat exchanger in HVAC in coaches.
(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	
(a) The details of technology imported;	
(b) The year of import;	
(c) Whether the technology been fully absorbed;	
(d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	
(iv) The expenditure incurred on Research and Development.	
(C) Foreign exchange earnings and Outgo:	
The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.	NIL

20. Particulars of Loans, Investments and Guarantee in terms of Section 134(3) (g) of the Companies Act 2013

During the year under review, the Company has not given any loans, made any investments or given guarantees on any loans, which fall within the purview of the provisions of Section 134(3)(g) of the Companies Act, 2013 and hence, there are no disclosures required to be made thereof.

21. Particulars of Contracts or Arrangements with Related Parties

The particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act 2013 for the Financial Year 2016-17 in the prescribed format, AOC-2 has been enclosed to this Report as “**Annexure IV**”.

22. Extract of the Annual Return

The extract of the Annual Return for the Financial Year 2016-17, in Form MGT-9 as required under the provisions of the Companies Act, 2013, is attached as “**Annexure V**” to this Report.

23. Employees

- (i) There are no employees drawing remuneration in excess of Rs. 8,50,000 per month or Rs. 1,02,00,000 per annum. The details of the remuneration paid to the Functional Directors are as stated in the Audited Accounts for the Financial Year 2016-17.
- (ii) Further, the Board of Directors hereby state that the Company has not received any complaints under “The Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2011” during the Financial Year under review.

24. Risk Management Policy:

The Company has a Risk Management Policy in line with the nature of the business of the Company. The Board of Directors / Audit Committee undertakes regular review and monitoring of the same, as deemed fit.

In the opinion of the Board, there are no visible risks that threaten the Company’s existence.

25. Internal Financial Controls:

The Board of Directors inter alia review the internal policies and procedures of the Company in respect to the Financial Statements to ensure that there is an orderly and efficient detection of frauds and errors, if any. Further, internal policies and procedures are in place to determine

the accuracy and completeness of the accounting records and there is a system in place for preparation of reliable financial information.

26. Directors Responsibility Statement

The Directors hereby state that:

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The directors had prepared the annual accounts on a going concern basis; and
- (e) The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

27. Acknowledgments

The Board of Directors place on record its gratitude to the Government of India, Government of Maharashtra and regulatory authorities for their support. The Board also places on record its sincere gratitude to its bankers, employees and officers for their support and co-operation.

**For and on behalf of the Board of Directors
Mumbai Metro Rail Corporation Limited**

**Place: New Delhi
Date: 24/07/2017**

**Sd-
Chairman**

FORM NO MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017

[Pursuant to Section 204(1) of the Companies Act 2013 and rule No.9 of Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The members,

MUMBAI METRO RAIL CORPORATION LIMITED

Mumbai

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Mumbai Metro Rail Corporation Limited** (hereinafter called the "Company"). Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon. Our Report is to be read along with the attached Note in **Annexure I** and other Annexures to this Report, which form an integral part of this Report.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company on a test check basis and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the secretarial audit, We hereby report that in our opinion, the company has during the audit period covering the financial year ended on **31st March, 2017** complied with the statutory provisions listed hereunder and also that the Company has the proper Board-process and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by the Company. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

- I.** We have examined the books, papers, minute books, forms and returns filed, reports issued by various fellow professionals and other applicable records and registers and maintained by the Company for the financial year ended on **31st March, 2017** and stated in **Annexure II** according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made there under, to the extent applicable to the Company

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above to the extent stated in this Report.

2. As the Company is an Unlisted Public Limited Company, the provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company, under the financial year 2016-17 under report:
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board (Buyback of Securities) Regulations, 1998;
 - (i) The Securities and Exchange Board of India (Stock Brokers and Sub-brokers) Regulations, 1992.
 - (j) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
 - (k) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (to the extent applicable to a Market Intermediary);
 - (l) The Securities and Exchange Board of India (Research Analyst) Regulations, 2014
 - (m) The Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Listing Agreements.

II. We further report that having regard to the compliance system prevailing in the Company and on examination of the relevant submissions and documents in pursuance to thereof, on a **test check** basis, the Company has complied with the laws specifically applicable to the Company as specified in **Annexure III.**

- II.** We have examined the compliances of the applicable provisions of Secretarial Standards I and II as issued by the Institute of Companies Secretaries of India and notified by the Ministry of Corporate Affairs and applicable with effect from July 1, 2015.

We further report that:

During the period under review, the Board of Directors of the Company have been duly constituted in accordance with the provisions of the Companies Act, 2013 and applicable provisions. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act. The Board was required to re-Constitute it's Audit Committee under section 177(2) and Nomination and Remuneration Committee under section 178(1) of the Companies Act, 2013 and the same was pending as at 31st March, 2017

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the year under report, the Company has undertaken following event / action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc referred to above viz.

1. The Company has made a Right issue of 44,200,000 equity shares of Rs. 100 each to the nominees of Government of India and Government of Maharashtra in due compliance of the provisions of Section 62 of the Companies Act, 2013, the details are given Below:

Sr. No.	Date of Board Meeting	Number of Shares	Total Consideration
1	8 th September, 2016	23400000	2,340,000,000
2	16 th December, 2016	20800000	2,080,000,000
	Total	44200000	4,420,000,000



2. The Company has litigations pending under different Courts and under various Acts for which we have obtained management representation for the same. The matters being subjudice, we do not comment on the same.

Place: Mumbai

Date: 18/07/2017

**For D. A. Kamat & Co.
Practising Company Secretary**

**D.A. Kamat
Partner
FCS 3843, CP No. 4965**

Our Report to be read along with the attached note in Annexure I and other Annexures to this Report, which form an integral Part of this Report

Annexure I –Notes on the Secretarial Audit Report of Mumbai Metro Rail Corporation Limited dated 17/07/2017

Our report of even date is to be read along with the following Notes:

- i. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- ii. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- iii. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
- iv. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- v. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- vi. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Mumbai

Date: 18/07/2017

**For D. A. Kamat & Co.
Practising Company Secretary**

**D.A. Kamat
Partner
FCS 3843, CP No. 4965**

Annexure II – List of Documents maintained and perused for the purpose of the Secretarial Audit Report dated 17/07/2017

No.	List of Documents
1.	Minutes of the Board of Directors Meetings, including Committee Meetings (mandatory and non-mandatory)
2.	Notices issued to the Directors and the Agenda Papers sent thereof
3.	Attendance Registers for the Meetings of the Board of Directors and Shareholders
4.	Notices and Minutes of the General Meetings of the Company
5.	Statutory Registers maintained by the Company
6.	Draft Internal Audit Reports issued by the Internal Auditors
7.	General and Specific Disclosures of Interest issued by the Directors and maintained by the Company as per the provisions of Section 184 of the Companies Act, 2013
8.	Draft of the Financial Statements prepared in respect to the Companies Act, 2013 and the Draft of the Auditors Report for the Financial Year 2016-17
9.	Annual Return under the Sexual Prohibition Act
10.	Compliance Certificates issued by the Contractors including the Registration Licences issued by the applicable Authorities (test check basis)
11.	Checklists and details of applicability of specifically applicable laws on a test check basis to the various packages under the Project.

Annexure III – List of other Acts specifically applicable to the Company as declared by the Management:

- 1.** Metro Railways (Construction of Works) Act, 1978;
- 2.** Metro Railways (Operation and Maintenance) Act, 2002;
- 3.** Metro Railways (Amendment) Act, 2002
- 4.** Indian Railways Act, 1890



MUMBAI METRO RAIL CORPORATION LTD.

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on financial year ended on 31.03.2017
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I REGISTRATION & OTHER DETAILS:

i	CIN	U60100MH2008SGC181770
ii	Registration Date	181770
iii	Name of the Company	MUMBAI METRO RAIL CORPORATION LIMITED
iv	Category/Sub-category of the Company	COMPANY LIMITED BY SHARES
v	Address of the Registered office & contact details	MMRDA BUILDING, PLOT NO C- 14 - 15, BANDRA KURLA COMPLEX, BANDRA (EAST), MUMBAI-400051
vi	Whether listed company	N.A
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	N.A

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated

Sl No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	To carry on the business to set up, manage, operate and maintain a rail based mass rapid transport system in Mumbai to provide the General Public with fast reliable, convenient, efficient, modern and economical mode of public transport.	60212	NIL

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

Sl No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	N.A				

IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
A. Promoters										
(1) Indian										
a) Individual/HUF		0	0	0%		0	0	0%		
b) Central Govt. or State Govt.		0	0	0%		0	0	0%		
c) Bodies Corporates		7319994	7319994	99.99%		51519994	51519994	99.99%		No change
d) Bank/FI		0	0	0		0	0	0		
e) Any other		0	0	0		0	0	0		
SUB TOTAL:(A) (1)		7319994	7319994	99.99%		51519994	51519994	99.99%		No change
(2) Foreign										
a) NRI- Individuals		0	0	0		0	0	0		
b) Other Individuals		0	0	0		0	0	0		
c) Bodies Corp.		0	0	0		0	0	0		
d) Banks/FI		0	0	0		0	0	0		
e) Any other...		0	0	0		0	0	0		
SUB TOTAL (A) (2)		0	0	0		0	0	0		No change
Total Shareholding of Promoter										
(A)= (A)(1)+(A)(2)		7319994	7319994	99.99%		51519994	51519994	99.99%		No change

B. PUBLIC SHAREHOLDING												
(1) Institutions												
a) Mutual Funds												
b) Banks/FI												
c) Central govt.												
d) State Govt.												
e) Venture Capital Fund												
f) Insurance Companies												
g) FIIS												
h) Foreign Venture Capital Funds												
i) Others (specify)												
SUB TOTAL (B)(1):												
(2) Non Institutions												
a) Bodies corporates												
i) Indian												
ii) Overseas												
b) Individuals												
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs												
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakhs												
Dr. Nitin Kareer												
Mrs. A. Bhide												
Mr. A. A. Bhatt												
Mr. A Bajpai												
Mrs. R. Kumar												
Mr. Deen Dayal												

[illegible]

(ii) SHARE HOLDING OF PROMOTERS

Sl No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	President of India through Mr. Rajiv Gauba	3660000	50%	0	25,760,000	50%	0	No change
2	Governor of Maharashtra through Mr. U.P.S.Madan	3660000	50%	0	25,760,000	50%	0	No change
	Total	73,20,000	100%		51520000	100%		

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

Sl. No.		Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
1	President of India through Mr. Rajiv Gauba				
	At the beginning of the year	36,60,000	50%	36,60,000	50%
	Allotment of Share on 13th September	11700000	50%	15360000	50%
	Allotment of Share on 4th January, 2017	10400000	50%	25760000	50%
	At the end of the year	257600000	50%	25760000	50%

Sl. No.		Share holding at the beginning		Cumulative Share holding during	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
2	Governor of Maharashtra through Mr.U.P.S. Madan				
	At the beginning of the year	36,60,000	50%	36,60,000	50%
	Allotment of Share on 13th September	11700000	50%	15360000	50%
	Allotment of Share on 4th January,2017	10400000	50%	25760000	50%
	At the end of the year	257600000	50%	257600000	50%

(iv) **Shareholding Pattern of top Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)**

Sl. No		Shareholding at the end of the year		Cumulative Shareholding during the year	
		No.of shares	% of total shares of the company	No of shares	% of total shares of the company
	For Each of the Top 10 Shareholders				
	At the beginning of the year	0	0%	0	0%
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)				
	At the end of the year (or on the date of separation, if separated during the year)	0	0%	0	0%

(v) **Shareholding of Directors & KMP**

Sl. No		Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
	For Each of the Directors & KMP				
	Dr. Nitin Kareer				
	At the beginning of the year	**1	0%	1	0%
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)				
	At the end of the year	**1	0%	1	0%

Sl. No		Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
	For Each of the Directors & KMP				
	Mrs Ashwini Bhide				
	At the beginning of the year	**1	0%	1	0%
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)				
	At the end of the year	**1	0%	1	0%

** At the end of the year Dr. Nitin Kareer and Mrs. Ashwini Bhide are holding 1 share each

V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness (Rs. In Lakhs)
Indebtedness at the beginning of the financial year				
i) Principal Amount		26580.45		26580.45
ii) Interest due but not paid		0.37		0.37
iii) Interest accrued but not due				0
Total (i+ii+iii)		26580.82		26580.82
Change in Indebtedness during the financial year				
Additions		93705.95	1216177	93705.95
Reduction		-6340		-6340
Net Change		87365.95		87365.95
Indebtedness at the end of the financial year				
i) Principal Amount		113946.77		113946.77
ii) Interest due but not paid		133.79		133.79
iii) Interest accrued but not due		4.15		4.15
Total (i+ii+iii)		114084.71		114084.71

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole time director and/or Manager:

Sl.No	Particulars of Remuneration	Name of the MD/WTD/Manager			Total Amount
1	Gross salary	Ms. Ashwini Bhide	Mr. Subodh Kumar Gupta	Mr. Ajaykumar Bhatt	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	2,200,648.00	2,594,801.00	2,548,581.00	7,344,030.00
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	16,785.00	749,273.00	723,242.00	1,489,300.00
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961				
2	Stock option				
3	Sweat Equity				
4	Commission				
	as % of profit				
	others (specify)				
5	Others, please specify				
	Total (A)	2,217,433.00	3,344,074.00	3,271,823.00	8,833,330.00
	Ceiling as per the Act				

B. Remuneration to other directors:

Sl.No	Particulars of Remuneration		Name of the Directors			Total Amount
1	Independent Directors					
	(a) Fee for attending board committee meetings					
	(b) Commission					
	(c) Others, please specify					
	Total (1)					
2	Other Non Executive Directors					
	(a) Fee for attending board committee meetings					
	(b) Commission					
	(c) Others, please specify.					
	Total (2)					
	Total (B)=(1+2)					
	Total Managerial Remuneration					
	Overall Cieling as per the Act.					

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration		Key Managerial Personnel			
	Gross Salary		CEO	Company Secretary	CFO	Total
1	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.			1,471,523.00	1,566,333.00	3,037,856.00
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961			22,530.00	475,393.00	497,923.00
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961					
2	Stock Option					
3	Sweat Equity					
4	Commission					
	as % of profit					
	others, specify					
5	Others, please specify					
	Total			1,494,053.00	2,041,726.00	3,535,779.00

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made if any (give details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

For & on behalf of
Mumbai Metro Rail Corporation Ltd

Sd/-

Chairman

**MMRC**

MUMBAI METRO RAIL CORPORATION LTD.

भारतीय लेखापरीक्षा तथा लेखा विभाग
कार्यालय प्रधान निदेशक वाणिज्यिक लेखापरीक्षा
तथा पदेन सदस्य, लेखापरीक्षा बोर्ड-1, मुंबई



INDIAN AUDIT & ACCOUNTS DEPARTMENT
OFFICE OF THE PRINCIPAL DIRECTOR OF
COMMERCIAL AUDIT & EX-OFFICIO MEMBER,
AUDIT BOARD-I, MUMBAI

*Recd
22/9/17 at 3pm*

गोपनीय/शीघ्र डाक

संख्या: जी ए/ सी ए-1/ लेखा/एम एम आर सी एल /2016-17/ 127

22/09/2017

सेवा में,

प्रबंध निदेशक,

मुंबई मेट्रो रेल कॉरपोरेशन लिमिटेड,

एन ए एम टी टी आर आई बिल्डिंग,

प्लॉट नं. आर 13, ई ब्लॉक, बांद्रा कुर्ला कॉम्प्लेक्स,

बांद्रा (पूर्व), मुंबई- 400051

विषय: 31 मार्च 2017 को समाप्त वर्ष हेतु मुंबई मेट्रो रेल कॉरपोरेशन लिमिटेड के वित्तीय विवरणों पर कंपनी अधिनियम 2013 की धारा 143(6)(बी) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ।

महोदय,

31 मार्च 2017 को समाप्त वर्ष हेतु मुंबई मेट्रो रेल कॉरपोरेशन लिमिटेड के वित्तीय विवरणों पर कंपनी अधिनियम 2013 की धारा 143(6)(बी) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक के द्वारा दी गई टिप्पणियाँ इस पत्र के साथ संलग्न हैं। टिप्पणियों को मुद्रित वार्षिक प्रतिवेदन के विषयसूची में उचित संकेत सहित सांविधिक लेखापरीक्षक के प्रतिवेदन के आगे रखा जाये।

वार्षिक सामान्य बैठक के समापन के पश्चात, वित्तीय विवरणों, सांविधिक लेखापरीक्षक का प्रतिवेदन तथा भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियों को अपनाते हुए सामान्य वार्षिक बैठक की कार्यवाही की एक प्रतिलिपि इस कार्यालय को अविलंब अग्रेषित की जाए। मुद्रित वार्षिक रिपोर्ट की दस प्रतियाँ भी इस कार्यालय को भेजी जायें।

कृपया इस पत्र एवं संलग्नकों की प्राप्ति की सूचना दें।

भवदीया,

(रूप राशि)

(रूप राशि)

प्रधान निदेशक वाणिज्यिक लेखापरीक्षा तथा
पदेन सदस्य, लेखापरीक्षा बोर्ड -1, मुंबई

संलग्न: यथोपरि।

सातवीं मंजिल, आर.टी.आई. बिल्डिंग, प्लॉट नं. सी-2, जी.एन. ब्लॉक, एशियन हार्ट इन्स्टिट्यूट के पीछे, बांद्रा-कुर्ला कॉम्प्लेक्स, बांद्रा (पूर्व), मुंबई-400 051
Seventh Floor, R.T.I. Building, Plot No. C-2, G.N. Block, Behind Asian Heart Institute, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051.

प्रशासन : 26520873 • प्रतिवेदन : 26502843 • फॉक्स : 26527165 • ई-मेल : mabMumbai1@cag.gov.in
Admin : 26520873 • Report : 26502843 • Fax : 26527165 • E-mail : mabMumbai1@cag.gov.in

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL
STATEMENTS OF MUMBAI METRO RAIL CORPORATION LIMITED FOR THE
YEAR ENDED 31 MARCH 2017**

The preparation of financial statements of Mumbai Metro Rail Corporation Limited for the year ended 31 March 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 24th July 2017.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) of the Act of the financial statements of Mumbai Metro Rail Corporation Limited for the year ended 31 March 2017. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(a) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statement and the related audit report.

**A. Comments on Financial Position
BALANCE SHEET**

Current Liabilities

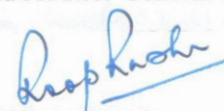
Other Current Liabilities

Note No.7 : Rs.39833.58 lakh

(1) The above does not include an amount of Rs.7602.88 lakh being the amounts due for the work contracts upto 31 March 2017. Non creation of liability has resulted in understatement of above head as well as Capital Work-in-Progress to the same extent.

(2) The above also does not include an amount of Rs.841.73 lakh being the Front End Fee (FEF) on the amount of the Loan specified under Section 3(1) of loan agreement with Japan International Corporation Agency for implementation of Mumbai Metro Line-3 Project. Non creation of liability has resulted in understatement of above head as well as Capital Work-in-Progress to the same extent.

For and on the behalf of the
Comptroller and Auditor General of India



(Roop Rashi)

Principal Director of Commercial Audit and
ex-officio Member, Audit Board-I, Mumbai

Place : Mumbai

Date : 22 September 2017



MUMBAI METRO RAIL CORPORATION LTD.

€No. PDCA/MAB-1/MMRCL/Accounts Audit/2016-17

22nd September 2017

Balance Sheet

Current liabilities

Other Current Liabilities : Note No. 7

Rs.39833.58 lakhs

S. No.	The Audit Observations	Management reply
1.	The above does not include an amount of Rs.7602.88 lakh being the amounts due for the work contracts upto 31 March 2017. Non-creation of liability has resulted in understatement of above head as well as Capital work-in-Progress to the same extent.	A cut off date is generally fixed to ensure that all known liabilities are properly accounted for keeping in view the time limit for finalising the accounting and making it available for Statutory Audit. Few invoices raised by the contractors before 31-3-17 certified for payment by General Consultant much after the cut off date could not be accounted for in 2016-17 Accounts. However, there is no impact on profit and loss of the Corporation.
2.	The above also does not include an amount of Rs.841.73 lakh being the Front-End Fee(FEF) on the amount of the Loan specified under Section 3(1) of loan agreement with Japan International Corporation Agency for implementation of Mumbai Metro Line-3 Project. Non-creation of liability has resulted in understatement of above head as well as Capital Work-in-Progress to the same extent.	In the absence of any communication received either from Govt. of India nor any demand received from Ministry of Urban Development, no liability was provided for Rs. 8,41,73,198/- in the books of FY 2016-17. However, there is no impact on profit and loss of the Corporation.

For & on behalf of
MUMBAI METRO RAIL CORPORATION LIMITED

Sd/-
Managing Director

Sd/-
Director (Finance)

INDEPENDENT AUDITOR'S REPORT

To

The Members of Mumbai Metro Rail Corporation Limited,

Report on the Financial Statements

We have audited the accompanying financial statements of **Mumbai Metro Rail Corporation Limited** (“the Company”), which comprise the Balance Sheet as at 31st March 2017, 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 judgments 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.

Auditor's 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 there under.

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 audit procedures that are appropriate in the circumstances. 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 31st March 2017, its profit and its cash flows for the year ended on that date.

Emphasis of Matter

- (a) We draw attention to the note no. 19.7 in the 'Notes to Accounts' annexed to the financial statements relating to Provisions, Contingent Liabilities and Contingent Assets. We are unable to comment on financial impact on the financial statements contemplated in this report whenever such liabilities have not been quantified as on the date of balance sheet.
- (b) We draw attention to note 10 to Balance Sheet in relation to Capital Work-in-Progress (CWIP). The Company has changed its Accounting Policy during the year in line with AS 16 in relation to on accounting treatment of interest earned on Fixed Deposits made from loan availed from Japan International Cooperation Agency (JICA) as against the previous year's policy in so far as interest income is routed through profit and loss statement. The interest earned during the year of Rs. 10,82,79,072/- (Previous year Rs. 30,55,353/-) has been deducted from CWIP after adjusting the same against cost of borrowing of said loan for the year as well as previous year amount of Rs. 37,444/-. Similar changes in Accounting policy have been made in case of Tender Fees received Rs. 14,65,600/- (Previous year Rs. 2,83,500/-) and Recruitment Fees received Rs. 9,83,850/- (Previous year Rs. 18,33,900/-) which are netted off from the expenses incurred under these account heads and balance amount is transferred to CWIP. Thus income to the extent of these fees are reduced from CWIP during the year
- (C) During the year under audit the company has changed its policy to identify certain regular/routine expenses as items of revenue as against the previous year's policy of treating them as Capital work in progress to be capitalized at a future date. The items consist of payments made to non-technical staff who are assisting the company in its day to day administration in the form of salary and allowances, travelling expenses and Car Hiring Charges aggregating to Rs. 5,55,96,465/-.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 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) According to information and explanation given to us, the company is a government company. Therefore, provision of section 164(2) of the act is not applicable pursuant to the Gazette Notification no. 463(E) dated 5th June 2016 issued by the Government of India.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to separate Report in "Annexure B".
 - (g) 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.
- iv. The Company has provided requisite disclosures in the financial statements about its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016. Based on audit procedures performed and the representations provided to us by the management, we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management.

3. Report u/s 143(5) of the Companies Act, 2013.

Directions u/s 143(5) of the Companies Act, 2013

Sr No.	Directions	Answer
1	Whether the Company has clear title/lease deeds for freehold and leasehold respectively? If not please state the area of freehold and lease hold land for which title/lease deeds are not available?	The company under audit is a Special Purpose Vehicle Company, owned jointly by the Govt of India and the Govt of Maharashtra formed to run and operate Mumbai Metro Railway. Approval of Govt is there for transferring lands belonging to Govt/Semi Govt/Municipalities, required permanently for the project vide GR No. MRD 3311/Pra.Kra.149/ NaVi-7, Mantralaya, Mumbai 400 032, dated 3rd March 2014 which will be leasehold land. It consists of permanent land as well as temporary land on lease basis. Though the company enjoins benefit of access to land for the purpose of establishing Metro line, title deeds in the form of Mutation Entries in Govt records will

		happen at a later date for all the land acquired so far. As of date, though possession is taken by the company, clear title is not available in the hands of the company. Total land acquired so far from Govt agencies is about 302476 Sq. mts.
2	Whether there are any cases of waiver/ write off of debts/loans/interest etc., if yes, the reasons there for and the amount involved.	The Company wrote off Rs.30,000/- during the year which was receivable from M/s.Consulting Engineers Association of India on account of excess payment in the form of TDS payment which the party denies to pay who has no further dealings with the Company.
3	Whether proper records are maintained for inventories lying with third parties and assets received as gift/grant(s) from Govt. or other authorities?	As informed by the company there are no such inventories of the company lying with third parties at any time during the year or assets were received as gift / grants from government excepting the land given by the Government at nominal price of Re. 1/- per parcel of land for the project as per GR No. MRD 3311/ Pra.Kra.149/ NaVi-7, Mantralaya, Mumbai 400 032, dated 3rd March 2014

For RSVA & CO.
Chartered Accountants

Date: 24th July, 2017
Place: New Delhi

B N Rao
Partner
M No. 039555

“Annexure A” to the Independent Auditor’s Report

Referred to in paragraph 1 under the heading ‘Report on Other Legal and Regulatory Requirement’ of our report of even date to the financial statements of the Company for the year ended March 31, 2017:

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;

(b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items in every period of twelve months over a period of one year, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
- 2) Presently, the Company is engaged in ‘Railway Project Development activity’ and there are no Operating activities undertaken by the Company till the date of Balance Sheet resulting into any Stock in Trade or Inventory.
- 3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.

- 7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2017 for a period of more than six months from the date they become payable.
- (c) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute except TDS liability of Rs. 79,800/- pertaining to Assessment Year 2015-16 which is pending before first appellate authority.
- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks. The Company has availed loan from Japan International Cooperation Agency (JICA) through 'pass through assistance' from Ministry of Urban Development (MOUD) amounting to Rs. 736 crores. In addition, the company has taken loans from Govt of India Rs. 52 crores and Rs. 145.79 crores from Govt of Maharashtra out of which Rs. 90.47 crores are receivable at the end of the year and the same is received on 27th April 2017. None of these loans have become due as on the date of Balance Sheet for repayment as per relevant records produced before and as information and explanations given to us.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans other than those mentioned in clause 7 above. The Company has applied amount of loans for the purpose for which those were taken.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 11) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.

- 12) In our opinion, all transactions with the related parties are in compliance with provisions of section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 13) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provision of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 15) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For RSVA & CO.
Chartered Accountants

Date: 24th July, 2017
Place: New Delhi

B N Rao
Partner
M No. 039555

Annexure B to the Independent Auditor's Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Mumbai Metro Rail Corporation Limited ("the Company") as of 31st March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI').

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating

effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and provides reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Due to the inherent limitations of internal financial controls over financial reporting, the possibility of collusion, improper management, override of controls and/or material misstatements cannot be ruled out. However, based on Financial Control process placed before us the Financial Control is found adequate to the best of our knowledge and belief.



Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For RSVA & Co.,
Chartered Accountants
FRNo.:110504W

Date : 24th July, 2017
Place : New Delhi

B N Rao
Partner
Mem No.:039555

MUMBAI METRO RAIL CORPORATION LIMITED				
BALANCE SHEET AS AT 31ST MARCH 2017				
(Rupees in Lakhs)				
Particulars	Note No.	As at 31 March, 2017 Rs.	As at 31 March, 2016 Rs.	
1	2	3	4	
A EQUITY AND LIABILITIES				
1 Shareholders' Funds				
(a) Share Capital	1	51,520.00	7,320.00	
(b) Reserves and Surplus	2	9,631.38	177.87	
2 Share Application Money Pending for allotment	3	20,000.00	0.00	
3 Non-Current Liabilities				
(a) Long Term Borrowings	4	1,07,208.79	13,696.37	
(b) Deferred Tax Liabilities	5	5.27		
3 Current liabilities				
(a) Short Tem Borrowing	6	6,871.39	12,884.45	
(b) Other Current Liabilities	7	39,833.58	220.62	
(c) Short Term Provisions	8	4,141.48	76.72	
TOTAL		2,39,211.89	34,376.03	
B ASSETS				
1 Non-Current Assets				
(a) Fixed Assets				
(i) Tangible Assets	9a	1,343.40	98.76	
(ii) Inangible Assets	9b	27.31	6.65	
(iii) Capital Work-in-Progress	10	80,171.20	9,520.51	
2 Current Assets				
(a) Cash and Cash Equivalents	11	49,895.59	16,919.83	
(b) Short -Term Loan and Advances	12	93,711.16	7,826.80	
(c) Other Current Assets	13	14,063.23	3.48	
TOTAL		2,39,211.89	34,376.03	
Significant accounting policy	18			
See accompanying notes forming part of the financial statements	19			
<p>In terms of our report attached.</p> <p>For RSVA & Co., Chartered Accountants FRN : 110504W</p> <p>Sd/- B N Rao Partner Membership No. : 039555</p> <p>Place : New Delhi Date : 24th July, 2017</p> <p>For and on behalf of the Board of Directors</p> <p>Sd/- Ashwini Bhide Managing Director</p> <p>Sd/- Abodh Khandelwal Director (Finance)</p> <p>Sd/- Ritu Deb Company Secretary</p>				



MUMBAI METRO RAIL CORPORATION LTD.

MUMBAI METRO RAIL CORPORATION LIMITED				
STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2017				
(Rupees in Lakhs)				
Particulars	Note No.	As at 31 March, 2017 Rs.	As at 31 March, 2016 Rs.	
1	2	3	4	
1 Revenue from Operations		0	0	
2 Other Incomes	14	1,440.86	644.70	
3 Total revenue (1+2)		1,440.86	644.70	
4 Expenses				
(a) Employee benefit expenses	15	479.16	-	
(b) Depreciation and Amortisation Expense	16	120.93	47.19	
(c) Other Expenses	17	358.03	264.79	
Total Expenses		958.12	311.98	
5 Profit / (Loss) before Exceptional Items and Tax (3 ± 4)		482.74	332.72	
6 Exceptional Items		0		
7 Profit / (Loss) before Tax (5 ± 6)		482.74	332.72	
8 Tax Expense:				
(a) Tax for Current Year		523.96	113.99	
(b) Deferred Tax		5.27		
Profit / (Loss) for the year (7 ± 8)		(46.49)	218.73	
9 Earning per Equity Share of Rs. 100 each				
1) Basic		(0.19)	4.52	
2) Diluted		-		
10 Earning per Equity Share of Rs. 100 each (excluding exceptional ietms)				
1) Basic		(0.19)	4.52	
2) Diluted		-		
Significant accounting policy	18			
See accompanying notes forming part of the	19			
In terms of our report attached.				
For RSVA & Co., Chartered Accountants FRN : 110504W		For and on behalf of the Board of Directors		
Sd/- B N Rao Partner Membership No. : 039555		Sd/- Ashwini Bhide Managing Director		
Place : New Delhi Date : 24th July, 2017.		Sd/- Abodh Khandelwal Director (Finance)		
		Sd/- Ritu Deb Company Secretary		

Mumbai Metro Rail Corporation Limited		
CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2017		
(Rupees in Lakhs)		
Particulars	Year ended as on 31st March 2017	Year ended as on 31st March 2016
A. Cash Flows from Operating Activities		
Profit/(Loss) after Tax	-46.49	218.73
Adjustments for:		
Depreciation and Amortisation	120.93	47.19
Deferred Tax	5.27	
	79.71	265.92
Operating Profit before Working Capital Changes		
Adjustments for:		
Short Term Loans and Advances	-85,884.36	-7,825.82
Other Current Assets	-14,059.75	16.70
Short Term Borrowings	-6,013.05	4,692.03
Other Current Liabilities	39,612.96	211.33
Short Term Provisions	4,064.76	56.25
Cash Generated from Operations	-62,199.73	-2,583.59
Cash flow from Exceptional Items		
Net Cash(used in)/from Operating Activities (A)	-62,199.73	-2,583.59
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-1,386.22	-87.71
Increase in Capital Work-in-Progress	-70,650.69	-2,754.39
Net Cash(used in)/from Investing Activities (B)	-72,036.91	-2,842.10
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Equity Share Capital	44,200.00	7,315.00
Long Term Borrowings	93,512.42	13,696.37
Transfer to Capital Reserve	9,500.00	500.00
Share Application Money Pending for allotment	20,000.00	
Net Cash(used in)/ from Financing Activities (C)	1,67,212.42	21,511.37
NET CHANGE IN CASH AND CASH EQUIVALENTS	32,975.76	16,085.68
OPENING BALANCE OF CASH AND CASH EQUIVALENTS	16,919.83	834.15
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	49,895.59	16,919.83
In terms of our report attached.		
For RSVA & Co.,	For and on behalf of the Board of Directors	
Chartered Accountants		
Sd/-	Sd/-	Sd/-
B N Rao	Ashwini Bhide	Abodh Khandelwal
Partner	Managing Director	Director (Finance)
Membership No. : 039555		
Place : New Delhi	Sd/-	
Date : 24th July 2017	Ritu Deb	
	Company Secretary	



MUMBAI METRO RAIL CORPORATION LTD.

MUMBAI METRO RAIL CORPORATION LIMITED

Notes forming part of the Financial Statements

Note 1 Share Capital

(Rupees in Lakhs)

Particulars	As on 31 March, 2017		As on 31 March, 2016	
	Number of shares	Rs	Number of shares	Rs
(a) Authorised				
Equity Shares of ₹ 100 each	50,00,00,000	5,00,000.00	50,00,00,000	5,00,000.00
(b) Issued, Subscribed & fully paid up				
Equity Shares of ₹ 100 each	5,15,20,000	51,520.00	73,20,000	7,320.00
Total	5,15,20,000	51,520.00	73,20,000	7,320.00

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

(Rupees in Lakhs)

Particulars	Opening Balance	Fresh issue of Shares	Bonus issue of Shares	Closing Balance
Equity Shares with voting rights				
Year ended 31 March, 2017				
- Number of Shares	73,20,000	4,42,00,000		5,15,20,000
- Amount (₹)	7,320	44,200.00		51,520.00
Year ended 31 March, 2016				
- Number of Shares	5,000	73,15,000	-	73,20,000
- Amount (₹)	5	7,315.00	-	7,320.00

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

Class of shares / Name of Shareholder	As on 31 March, 2017		As on 31 March, 2016	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity Shares with voting rights				
The Governor of Maharashtra and its Nominees	2,57,60,000	50	36,60,000	50
The President of India and its Nominees (MOUD)	2,57,60,000	50	36,60,000	50

MUMBAI METRO RAIL CORPORATION LIMITED

Notes forming part of the Financial Statements

Note 2 Reserves and surplus

(Rupees in Lakhs)

Particulars	As on 31 March, 2017	As on 31 March, 2016
	Rs.	Rs.
(a) Capital Reserve *	10,000.00	500.00
(b) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance as on 1-4-2016 and 1-4-2017	(322.13)	(540.87)
Add: Profit / (Loss) for the year	(46.49)	218.73
	-----	-----
Balance carried forward (b)	(368.62)	(322.13)
Total (a+b)	9,631.38	177.87

*** Explanatory Note:**

The Capital reserve Consist followings:

- i) Grant from MIAL amounting to Rs. 100.00 crore.
- ii) Freehold Land Reserve (Rs. 5.00) & Leasehold Land Reserve (Rs. 32.00)

Note 3 Share application money pending for allotment

(Rupees in Lakhs)

Particulars	As on 31 March, 2017	As on 31 March, 2016
	Rs.	Rs.
a) Govt. of India (President of India)	10,000.00	-
b) Govt. of Maharashtra (Governer of Maharashtra)	10,000.00	-
Total	20,000.00	-

Explanatory Note:

The Company has received matching contribution from State & Central govt but allotment is pending for the date of Board Meeting. Since letter of offer can be issued only in Board Meeting.

Note 4 Long -Term Borrowing

(Rupees in Lakhs)

Particulars	As on 31 March, 2017	As on 31 March, 2016
	Rs.	Rs.
(a) Borrowings		
Loan From Govt. of India (Sub-Debt)	8,232.00	3,032.00
Loan From Govt. of Maharashtra (Sub-Debt)	14,579.00	-
JICA Loan through PTA	84,397.79	10,664.37
Total	107,208.79	13,696.37



MUMBAI METRO RAIL CORPORATION LIMITED

Notes forming part of the Financial Statements

Note 5 Deferred Tax Liabilities

(Rupees in Lakhs)

Particulars	As on 31 March, 2017	As on 31 March, 2016
	Rs.	Rs.
Deferred Tax liability	5.27	
Total	5.27	0.00

Note 6 Short -Term Borrowing

(Rupees in Lakhs)

Particulars	As on 31 March, 2017	As on 31 March, 2016
	Rs.	Rs.
Loan repayable on Demand	-	6,340.00
Loan from Related Party (The loans are interest free)	6,871.39	6,544.45
Total	6,871.39	12,884.45

MUMBAI METRO RAIL CORPORATION LIMITED
Notes forming part of the Financial Statements
Note 7 Other Current Liabilities
(Rupees in Lakhs)

Particulars	As on 31 March, 2017	As on 31 March, 2016
	₹	₹
(a) Creditor for Expenses		
Payable to Civil Contractors	30,542.65	-
Payable to General Consultants	1,936.87	93.99
Payable to Consultants, Contractors/Vendors & Others	249.71	63.91
Payable to Auditors	7.34	0.70
Payable for Outstanding Expenses	12.73	-
(b) Others Payable		
EMD refundable	81.66	6.00
Security Deposits	12.16	-
Retention Money against BG	-	-
- On Civil Contracts	2,411.65	-
- On Other Contracts	25.71	-
(c) Statutory Dues payable		
TDS Payable	1,564.34	45.14
WCT TDS & Labour Cess payables	647.95	0.30
Service Tax & Cess payable	2,319.48	-
Profession Tax Payable	0.40	0.26
GPF/CPF/EPF Payable	20.93	10.32
Total	39,833.58	220.62

Note 8 Short Term Provisions
(Rupees in Lakhs)

Particulars	As on 31 March, 2017	As on 31 March, 2016
	₹	₹
(a) Provisions		
Gratuity , Leave salary & Pension contribution Payables	93.53	22.44
Amount payable to Employee	38.32	2.63
Expenses & others payables	10.22	-
Outstanding GC Expenses	3,471.30	-
Interest accrued but not due on JICA Loan*	4.15	-
Income Tax Payable		
----- FY 16-17	523.96	
----- FY 15-16		51.65
Total	4,141.48	76.72

* The Interest on JICA loan is payable on 20th March, 2017.

MUMBAI METRO RAIL CORPORATION LIMITED
Notes forming part of the Financial Statements

Note No. 9 (a+b) : Fixed Assets		Gross Block				Accumulated Depreciation/Amortisation			Net Block	
Sr. No.	Particulars	Balance as on 1st April, 2016	Additions/ (Disposals)	Revaluation	Balance as on 31st March, 2017	Balance as on 1st April, 2016	Depreciation /Amortisation charge for the year	On disposals	Balance as on 31st March, 2017	Balance as on 31st March, 2016
Note no 9 a										
1	# Land		1,110.22		1,110.22				1,110.22	-
2	Computer & Peripherals	60.53	212.66		273.19	31.10	70.49		101.59	29.43
3	Office Equipments & Others	23.92	19.80		43.72	2.56	11.42		13.98	21.36
4	Motor Car	70.87			70.87	22.89	16.14		39.03	47.97
	Total	155.32	1,342.68		1,498.00	56.56	98.05		154.60	98.76
	Previous Year	67.60	87.71		155.32	9.37	47.19		56.56	98.76
Note no 9 b										
5	Software/License Fees & Other Cost	6.65	43.53		50.18		22.88		22.88	6.65
	Total	6.65	43.53	0	50.18	0	22.88	0	22.88	6.65
	Previous Year		6.65		6.65					6.65

Land acquired during the year have been capitalised based on the Government orders for possession. However legal formalities for conveyancing are in progress.

MUMBAI METRO RAIL CORPORATION LIMITED

Notes Forming Part of the Financial Statements

Note: 10 Capital Work-in-Progress

(Rupees in Lakhs)

Sr No.	Particulars	Balance as at 1.04.2016 (A)	Additions during the year (B)	Total (C = A+B)	Balance as at 31.03.2017 C
I	Project Metro 3				
A	Civil Construction Cost	1,000.00	46,951.24	47,951.24	47,951.24
II	Other incidental expenses pending for allocation				
A	Advertising Expenses	69.01	90.42	159.43	
B	Borrowing Cost	0.37	*	-	
C	Car hiring expenses	-	192.76	192.76	
D	Consultancy Fees	7,343.41	17,431.04	24,774.45	
E	Employee's Remunerations and Other Expenses	711.78	1,244.15	1,955.92	
F	Lease Land Cost & Other Lease Expenses	7.50	2,898.05	2,905.55	
G	Legal and Professional Fees Expenses	168.36	137.94	306.30	
H	License Fees/ Stamp Duty and Other Fees related to land	24.17	(3.84)	20.33	
I	Meeting and Conference Expenses	14.64	21.75	36.39	
J	Other Construction cost	-	50.92	50.92	
K	Project Study Expenses	27.24	29.13	56.37	
L	Rehabilitation and Resettlement Cost	13.41	438.91	452.32	
M	Rent/Rates/Taxes(CE)		1,524.82	1,524.82	
N	Security Guard Expenses	102.53	297.66	400.19	
O	Stamp Duty on Issue of Shares	7.32	44.20	51.52	
P	Travelling Expenses	30.77	47.08	77.85	
	Total of Incidental Expenses			32,965.13	
	(-) Tender Fees		(14.66)		
	(-) Unadjusted Interest Income earned on PTA adjusted now		(944.85)		
				(959.51)	
					32,005.62
III	Other Fixed Asset under WIP				
A	Tangible Fixed Asset				
	Building (WIP)	-	(2.73)		
B	Software WIP	-	217.07		
				214.34	
					214.34
	Grand Total	9,520.51	70,651.06		80,171.20
	Previous Year	5,007.17	4,513.34		9,520.51

Explanatory Notes:

- 1) The Civil Construction cost includes expenses incurred during the year amounting to Rs 1.72 crore towards Depo Construction.
- 2) The Consultancy Fees includes General Consultancy fees which was shown after the adjustment of Interest earned on Mobilised advance amounting to Rs. 1.11 crores.
- 3)* Borrowing cost was adjusted against Interest Income (earned on PTA) amounting to Rs. 1.38 crore as per AS 16.

MUMBAI METRO RAIL CORPORATION LIMITED		
Notes forming part of the Financial Statements		
Note 11 Cash and Cash Equivalents	(Rupees in Lakhs)	
Particulars	As on 31 March, 2017	As on 31 March, 2016
	Rs.	Rs.
(a) Cash on Hand	-	0.00
(b) Balances with banks		
(i) In current accounts *	333.38	7,093.76
(ii) Short Term Deposits	49,562.21	9,826.07
Total	49,895.59	16,919.83
* Balance in current accounts includes balance in escrow A/c with ICICI Bank Amounting to Rs. 284.00		
Note 12 Short Term Loans and Advances	(Rupees in Lakhs)	
Particulars	As on 31 March, 2017	As on 31 March, 2016
	Rs.	Rs.
i) Advance to Contractor/Supplier		
Advances to Civil Contractors		
- Mobilisation Advances	46,004.06	-
Secured (considered good)		
(Covered by Bank Guarantee)		
- Plant & Machinery Advances	47,578.29	-
Secured (considered good)		
(Covered by Bank Guarantee)		
Advances to General Consultant	120.99	7,826.49
Secured (considered good)		
(Covered by Bank Guarantee)		
ii) Advance to Staff		
Project Study Advances	6.13	-
Advances to Staff	1.69	0.31
Total	93,711.16	7,826.80
Note 13 Other Current Assets	(Rupees in Lakhs)	
Particulars	As on 31 March, 2017	As on 31 March, 2016
	Rs.	Rs.
i) Deposits		
Deposits with Landlords	106.97	-
Deposits with Vendors/Suppliers	1.20	0.46
i) Receivables		
Sub Debt from Govt of Maharashtra	9,047.00	-
Grant receivable from MIAL	4,000.00	-
General Consultant	52.31	-
MMRDA (EMD & Tender Fees)	63.14	-
Other Vendors	2.31	0.32
ii) Others		
Prepaid Insurance		
Prepaid Expenses	2.08	0.27
Service Tax Credit	-	2.43
Advance Tax Paid (FY 16-17)	535.56	-
TDS Receivable (FY 16-17)	252.66	-
Total	14,063.23	3.48
Explanatory Note:		
1) The Company has received Sub Debt from Govt. of Maharashtra through RTGS on 27th April, 2017.		
1) The Company has received Contribution from MIAL through RTGS on 25th May, 2017.		

MUMBAI METRO RAIL CORPORATION LIMITED
Notes forming part of the Financial Statements

Note 14 Other Income (Rupees in Lakhs)

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
	Rs.	Rs.
(i) Interest Earned on FD	1,439.96	623.39
(ii) Other Income	0.90	21.31
Total	1,440.86	644.70

Note 15 Employee benefit expenses (Rupees in Lakhs)

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
	Rs.	Rs.
(i) Salaries and Wages	414.69	-
(ii) Contribution to provident and other funds	41.83	-
(iii) Staff welfare expenses	22.64	-
Total	479.16	-

Note 16 Depreciation and Amortization Expenses (Rupees in Lakhs)

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
	Rs.	Rs.
Depreciation and Amortization	120.93	47.19
Total	120.93	47.19

MUMBAI METRO RAIL CORPORATION LIMITED
Notes forming part of the Financial Statements
Note 17 Other Expenses
(Rupees in Lakhs)

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
	Rs.	Rs.
Advertising Expenses	5.96	-
Bank Charges	2.31	0.75
Car Hiring expenses	52.60	84.18
Company ROC Fees	0.26	0.29
Electricity Expenses	25.47	15.16
Internal Audit Fees	3.05	-
Legal & Professional Fees	18.85	16.81
Meeting & Conference Expenses	46.62	20.90
Motor Car Expenses	8.67	7.84
Newspaper & Magazines Expenses	0.22	0.11
Office & Administrative Expenses	14.88	18.59
Payment to Statutory Auditors	4.60	0.34
Postage & Telegram Expenses	0.90	0.10
Printing & Stationery	31.60	29.77
Prior Period Items (Refer Note no.17 (a))	5.87	1.69
Rates & Taxes	40.06	4.24
Rent for premises	31.81	-
Repairs & Maintenance	18.01	38.24
Tax Audit Fees	0.40	0.40
Telephone & Internet Expenses	11.39	11.79
Travelling Expenses	34.42	13.15
Water Charges	0.08	0.44
Total	358.03	264.79

Note: 17 (a) Prior Period Adjustment
(Rupees in Lakhs)

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
	Rs.	Rs.
a) Car Hiring expenses	-	1.61
b) Interest on TDS and Income Tax for FY 15-16	5.87	0.08
Total	5.87	1.69

18 SIGNIFICANT ACCOUNTING POLICIES**18.1 Basis for Accounting**

The Financial Statements have been prepared under historical cost convention on accrual and going concern basis of accounting. The Financial Statements have been prepared and presented to comply all material aspects with the Generally Accepted Accounting Principles (Indian GAAP) in India and Accounting Standards notified under Section 133 read with Rule 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions of the Companies Act, 2013. The Company has consistently applied the accounting principles and accounting policies not referred to otherwise, are in conformity with generally accepted accounting principles (Indian GAAP) in India.

18.2 Preparation of Financial Statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 (“the Act”). The Cash Flow Statement has been prepared and presented as per the requirements of Accounting standard (AS) 3 “Cash Flow Statements”. The disclosure requirements with respect to items in the Balance Sheet and statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of accounts along with other notes required to be disclosed under the notified Accounting Standards.

18.3 Use of Estimates

The preparation of the financial statements, in conformity with generally accepted accounting principles (GAAP), requires management to make estimates and assumptions that affect the reported amount of revenue and expenses, assets and liabilities and disclosure of contingent liabilities on the date of the financial statements. Management believes that the estimates made in the preparation of financial statements are prudent and reasonable. Actual results of future period could differ from those estimates. Any revision to accounting estimates is recognized in the period in which revisions are made.

18.4 Fixed Assets and Capital Work in Progress:**i. Tangible Fixed Assets**

Fixed Assets are stated at their original cost of acquisition/ construction less accumulated depreciation and impairment, if any. Cost includes purchase cost and all incidental expenses like freight, duties, taxes and other incidental expenses to bring the asset to their present location and to its working condition.

ii. Land

- a. Amount received by the company from Government of Maharashtra for the acquisition of land for project purpose, are also treated as interest free subordinate loan for land and included in the land cost to the extent of the amount spent for the purpose.
- b. Compensation, replacement etc. relating to the cost of rehabilitation of “Project Affected Persons” (PAPs) is booked to CWIP and on completion will be added to the cost of related assets.
- c. The company has received tenements from Slum Rehabilitation Area (SRA) & Maharashtra Housing and Area Development Authority (MHADA) for the allotment to the Project Affected Persons. The ownership of such land and building remains with MMRCL till incorporation of society.

iii. Intangible Fixed Assets

As per Accounting Standard 26 “Intangible Assets”, have been considered as an asset after observing the below mentioned parameters:

- a. Identifiable
- b. Control
- c. Future Economic benefit

iv. Intangible Asset under development

Intangible Assets under development includes amount paid for software Licenses and Software which is under implementation / development. Further the same will be recognized under Intangible Assets when it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably.

v. Capital Work in Progress

1. Capital Work-in-Progress includes all direct and attributable indirect expenditure (including financing cost related to borrowed funds for construction or acquisition of qualifying Property, Plant & Equipment) related to construction, incurred during the period of implementation of the Projects of the Company. Such total of expenditure is kept as Capital Work-in-Progress (CWIP) till the defined project phase is completed after which the same will be transferred / allocated to the identifiable Fixed Assets.
2. Payment made provisionally or liability provided towards cost or compensation related to the land including lease-hold land in possession as well as any fees paid for identifying the physical presence of asset, are treated as cost of the Capital Work in Progress.

3. The company has received amount from “Project Affected Persons “(PAPs) for the allotment of extra space in tenements (more than eligibility) which are adjusted against cost of Rehabilitation and Resettlement (R&R).

18.5 Allocation of Interest During Construction

Interest During Construction Period (IDC) in respect of qualifying assets commissioned during the year, is allocated in the ratio in which the value of commissioned assets bear to the Capital Work In Progress.

18.6 Depreciation and Amortization

Depreciation on Fixed Assets is charged on WDV basis over the useful life of assets as prescribed under Schedule II of the Companies Act, 2013, except in respect of following assets, where useful life is determined based on technical evaluation: -

Nature of Assets	Estimated Useful Life
Computers & Peripherals	3 Years
Cars, Chairs & Tables	8 Years
Furniture & Fixture, Others etc	5 Years

Intangible assets are amortized on a systematic basis over the best estimate of its useful life, except, software having perpetual use will be amortized in the year in which they become obsolete.

Depreciation on addition to/deduction from an existing asset which form integral part of main assets capitalized earlier is charged over the remaining useful life of that asset.

18.7 Impairment of Assets

In accordance with Accounting Standard 28 on “Impairment of Assets”, an Asset is treated as impaired when carrying cost of assets exceeds its recoverable amount.

18.8 Foreign Currency

- The reporting currency of the Company is Indian rupee.
- Foreign currency transactions are recorded on initial recognition in the reporting currency, using the exchange rate as at the date of the transaction. At each Balance Sheet date, foreign currency monetary items are reported using the closing rate.
- Non – monetary items, carried at historical cost denominated in a foreign currency, are reported using the exchange rate at the date of transaction.

- d. Foreign Exchange differences arising of monetary item relating to acquisition of fixed assets are adjusted to the carrying cost of related fixed asset/Capital Work-in-Progress prior to capitalization. Other exchange differences are recognized as income or expenses in the period in which they arise.

18.9 Borrowing Cost

Borrowing costs include interest, commitment charges, amortization of ancillary costs, amortization of discount/premium related to borrowings, finance charges in respect of assets acquired on finance lease and exchange differences arising from foreign currency borrowings, to the extent they are regarded as an adjustment to interest cost.

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets till such time as the asset is ready for intended use or sale. A qualifying asset is an asset that necessarily takes a substantial period to get ready for its intended use or sale.

18.10 Revenue Recognition

In accordance with the Accounting Standard 9 “Revenue Recognition”, the Interest Income on Investments made from unspent funds (except out of Pass Through Assistance - (PTA)- JICA Loan) of the projects of the company is recognized in Statement of Profit & Loss on a time proportion basis considering the amount outstanding and the applicable interest rate.

Items of revenue and expenditure incurred in the current financial year that are not directly related to creation of a capital asset are charged off as revenue expenditure in the Statement of Profit and Loss.

Other non-operating incomes are reported on receipt basis (except interest income).

18.11 Employee Benefits

The following are the accounting policies of the company regarding the Employee Benefits:

- i. **Provident Fund:** The eligible employees of the Company are entitled to receive benefits under provident fund contributions at a specified percentage schemes in which both employees and the Company make monthly contribution of the covered employees’ salary. The contributions are paid to the Regional Provident Fund Account.
- ii. **Gratuity:** Gratuity is payable as per Payment of Gratuity Act, 1972 to every employee who has rendered continuous service of five years or more. Gratuity amount is provided in pursuant of Accounting Standard 15 based on the actuarial valuation obtained.

- iii. **Earned Leave:** The Company provides for earned leave benefits to the employees as per the HR policy in accordance with certificate issued by Authority. The provisioned amount in pursuant of Accounting Standard 15 is based on the actuarial valuation obtained.

18.12 Taxes on Income

Taxes on income for the current period are determined based on taxable income and tax credits computed in accordance with the provisions of the Income Tax Act 1961.

Deferred Tax is recognized on timing differences between the income accounted in financial statements and the taxable income that originate in one period and are capable of reversal in one or more subsequent periods. Unabsorbed depreciation or carry forward losses or deferred tax assets or any items effected by timing difference are recognized only if there is virtual certainty of realization of such asset. Other deferred tax assets are recognized only to the extent that there is reasonable certainty of realization in future. Such assets are reviewed at each Balance Sheet date to reassess realization.

18.13 Leases

The determination of whether an agreement is, or contains, a lease is based on the period of the agreement at the date of inception. Short Term Lease less than 12 years is treated as Capital Work in Progress till the defined project phase is completed after which the same will be transferred / allocated to the identifiable Fixed Assets. Other Long Term Leased assets are shown as fixed assets.

18.14 Earnings per Share

The company reports Earning per share (EPS) in accordance with Accounting Standard - 20 on "Earnings per Share". The earnings considered in ascertaining the companies EPS comprises of the Net Profit/Loss after tax. Basic Earnings Per Share (BEPS) is computed by dividing the Net Profit/Loss after tax for the current period by the weighted average number of Equity Shares outstanding as on the Balance Sheet date.

18.15 Cash & Cash Equivalents

Cash and cash equivalents presented in the Balance Sheet consists of cash on hand, current account balances, fixed deposits, earmarked balances with banks and other balances which have restriction on repatriation. Short term and liquid investment being not free more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

18.16 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if

- a) The company has a present obligation as a result of past event
- b) A probable outflow of resources is expected to settle the obligation and
- c) The amount of the obligation can be reliably estimated.

Reimbursement expected in respect of expenditure required to settle a provision is recognized only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in case of,

- a) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- b) a present obligation arising from events, when no reliable estimate is possible;
- c) a possible obligation arising from past events where the probability of outflow of resources is not remote.

Contingent assets are neither recognized, nor disclosed.

Provisions and contingent liabilities are reviewed at each Balance Sheet date.

18.17 Commitments

Commitments are future liabilities for contractual expenditure.

Commitments are classified and disclosed as follows;

- a) Estimated amount of contracts remaining to be executed on capital account and not provided for.
- b) Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

18.18 Cash Flow Statement:

Cash Flow Statement is prepared segregating the cash flows operating, investing and financing activities. Cash flow from operating activities is reported using indirect method. Under the indirect method, the net profit is adjusted for the effects of:

- i. Transaction of non-cash nature
- ii. any deferrals or accruals of past or future operating cash receipts or payments and
- iii. items of income or expenses associated with investing or financing cash flows.

Cash and cash equivalents (including bank balances) are reflected as such in the Cash Flow Statements. Those cash and cash equivalents which are not available for general use as on the date of Balance Sheet are also included under this category with a specific disclosure.

18.19 Investment:

Investment, which are readily available and are intended to be held for not more than one year from the date of acquisition, are classified as current investments. All other investments are classified as long term investments.

Current investments are carried at lower of cost and fair value. The determination of carrying amount of such investments is done on the basis of weighted average cost of each individual investment.

All matters related to investment are considered and handled by Investment Committee. Currently all investments are in the form of Short Term Fixed Deposit with Banks with maturity less than one year.

Notes forming part of the Financial Statements
19. Notes to Financial Statements for the year ended 31st March 2017
19.1 Corporate Information

Mumbai Metro Rail Corporation Company Limited (CIN: U60100MH2008SGC181770) was incorporated under the provisions of the Companies Act 1956. The Company is 50:50 Joint Venture between Government of India (GOI) and Government of Maharashtra (GOM). The Company's main object is to provide a "Rail based Mass Rapid Transit Facility" to people residing in areas presently not connected by Suburban Rail System and to bring the Metro System within reach of 500 meters to 1 km.

It has an independent board nominated equally by the joint venture partners having a non-executive Chairman and a whole time Managing Director. The Company is a Special Purpose Vehicle (SPV) of the Government and accordingly provisions of Section 139(5) and 139(7) of the Companies Act, 2013 are applicable.

19.2 Land

The company has received land from Municipal Corporation of Greater Mumbai (MCGM) and the Government of Maharashtra for the project. The Permanent Land has been recorded as Land under the head Fixed Assets, whereas, Temporary Land has been recorded as leased land at a nominal value of Re 1/- for each. Land acquired by the company from Government bodies is as per the GR issued by the Government of Maharashtra after the approval of land superintendent and district collector.

19.3 CWIP

In compliance with the Accounting Standards, certain points have been considered while preparation of Financial Statements.

- Income pertaining to construction period such as interest income (other than from temporary deployment of funds received by way of equity, interest free subordinate-debt and grant) from PTA through JICA Loan, sale of tender documents etc. is adjusted against the expenditure during construction.
- The company has received Rs.100 lakhs from Saiffee Foundation due to certain modification in the proposed metro line in the alignment of Package 7, which was adjusted against the cost incurred in relation to the project.
- During the year, as per the change in accounting policy, Indirect income consisting of Recruitment Fee and Tender fee received aggregating to Rs.24.49 lakhs are adjusted with CWIP whereas in the immediate previous year, the same has been considered in the statement of profit and loss at Rs.21.17 lakhs.

Notes forming part of the Financial Statements

- During the year, travelling expenses incurred by the company of Rs.81.50 lakhs has been apportioned in the proportion of consumption by technical and non-technical staff. And accordingly, the expenditure belonging to the Technical employees has been classified under CWIP at Rs.47.08 lakhs, and those of non-technical employees has been charged to statement of Profit and Loss at Rs.34.42 lakhs whereas, in the immediate previous year, travelling expenses of Rs.30.77 lakhs were considered fully under CWIP.
- During the year, employee benefits incurred by the company of Rs.1723.31 lakhs has been apportioned in the proportion of consumption by technical and non-technical staff. And accordingly, the expenditure belonging to the Technical employees has been classified under CWIP at Rs.1244.15 lakhs, and those of non-technical employees has been charged to statement of Profit and Loss at Rs.479.16 lakhs whereas, in the immediate previous year, employee benefits of Rs.711.78 lakhs were considered fully under CWIP.
- During the year, the company deployed unutilized funds received from JICA and earned interest income of Rs.1082.79 lakhs. Following the accounting treatment as laid by AS 16 the interest so earned is first adjusted against the interest paid of Rs.137.93 lakhs and balance amount of Rs.944.85 lakhs is adjusted against the CWIP whereas, in the immediate previous financial year the entire interest on FDRs of Rs.30.55 lakhs was recognized as income in the statement of Profit and Loss

19.4 Foreign Currency

Foreign currency payments made during the year towards General Consultants' fee is Rs. 1,858.01 lakhs (previous year Rs. 2,731.91 lakhs) and towards the Civil Contractors is Rs. 22,962.35 lakhs (previous year Nil)

19.5 Employee Benefits

Based on the actuarial report, the provisions of Gratuity is Rs.20.82 lakhs (Previous year 6.95 lakhs) and Leave Encashment provision is Rs.39.48 lakhs (previous year Rs.13.09 lakhs.)

19.6 Lease

The company has entered into agreement for the lease accommodation of employees. During the year, the company has paid Rs 84.73 lakhs (previous year Nil) towards lease rent on behalf of the employees.

Notes forming part of the Financial Statements
19.7 Provisions, Contingent Liabilities and Contingent Assets

Contingent Assets, which are significant and material, are Nil (previous year – Nil)

The company having following Contingent Liabilities:-

Sr No	Nature of Liability/ Litigation	Amount
1	Service Tax liability related to Civil Contracts payable to Civil Contractors.	Rs. 1777.45 Lakhs
2	Related to Project affected peoples. (PAPs)	Depends upon documentation and decision of respective committee, so not yet quantified.
3	The company having land and building given by Slum Rehabilitation Area (SRA) & Maharashtra Housing and Developing Authority (MHADA) for the allotment to PAPs.	Any major and minor repairs and maintenance will be borne by MMRCL till the incorporation of society which cannot be quantified as on the date of balance sheet.
4	Neena Deepak Verma v/s Tree Officers MCGM, Mumbai Metro Rail Corporation, State of Maharashtra	Litigation is in relation to non-monetary issues and hence need not be ascertained as to any contingent liability
5	Mrs Parvin Jehangir & Others.	Litigation is in relation to non-monetary issues and hence need not be ascertained as to any contingent liability
6	Vanashakti v/s 1) Union of India, 2) State Of Maharashtra 3) The Chief Conservator of Forest 4) Urban Development Department 5) The Dairy Development Commissioner 6) The Principal Chief Conservator of Forest 7) The Municipal Commissioner MCGM 8) Mumbai Metro Rail Corporation Ltd.	Litigation is in relation to non-monetary issues and hence need not be ascertained as to any contingent liability
7	Royal Palms (India) Pvt. Ltd. v/s The State of Maharashtra & others.	Litigation is in relation to non-monetary issues and hence need not be ascertained as to any contingent liability

Notes forming part of the Financial Statements

8	USHA BORGAONKAR v/s B.M.C	Litigation is in relation to non-monetary issues and hence need not be ascertained as to any contingent liability
9	<ul style="list-style-type: none"> • Chandrakant Rathod Ashwini • Davidash Chandrakant Rathod • Kush Laxman Rathod • Akash Chandrakant Rathod • Shiva Laxman Rathod • Davidash Laxman Rathod • Manmeet Omkarsingh Rathod • Ratnabai Shiva Rathod • Avinash Chandrakant Rathod • Ajay Chandrakant Rathod • Bhanuprasad Abhiraj Mishra • Ratnabai Shiva Rathod • Snehal Bhanuprasad Mishra • Vishwanath Hai Gurav v/s Mumbai Metro Rail Corporation Ltd.	Litigation is in relation to non-monetary issues and hence need not be ascertained as to any contingent liability
10	Regency Convention Centre and Hotels Pvt. Ltd vs Airport Authority of India (AAI) and others.	In this matter, the Hon. High Court has allowed MMRC to be intervener, and has directed AAI to release the land required for the project. MMRC to bear the compensation as per the outcome of the case decided by the Hon. High Court. As of today, the required land has been released by AAI to MMRCCL awaiting the final outcome of the case. However, Hon. High Court is yet to finally dispose off the matter. Therefore, financial liability cannot be ascertained at this point of time.

19.8 Taxes on Incomes

Taxes on income for the current period are determined based on taxable income and tax credits computed in accordance with the provisions of the Income Tax Act 1961 after considering applicability of Income Computation and Disclosure Standards (ICDS). The company has considered interest earnings as per the provisions of Accounting Standard 16 in the books of account whereas for the purpose of computation of income the interest income reduced from the Capital Work in Progress is added back to revenue ascertaining

Notes forming part of the Financial Statements

income tax liability at Rs. 523.96 lakhs though net profit before tax is shown at Rs. 482.74 lakhs.

19.9 Deferred Tax

Deferred Tax is recognized on timing differences between the income accounted in financial statements and the taxable income that originate in one period and are capable of reversal in one or more subsequent periods. Unabsorbed depreciation or carry forward losses or deferred tax assets or any items effected by timing difference are recognized only if there is virtual certainty of realization of such asset. During the year, deferred tax is worked out on the difference between the depreciation as per Income Tax Act, 1961 and as per Companies Act, 2013 amounting to Rs. 5.27 lakhs.

19.10 Commitments

The Capital & Other Commitments is as follows,

Sr No	Particulars	Rs in lakhs (Excluding taxes)
1	Related to Civil Contracts	16,85,754
2	Related to General Consultants	72,303
3	Related to Dharavi Bridge (Including Service Tax)	438
4	Related to Software Development	191
5	Related to Lease agreement	2,565

19.11 Capital Reserve
Grant from Mumbai International Airport Limited (MIAL)

The company had entered MOU with MIAL for funding of three metro stations i.e. (i) CSIA Terminal T1 Terminal Forecourt, (ii) Sahar Road and (iii) CSIA T2 Terminal Forecourt at Chhatrapati Shivaji International Airport, Mumbai.

MIAL's contribution shall be towards the cost of complete architectural and structural building works and finishes including building services like environmental control systems (ECS), power supply, lighting, fire detection and separation system etc. for Metro station only and shall exclude all systems related to metro rail operations like rail systems, tunnelling, electrical and mechanical related to operations, traction, track work, signalling and telecommunications, platform screen doors (PSD), Rolling Stocks, tunnel ventilation, HV power supply, and railway electrification, auxiliary sub-station including Supervisory Data Control and Data Acquisition (SCADA), Automatic Fare Collection (AFC).

Notes forming part of the Financial Statements

Following is the table showing receivable and received amount from MIAL:-

(Rs. in Lakhs)

Sr No	Financial Year	Till Previous Year	Current Year 2016-17	TOTAL
1	Receivables as per MoU	500	9,500	10,000
2	Actual Received	500	5,500	6,000
3	Balance Receivables {1(-) 2}	Nil	4,000	4,000

The company has received the balance of Rs. 4,000 lakhs as on 24th May, 2017.

19.12 Long Term Borrowing

- i) The long term borrowing from Govt of Maharashtra of Rs 14,579 lakhs in the form interest free sub-debt includes Rs 9,047 lakhs pertaining to FY 2016-17, received subsequently after the balance sheet date.
- ii) Japan International Cooperation Agency (JICA) has committed to provide total loan of foreign amount not exceeding 71,000 Million JPY as principle, the interest payable by the Govt of India is @ 1.40% p.a. on the principal disbursed and outstanding which may vary from time to time. If a part of the loan is made available to cover the payments of the consultants of the project, then the rate of interest will be @ 0.01% p.a.
- iii) The consolidated position of total release of Pass Through Assistance (PTA) to MMRCL for MMRCL-Line-3 by Government of India of Rs. 84,264 lakhs including (previous year Rs 10,664 lakhs).
- iv) Interest on JICA loan computed on half yearly basis on September 20th and March 20th, is adjusted in the Long-Term Borrowings and for the remaining 11 days, the same has been computed and shown as interest accrued but not due, which is shown in Short term provisions under the Balance sheet.

19.13 Specified Bank Notes Disclosure (SBN)

During the year, the company had specified bank notes as defined in the MCA Notification G.S.R.308 (E) dated 31st March, 2017 on details of specified bank notes held and transacted during the period from 8th November,2016 to 30th December, 2016.

Notes forming part of the Financial Statements

The SBN and other notes denomination wise details as per the notification is given below :-

Particulars	SBNs Rs.	Other denomination notes	Total Rs.
Closing cash in hand as on 8-11-2016	7,000	0	7,000
(+) Permitted receipts	0		0
(-) Permitted payments	0		0
(-) Amount deposited in Banks	7,000	0	7,000
Closing cash in hand as on 30-12-2016	-----	-----	0

MUMBAI METRO RAIL CORPORATION LIMITED

Notes forming part of the Financial Statements

Note	Particulars				
19.14	Information in respect of Micro,Small & Medium Enterprise as on 31st March, 2017 There were no amount due to micro, small, medium enterprise as at 31st March, 2017				
19.15	Related party transactions				
19.15a	Details of related parties:				
	Description of relationship		Names of related parties		
	Key Management Personnel (KMP)		Ms. Ashwini Bhide, Managing Director Mr. Abodh Khandelwal (Director Finance) Ms. Ritu Deb (Company Secretary) Mr. Indranil Sarkar (Chief Financial Officer)		
	Holding Entity (Holding 50% shares)		Mumbai Metropolitan Region Development Authority		
	Note: Related parties have been identified by the Management. Mr. Abodh Khandelwal (Director Finance) was appointed on 29th March, 2017.				
19.15b	Details of related party Balances outstanding as at 31 March, 2017:			(Rs in Lakhs)	
		KMP	Relatives of KMP	Holding Entity	Total
	Salaries				
	FY 2016-17	55.15	-	-	55.15
	FY 2015-16	46.26	-	-	46.26
	<u>Balances outstanding at the end of the year</u>				
	Short Term Borrowing				
	FY 2016-17			6,871.39	6,871.39
	FY 2015-16	-	-	6,544.45	6,544.45
		-	-	-	-
	Note: The above information has been determined to the extent such parties have been identified on the basis of information provided by the company, which has been relied upon by the Auditor				



MUMBAI METRO RAIL CORPORATION LTD.

MUMBAI METRO RAIL CORPORATION LIMITED

Notes forming part of the Financial Statements

(Rs. in Lakhs)			
Note	Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
		Rs.	Rs.
19.16	Disclosure in respect of AS-20 - Earnings per share		
	Net profit / (loss) for the year	(46.49)	218.73
	Less: Preference dividend and tax thereon	-	-
	Net profit / (loss) for the year attributable to the equity	(46.49)	218.73
	Weighted average number of equity shares (in lakhs)	251.00	48.36
	Earnings per share - Basic	(0.19)	4.52
	Earnings per share - Diluted	-	-
19.17	Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.		
<div>In terms of our report attached. For RSVA & Co., Chartered Accountants FRN : 110504W Sd/- B N Rao Partner Membership No. : 039555 Place : New Delhi Date :24th July, 2017</div> <div>For and on behalf of the Board of Directors Sd/- Ashwini Bhide Managing Director Sd/- Abodh Khandelwal Director (Finance) Sd/- Ritu Deb Company Secretary</div>			

Annexure II
REPORT ON CSR ACTIVITIES/ INITIATIVES
[Pursuant to Section 135 of the Companies Act, 2013 & Rules made thereunder]

A brief outline of the Company's CSR policy, including overview of the projects or programs proposed to be undertaken and reference to the web-link to the CSR Policy and projects or programs

MMRC' CSR policy is aimed at demonstrating care for the community through its focus on education & skill development, health & wellness and environmental sustainability including biodiversity, energy & water conservation. Also embedded in this objective is support to the marginalized cross section of the society by providing opportunities to improve their quality of life. The projects undertaken will be within the broad framework of Schedule VII of the Companies Act, 2013. Details of the CSR policy and projects or programmes undertaken by the Company are available on the website of the Company.

1. The CSR Policy is also accessible on the web portal of the Company at the following link: Web link: www.mmrcl.com

2. The composition of the CSR Committee as at 31st March, 2017:

Mr. Rahul Asthana	Chairman of the Committee
Mr. Aditya Prakash Mishra	Member
Mrs. Ashwini Bhide	Member

3. Average Net Profit* of the company for last 3 Financial Years:

Financial Year	Profit before Tax	Average of three years
2013-14	(4361845)	(17830180)
2014-15	(-46740583)	
2015-16	33272248	
TOTAL	(17830180)	

4. Prescribed CSR expenditure (2% of amount): Nil

5. Details of CSR activities/projects undertaken during the year:

- a) Total amount to be spent for the financial year – NIL
- b) Amount un-spent (if any) – NIL

c) Manner in which the amount spent during financial year is detailed below:

1 Sr. No	2 CSR project/ activity	3 Sector	4 Projects/ Programmes 1. Local area/others- 2. specify the state / where project / programme was undertaken	5 Amount outlay (budget) project/ program wise	6 Amount spent on the project/ program <u>Sub-heads:</u> 1. Direct expenditure on project / program, 2. Overheads	7 Cumulative spend upto to the reporting period	8 Amount spent: Direct/ through impleme nting agency*
Not Applicable							

6. In case the company has failed to spend the 2% of the average net profit of the last 3 financial years or any part thereof, reasons for not spending the amount in its Board Report

The Company does not have any CSR liability on account of losses in the previous three Financial Years. Accordingly, the Company did not undertake any CSR spend in the current year.

7. A responsibility statement by the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

The CSR Committee of the Company confirms that the implementation and monitoring of CSR policy, as undertaken shall be in due compliance with CSR objectives and policy of the Company.

Place: Delhi
Date: 24th July, 2017

Sd/-
Chairman

Sd/-
Chairman of Audit
Committee

Form No. MGT-11**Proxy form**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: 60100MH2008SGC181770

NAME OF THE COMPANY: MUMBAI METRO RAIL CORPORATION LIMITED

REGISTERED OFFICE: MMRDA Building, Bandra Kurla Complex, Bandra E, Mumbai – 400051.

Name of the Member (s):	
Registered Address:	
E-Mail Id:	
Folio No/Client Id:	

I/We, being the member (s) of the abovenamed company, hereby appoint

- 1 Name: _____
Address: _____
E-Mail Id: _____
Signature: _____
(or failing him) _____
- 2 Name: _____
Address: _____
E-Mail Id: _____
Signature: _____
(or failing him) _____
- 3 Name: _____
Address: _____
E-Mail Id: _____
Signature: _____
(or failing him) _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the company, to be held on Saturday, 23rd September 2017 at 11:45 A.M at Committee Room, 9th Floor, New MMRDA Building, BKC, Bandra E, Mumbai-400051 or at any adjournment meeting thereof

Signed this _____ day of _____ of 2017

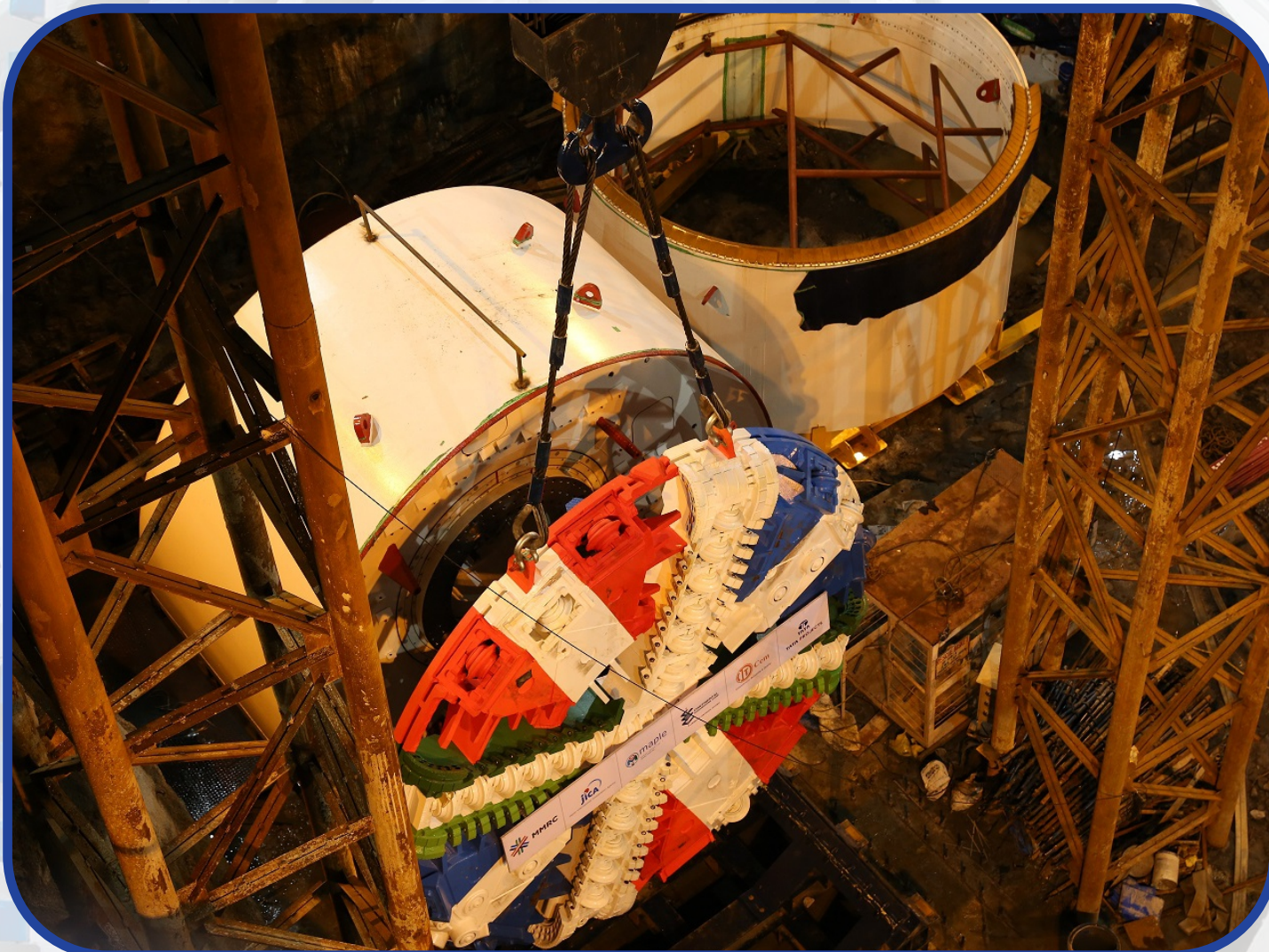
Affix
revenue
stamp

Signature of Member

Signature of Proxy Holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting

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Lowering of TBM of Package - 4 at Naya Nagar



MUMBAI METRO RAIL CORPORATION LIMITED

(JV of Govt.of India and Govt.of Maharashtra)

MMRDA Building, Plot No.14-15, BKC, Bandra (E),

Mumbai – 400 051.