



JAIPUR METRO



8TH

ANNUAL REPORT

2016-17

JAIPUR METRO RAIL CORPORATION LIMITED

CIN : U60221RJ2010SGC030630



Smt. Vasundhara Raje, Hon'ble Chief Minister, Rajasthan, in a meeting with Shri Shrichand Kriplani, Hon'ble Minister, UDH, Shri Mukesh Kumar Sharma, CMD, JMRC, Shri D. B. Gupta, IAS, Shri Tanmay Kumar, IAS, Shri Rajesh Kumar Agerwal, Director (Corporate Affairs), JMRC, Dr. Brij Bhushan Sharma, Director (Finance) and other officers of JMRC.



Shri Shrichand Kriplani, Hon'ble Minister, UDH, in a meeting with Shri Mukesh Kumar Sharma, CMD, JMRC and others



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Annual Report 2016-17

J A I P U R M E T R O
RAIL CORPORATION LIMITED

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JAIPUR METRO RAIL CORPORATION LIMITED

CIN: U60221RJ2010SGC030630

Board of Directors

(as on 23.08.2017)

Sh. Mukesh Kumar Sharma

Chairman & Managing Director, JMRC & ACS, UDH Dept. GoR, Jaipur

Shri S. K. Agarwal

Principal Secretary, Transport Dept., GoR, Jaipur

Dr. Manjit Singh

Principal Secretary, LSG Dept., GoR, Jaipur

Shri Alok

Principal Secretary, PWD, GoR, Jaipur

Shri Vaibhav Galriya

Commissioner, Jaipur Development Authority, Jaipur

Ms Mugdha Sinha

Managing Director, RIICO Ltd, Jaipur

Ms Manju Rajpal

Secretary, Finance (Budget) Dept., GoR, Jaipur

Shri Siddharth Mahajan

Independent Director, JMRC & Collector & District Magistrate, Jaipur

Shri Kunj Bihari Gupta

Commissioner, RHB, Jaipur

Shri Ravi Jain

CEO & Commissioner, JMC, Jaipur

Shri Ram Gopal Gupta

MD, Jaipur Vidyut Vitran Nigam Ltd, Jaipur

Shri Ashwani Saxena

Director (Project), JMRC, Jaipur

Shri C.S. Jeengar

Director (Operations & Systems), JMRC, Jaipur

Shri Rajesh Kumar Agerwal

Director (Corporate Affairs), JMRC, Jaipur

Dr. Brij Bhushan Sharma

Director (Finance), JMRC, Jaipur

Ms. Harshita C. Kochhar, Company Secretary, JMRC, Jaipur

Statutory Auditors : C. R. Mehta & Co., Chartered Accountants, Jaipur
Secretarial Auditors : JAKS & Associates, Company Secretaries, Jaipur

Registered Office :

Khanij Bhavan, behind Udyog Bhavan, C-Scheme, Jaipur - 302 005

Tel : 0141-5192101/102 • Fax : 0141-5192103

E-mail : cmd@jaipurmetrorail.in Website : www.jaipurmetrorail.in



JAIPUR METRO

Jaipur Metro Rail Corporation Ltd.

Khanji Bhawan, Udyog Bhawan Premises, Tilak Marg, C-Scheme,
Jaipur-302005

CIN : U60221RJ2010SGC030630

Tel.: 0141-5192101/102,5192400; Fax : 0141-5192103

Website : www.jaipurmetrorail.in; email : jmrc.finance@gamil.com

Meeting Notice

Notice is hereby given that the eighth annual general meeting of the members of Jaipur Metro Rail Corporation Limited is scheduled to be held on Wednesday, 27th September, 2017, at 3.00 pm in JMRC Conference Hall, III Floor, Khanij Bhawan, Tilak Marg, Jaipur, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the financial statements of the Company for the year 2016-17 together with the Reports of Directors and Auditors thereon.
2. To confirm and approve the appointment of the Statutory Auditors of the Company for the financial year 2017-18.

SPECIAL BUSINESS:

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

“RESOLVED THAT in accordance with the provisions of section 149, 152 and 161 read with Schedule IV and all other applicable provisions, of the Companies Act, 2013 (“Act”), the Companies (Appointment and Qualification of Directors) Rules 2014, [including any statutory modifications (s) or reenactment thereof, for the time being in force], and other applicable provisions, Shri Siddharth Mahajan, IAS who was appointed as Additional Director (Independent) on the Board of the Company w.e.f. 28th February, 2017 and who holds office up to the date of this Annual General Meeting, be and is hereby appointed as Independent Director of the Company for a term of 5 years from the date of initial appointment, i.e. 28th February, 2017.

RESOLVED FURTHER THAT the Managing Director and the Company Secretary of the Company, be and are hereby authorized, severally and jointly, to sign and file and do any and all necessary filing(s), compliances and acts and to take all such steps as may be necessary, proper and expedient to give effect to this resolution.”

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

“RESOLVED THAT in accordance with the provisions of Sections 196 and 197 read with Schedule V and all other applicable provisions of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or reenactment thereof, for the time being in force), and other applicable provisions, if any, and the Notification dated 5th June, 2015 of Ministry of Corporate Affairs, GoI, Shri Ashwani Saxena, Director

(Project) be and is hereby re-appointed as Whole-time Director of the Company with immediate effect till he ceases to be in whole-time employment of the Company or ceases to be Director of the Company, whichever is earlier, and the terms and conditions of his appointment will be as per JMRC Recruitment Rules, 2012.

RESOLVED FURTHER THAT the Managing Director and the Company Secretary of the Company, be and are hereby authorized, severally and jointly, to sign and file and do any and all necessary filing(s), compliances and acts and to take all such steps as may be necessary, proper and expedient to give effect to this resolution.”

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

“RESOLVED THAT in accordance with the provisions of Sections 196 and 197 read with Schedule V and all other applicable provisions of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and other applicable provisions, if any, and the Notification dated 5th June, 2015 of Ministry of Corporate Affairs, GoI, Shri C. S. Jeengar, Director (Operations & Systems) be and is hereby re-appointed as Whole-time Director of the Company with immediate effect till he ceases to be in whole-time employment of the Company or ceases to be Director of the Company, whichever is earlier, and the terms and conditions of his appointment will be as per JMRC Recruitment Rules, 2012.

RESOLVED FURTHER THAT the Managing Director and the Company Secretary of the Company, be and are hereby authorized, severally and jointly, to sign and file and do any and all necessary filing(s), compliances and acts and to take all such steps as may be necessary, proper and expedient to give effect to this resolution.”

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

“RESOLVED THAT in accordance with the provisions of Sections 196 and 197 read with Schedule V and all other applicable provisions of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and other applicable provisions, if any, and the Notification dated 5th June, 2015 of Ministry of Corporate Affairs, GoI, Shri Rajesh Kumar Agerwal, Director (Corporate Affairs) be and is hereby re-appointed as Whole-time Director of the Company with immediate effect till he ceases to be in whole-time employment of the Company or ceases to be Director of the Company, whichever is earlier, and the terms and conditions of his appointment will be as per JMRC Recruitment Rules, 2012.

RESOLVED FURTHER THAT the Managing Director and the Company Secretary of the Company, be and are hereby authorized, severally and jointly, to sign and file and do any and all necessary filing(s), compliances and acts and to take all such steps as may be necessary, proper and expedient to give effect to this resolution.”

**By order of the Board
For JAIPUR METRO RAIL CORPORATION LTD**

Regd. Office

Khanij Bhawan
Tilak Marg, Jaipur
23rd August, 2017



**(MUKESH KUMAR SHARMA)
Chairman & Managing Director**

Note:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. In case a proxy is appointed, the following form of proxy should be returned to the Company, duly completed, no later than forty eight hours before the commencement of the meeting.
2. Explanatory statement pursuant to Section 102 of the Companies Act, 2013 is enclosed herewith.





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EXPLANATORY STATEMENTS FOR ITEM NUMBERS 3 to 6, PURSUANT TO SEC 102 OF THE COMPANIES ACT, 2013:

Item Number 3:

The UDH, GoR had issued order no. F.10(24)UDH/3/01 Pt.-I dated 28th February, 2017 appointing Shri Siddharth Mahajan, IAS, presently the District Collector Jaipur as Independent Director on the Board of JMRC. Accordingly, Shri Siddharth Mahajan, IAS, Additional Director (Independent) was appointed as such w.e.f. 28th February, 2017 as per the provisions of Section 149 and 161 of the Companies Act, 2013 and the Rules made thereunder, read with the exemptions granted to Government companies vide Ministry of Corporate Affairs, Government of India notifications dated 5th June, 2015 and 5th July, 2017.

Now, as per the provisions of Section 161(1) of the Companies Act, 2013, he holds office as Director only till the date of the forthcoming Annual General Meeting, but is eligible for appointment as Director of the Company subject to the approval of shareholders at this Annual General Meeting.

Hence, the agenda for confirming the appointment of Shri Siddharth Mahajan, IAS as Director of the Company and designated as Independent Director of the Company has been placed at item number 3.

Item Number 4 to 6:

Tenure of the 3 Whole-time Directors of the Company, namely, Shri Ashwani Saxena, Director (Project), Shri C. S. Jeengar, Director (Operations & Systems) and Shri Rajesh Kumar Agerwal, Director (Corporate Affairs), was till 29th June, 2017. As per the provisions of Sections 196 and 197 read with Schedule V and all other applicable provisions of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), any other applicable provisions, if any, and the Notification dated 5th June, 2015 of Ministry of Corporate Affairs, GoI granting certain exemptions to and modifications for government companies, the whole-time directors of our Company, being a Government Company can be appointed till further orders of the Government. Accordingly, the Board in its meeting held on 22nd June, 2017, re-appointed these 3 Directors as Whole-time Directors of the Company with immediate effect till they cease to be in the whole-time employment of the Company or cease to be Director of the Company, whichever is earlier, as per provisions of Sections 196 and 197 read with Schedule V and all other applicable provisions of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), any other applicable provisions, if any, and the Notification dated 5th June, 2015 of Ministry of Corporate Affairs, GoI granting certain exemptions to and modifications for government companies, subject to the approval of the shareholders in the next General Meeting, on terms and conditions of appointment as per JMRC Recruitment Rules, 2012.

Hence, the agenda for re-appointment of Shri Ashwani Saxena, Director (Project), Shri C. S. Jeengar, Director (Operations & Systems) and Shri Rajesh Kumar Agerwal, Director (Corporate Affairs) as Whole-time Directors of the Company have been placed at item numbers 4 to 6.

Jaipur Metro Rail Corporation Limited

BOARD'S REPORT

Dear Members,

Your Directors are pleased to present the 8th Annual Report on the business and operations of your Company together with the audited statement of accounts for the year ended on 31st March, 2017, and the Auditors' Report thereon.

FINANCIAL RESULTS

The year under report covers a period of 12 months ended on 31st March, 2017, for which the summarized financial results are as under:

Particulars	For the year ended on 31 st March, 2017 (in ₹)	For the year ended on 31 st March, 2016 (in ₹)
Revenue from Operations	9,72,04,583	9,14,52,730
Other Income (including interest)	4,56,19,284	4,42,93,648
RTIDF Grant-in-aid	47,69,72,134	10,00,00,000
Deferred Capital Grant Amortized	11,35,53,536	3,73,98,955
Total Income	73,33,49,537	27,31,45,333
Revenue expenses for the year	45,65,96,001	39,89,66,610
Depreciation and Amortization	73,17,12,385	61,49,03,144
Finance Cost (Interest)	24,30,88,665	16,12,52,337
Total Expenses	1,43,13,97,051	1,17,51,22,091
Profit/ (loss) before Tax	(69,80,47,514)	(90,19,76,758)
Tax Expenses (Net)	20,31,43,157	(19,91,65,527)
Profit/ (loss) after Tax	(90,11,90,671)	(70,28,11,231)

The commercial operations of Phase-1A of Jaipur Metro Rail Project, i.e. from Mansarovar to Chandpole, commenced on 3rd June, 2015, and have resulted in heavy operating losses mainly on account of low ridership, fixed expenses on salary and allowances, administrative expenses, depreciation, etc. During the year 2016-17 the Company had received revenue grant of ₹16.32 Crore for F.Y. 2015-16 and ₹31.37 Crore was receivable for F.Y. 2016-17 from Rajasthan Transport Infrastructure Development Fund (RTIDF) created by Government of Rajasthan. The interest expenses are mainly on the interest bearing Government loans. Net operational losses for the year 2016-17 are depicted below:

(amount in ₹)

Total Revenue (excluding grant)	14,28,23,867
Less: Total Expenses (excluding depreciation & finance cost)	45,65,96,001
Operating loss before depreciation & finance cost	31,37,72,134
Add: Depreciation (net of amortisation of grant) (₹731712385 - ₹113553536)	61,81,58,849
Operating loss after depreciation before finance cost	93,19,30,983
Add: Finance Cost (Interest)	24,30,88,665
Operating loss after depreciation & finance cost	1,17,50,19,648
Less: Grant-in-aid from RTIDF	47,69,72,134
Net loss	69,80,47,514

Though Jaipur Metro is doing well in terms of its average daily ridership as against the other Metro Rails in India, still, it seems almost certain that projected levels of ridership and revenues may be achievable only after the whole planned network of Phase 1 (1A + 1B) and Phase 2 is completed and commissioned. However, Jaipur Metro is providing a safe, energy efficient, environment friendly and quality public transport at affordable fare to the commuters as social obligation of the welfare state.

CORPORATE REVIEW

JAIPUR METRO RAIL PROJECT :

As the members are aware, the Government of Rajasthan (GoR) had resolved to take up Jaipur Metro Rail Project; and Jaipur Metro Rail Corporation Ltd. (JMRC) was created as an undertaking of the State Government for implementing the Project. The DPR Version January-2010 prepared by Delhi Metro Rail Corporation Ltd. (DMRC) was revised in June, 2011, and further revised in March, 2012, according to which Jaipur Metro Rail Project is to be implemented in two Phases:

1. Phase-1 (East-West Corridor from Mansarovar to Badi Chaupar) :

East-West Corridor from Mansarovar to Badi Chaupar, currently under implementation, has a route length of 12.067 kms and a total estimated cost of ₹ 3149 crore. The brief details of Phase-1 are as under:-

Description	Phase-1A	Phase-1B	Total Phase-1
From – To	Mansarovar to Chandpole	Chandpole to Badi Chaupar	Mansarovar to Badi Chaupar
Elevated Route Length (in kms)	9.13	Nil	9.13
Under Ground Route Length (in kms)	0.50	2.44	2.94
Total Route Length (in kms)	9.63	2.44	12.07
Elevated Stations	8	Nil	8
Under Ground Stations	1	2	3
Total Stations	9	2	11
Total Completion Cost (in Crore ₹)	2023	1126	3149

1A. Phase-1A (Mansarovar to Chandpole)

JMRC had entered into an agreement on 5th August, 2010, with DMRC for the development, including the technical and management consultancy, of Phase-1A from Mansarovar to Chandpole, on 'deposit work' basis. A supplementary agreement was executed with DMRC on 14th August, 2012, for Rolling Stock and S&T including AFC. Up to 31st March, 2017, a sum of ₹ 1826.13 crore has been paid to DMRC, including a consultancy fee of ₹ 114.07 crores.

This Phase-1A of Jaipur Metro, which has been named 'Pink Line', was successfully opened for public carriage of passengers on 3rd June, 2015; by Smt. Vasundhara Raje, Hon'ble Chief Minister, Rajasthan. We are proud to say that with completion time of 4 years and a quarter, Pink Line is one of the fastest project implementations in Metro sector. We hope that Jaipur Metro network will grow over time, provide 'safe, comfortable and affordable' public transportation to an ever growing body of residents and visitors, establish itself as the most preferred mode of travel in this historical city of Jaipur and contribute to developing it into a smart city.

In the first 26 months of operation, i.e., upto 31st July, 2017, over 176 lakh passengers travelled in 1,05,677 metro trains with a fare box collection of nearly ₹19.40 crores.

(i) Passenger ridership & earning statistics in last 26 months:

Period	Ridership (Nos.)	Earning (₹)
2015-16	8245890	82885103
2016-17	7222871	79038369
2017-18 (upto July, 2017)	2189580	27841662
First 26 months Total	17653841	189765134

(ii) Important parameters for first 26 months of operations:

Safety & Security	Accident free & incident free
Punctuality	99.9% 100% in May, 16, June & July, 17
Avg. daily ridership (till July, 2017)	22359
Smart cards in circulation	65300
Sale of tokens by Vending Machines	53%
Time of Operations	6:25 to 21:45 hours ; all 365 days
Frequency : Off peak Hours	6:25 to 16:59 Hrs : 15 minutes
: Peak Hours	17:00 to 21:45 Hrs : 10 minutes
Fare (w.e.f. 01.04.2017) : Off peak Hours	₹ 6 to ₹17
: Peak Hours	₹11 to ₹23

(iii) Special achievement:

- Rajasthan Energy Conservation Award, 2016 in Government department category.

(iv) Initiatives and innovations in operations during 2016-17:

- JMRC had taken following initiatives and innovations to enhance safety, security, ridership, economy and passenger comforts.

a. Multi Model Traffic Integration:

- Surface walk way between Jaipur Jn. of IR and Railway Station of JMRC
- Roadways Booking Office at Ram Nagar and New Aatish Market Station
- Stopping of all passing JCTSL buses at 8 metro stations
- Display integrated time table of JCTSL buses and Metro Trains at Stations
- App based Auto Rickshaw feeder service "Jugnoo", 15% discount in fare
- 30 Tata Magic vehicles as Feeder Services at Chandpole station

b. Enhanced Safety, Security & Operation Measures:

- Ultra Sonic Flaw Detection (USFD) testing of rail joints
- GPS based OHE monitoring & Current Collection System: OLIVIR-G plus
- Electronic Rail Greasing System
- Electrical Power Driven Torque Wrench for tightening of track fittings
- Video analytical features in CCTV cameras at stations and depot
- Revision of punctuality loss criteria from 120 seconds to 60 seconds
- Insurance coverage to all passengers

c. Passenger Delight Measures:

- One of the first cashless metro in India from 31.12.2016
- Wi-Fi Hotspots at all metro stations with one hour free usages
- Facility to Top-up and purchase of Smart Card by any Credit/ Debit Card
- Refund of Unreadable Smart Cards within 30 minutes
- Auto Top-up facility to Smart Card users
- On board sale of Smart Cards to the passengers
- Smart Card Mobile Van to sale cards at public places
- Introduction of Own Your Station (OYS) scheme at metro stations
- Zero tolerance to water leakages in metro trains
- Green plants clusters in concourse paid area at stations
- 186 additional trains run during Navratra to Diwali/ Moharram
- Online passenger survey to improve metro services
- Launching of Jaipur Metro Mobile App

d. Energy Conservation Measures:

- Critical energy audit led to saving of about one third consumption & energy bill to approx Rs 40 lakh per month w.r.t first month of operation
- Auto switching off 50% saloon lights in running trains on elevated route
- Rational switching off of 15 Escalators & 4 Elevators, and idle mode operation in 22 Escalators out of total 37 Escalators and 40 Elevators

e. Staff Welfare Measures:

- Accidental insurance has been provided by JMRC to all employees

f. Increased Earnings and Economy in Operations:

- Operating expenses, per Km, one of the lowest in all metros
- Single electric tariff (Commercial to Large Industrial category) from 01.09.2016, resulted in saving of electric expenses
- Exemption to levy of ED, UC & WCC on electricity consumption for O&M purposes by GoR resulted in further saving of electric expenses
- Introduction of Peak Hour and Off-peak Hour fare system, increase in 14% fare box revenue on pro-rata basis
- Rationalization of outsourced employees for customer facilitation and housekeeping, commensurate with actual traffic, led to saving in operating cost
- Non fare revenue contracts resulted into non fare revenue of about Rs. 1.82 Crore in the financial year 2016-17.

1B. Phase-1B (Chandpole to Badi Chaupar)

Construction of underground metro line from Chandpole to Badi Chaupar covering a distance of 2.44 Kms is in progress, with an estimated cost of Rs. 1126 crore. For Phase 1 B project, a loan agreement of 176m USD (Rs. 969 crores) was signed with ADB on 29th May, 2014. This loan became effective from 30th June, 2014, against which, based on progress made, a sum of Rs. 286.46 crore has already been drawn from ADB upto 31.07.2017.

For the construction of this phase, DMRC was appointed as General consultant. M/s Continental Engineering Corporation (CEC) has been selected as contractor for the work of tunnelling and station construction through International Competitive Bidding in 2013.

As this phase is located in the heritage city, the work is being executed with due care to ensure that no harm is caused to historical monuments and all heritage related issues are dealt with as per the advice of heritage consultant and archaeology experts.

The two Tunnel Boring Machines (TBMs) had successfully under passed Chandpole Gate without causing any damage or distress to the structure of Chandpole Gate. Both TBMs have also side passed the Isarlat

(Sargasuli) on 15.02.2016 & 21.08.2016, without causing any damage or distress to the structure of Isarlat.

To reduce public inconvenience, due to traffic block and to avoid dismantling of verandah/shops at Badi Chaupar design has been modified. Side platforms have been replaced with island platform at Badi Chaupar station, tunnelling by cut & cover at Badi Chaupar has been replaced with tunnelling by TBM, launching shaft near Badi Chaupar station at Tripolia Bazar has been dropped and the TBM had been passed through the Chhoti Chaupar station and the same is being retrieved at Badi Chaupar station.

The two chaupars were excavated in a scientific and archeologically appropriate manner and two old, historical water tanks were unearthed which were buried 150 to 250 years ago. To return to the people of Jaipur its lost heritage, it has been decided to recreate the two Chaupars to their historical form by reconstructing these water tanks at the same place, after the construction of stations is completed. For this purpose, a detailed documentation of the two water tanks has been done under the guidance of our archaeology and heritage experts.

Tunnelling work of both the tunnels has been completed in December 2016. Retrieval of TBM's has commenced in August 2017 and will be completed by September 2017. All tunnelling activities are planned to be completed by October 2017. Five cross passages have been planned for connecting both up and down line tunnels. Three cross passages have been completed by August 2017 and the work on remaining two cross passages is in progress.

The design of Chhoti Chaupar station has been revised by adding a cover level over the station box to accommodate old water tank and a view gallery around it. At Badi Chaupar station, in addition to recreating the water tank at the centre, it has been planned to construct cover level above the concourse and below the ground level to provide for a future four-lane subway/underpass. To accommodate subway, Rail level at Badi Chaupar station has been lowered by about 1 meter. A pre-feasibility study is also being conducted for subway/underpass from Sanganeri Gate to Jorawar Singh Gate and beyond as per direction given by Govt. The entry/exit structures at Chhoti Chaupar and Badi Chaupar have been revised to accommodate free pedestrian subway across Khandas and entry to cover level.

The work of underground station at Chhoti Chaupar by top down construction technique is in progress. After constructing all the D-walls & Plunge columns the work of top slab, roof slab and concourse slab has been completed and work of base slab is in progress. Ancillary building work for Chhoti Chaupar station situated at old Aatish market is in progress and work of service gallery connecting Chhoti Chaupar station with ancillary building has been completed by pipe pushing technique beneath the existing shops safely without causing any damage and distress to nearby structures. Entry/Exit structure work at Chhoti Chaupar station has been started at North-East and South-West Khandas.

After completing the utility diversion work at Badi Chaupar, the work of Construction of D Wall all around the station area, plunge column and top slab has been completed. The work of roof slab and concourse slab is in full swing. Land has been taken over from Devasthan Department, GoR for ancillary building of Badi Chaupar on 04.08.2017 behind Manak Chowk Thana. The work of ancillary building shall be taken up shortly.

There were thirteen temples at Chhoti Chaupar and Badi Chaupar which were required to be shifted to

facilitate construction of stations. The six temples at Chhoti Chaupar were relocated by the year 2015 to Old Atish Market with all rituals. Relocation of seven temples at Badi Chaupar have been completed by June 2017 at land behind Manak Chowk Thana and Tanwar Ji Ka Nauhra with all rituals.

The proposal for construction of Parking and Property Development (PD) floor over reversal line was proposed by JMRC, which has been approved by State Government. A parking area for about 100 number of cars and a PD area of about 6500 sq mtrs can be constructed under the present Ramganj Bazar Road above the crossover/reversal line. The wider area of reversal line area can be utilized for construction of future line of Phase 1C proposed to be constructed between Badi Chaupar and Surajpole Gate in future. Bid document and estimate are being prepared by General Consultant for calling open tender for the above work.

There are 12 numbers of tender packages for total estimated cost of INR 246.28 crore for various systems like Electrical, S&T, AFC, Track etc. Tenders for Electrification, Air conditioning, Tunnel Ventilation at a total cost of INR 111.11 crore and for Lifts and Escalators at a value of INR 14.37 crore have been awarded in the month of May and July 2017. Balance tenders for systems are under various stages of finalization.

2. Phase-2 (North-South Corridor from Ambabari to Sitapura):

According to Updated Detailed Project Report (July 2014) prepared by DMRC, Jaipur Metro Rail Project – 2 is proposed from Sitapura to Ambabari covering a length of 23.8 kms. The total estimated cost is Rs. 10,394 crores. It has been decided by Government to take up the project on PPP mode. It has also been decided that the DPR prepared by DMRC be reviewed and updated through an international consultant. In the loan of Phase 1B approved by ADB there was a component for review and updation of DPR for Phase 2. The selection of an international consultant to undertake the review of Phase 2 DPR has already been initiated by JMRC. An EOI was called and 22 international consultants participated from all across the globe. RFP was called from 6 international consultants shortlisted from EOI.

After getting the NOC from ADB over Technical & Financial evaluation, Rank 1 firm M/s Egis Rail, Egis India Consulting Engineers Pvt. Ltd (India) (JV) & Feedback Infra Pvt. Ltd. (India) (JV) was invited for contract negotiation. The process of contract negotiation has been completed and after getting NOC from ADB, the agreement will be executed with the firm. The consulting firm will commence the work from September 2017 and final report is to be submitted in 7 months.

Government has also approved the process for selection and appointment of transaction consultant for preparing the RFQ & RFP for selection of concessionaire for executing Phase 2 of Jaipur Metro Rail Project on PPP Mode, as per DEA Guidelines. To undertake pre-project activities and for appointment of Transaction Consultant, Government has provided a budget provision of Rs. 10 crore. The selection of transaction consultant will be done after the review of DPR by international consultant and approval by Government.

Meanwhile, with a view to work out the best way forward, JMRC had been in discussion with several companies in India and abroad, who have shown their interest in implementing Phase 2 on PPP model.

NON FARE REVENUE EARNINGS

Operation and Maintenance of metro rail system are technology-driven and expensive, and global



experience shows that fare box revenue is rarely adequate to meet the cost of even these. In this context, JMRC is making sincere efforts to execute non fare revenue contracts and maximise its earnings.

Upto March 2017, non fare revenue contracts for leasing spaces for ATMs; Roof Top Towers; Licensing of indoor mobile coverage, leasing of optical fibres; licensing of parking rights & feeder services; and short term advertisement of Standees have been executed.

These non fare revenue contracts resulted into non fare revenue of about Rs. 1.82 Crore in the financial year 2016-17.

The tendering for non fare revenue contracts for licensing of various types of advertisement rights are in process and are expected to be concluded in calendar year 2017-18.

Further, JMRC is in the process of initiating other non fare revenue contracts for leasing of small and large retail spaces. Process for appointing consultant(s) for property development of various land parcels has also been initiated.

SOURCES OF FUNDING

Sources	Amount (₹ in Crore)	Percentage
Equity/ Debt from Government of Rajasthan (GoR)	1860	59.07%
Equity/ Debt/ Grant from RIICO/ RHB/ JDA	320	10.16%
Loan from ADB through GoR/ GoI	969	30.77%
Grand Total	3149	100%

Earlier, the funding pattern of Phase-1 of Jaipur Metro Rail Project was having equity and subordinate debt funding from Government of India totalling to ₹ 630 crore as per the terms and conditions set forth in the MOU for creation of JV. Since, the State Government has disagreed to these terms and conditions, this amount of ₹ 630 crores has now been funded by Government of Rajasthan.

SHARE CAPITAL AND BUY BACK

During this financial year, pursuant to the UDH, GoR order No. F. 10(16) UDH/Metro/2015 dated 8th November, 2016, Industries Department, GoR order No. F.5(35)Industries/1/1976 dated 15th December, 2016, RIICO letter No. FDI/U/233/IV/2010 dated 21st December, 2016, and in accordance with the provisions of Section 62(4) of the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013 and Rules made thereunder the Company converted and issued & allotted equity shares of ₹1000 each at par against the below mentioned amounts of monies, which were shown as long term interest free unsecured subordinate debt in the books of accounts of the Company:

1.	Government of Rajasthan (GoR)	₹ 11,15,03,58,000
2.	Rajasthan Housing Board (RHB)	₹ 1,00,00,00,000
3.	Rajasthan State Industrial Development & Investment Corporation Limited (RIICO)	₹ 36,84,00,000
	Total	₹ 12,51,87,58,000

The Company has not done any buy back of shares during the year under review.

DIVIDEND

The Company has incurred loss during the year. Hence your Directors do not recommend any dividend for the year 2016-17.

DIRECTORS

During the year Company appointed one Independent Director as Additional Director on the Board of the Company, to be regularized in this year's annual general meeting. Appointment of one Independent Director is still under consideration with GoR. During the year 2016-17, following were appointed as Directors of the Company:

S. No.	Name	Date of Appointment
1.	Shri S K Agarwal, IAS	2 nd May, 2016
2.	Shri Hemant Kumar Gera, IAS	4 th May, 2016
3.	Shri Anil Kumar Bohra	3 rd June, 2016
4.	Shri Naveen Mahajan, IAS	20 th June, 2016
5.	Shri A. Mukhopadhaya, IAS	1 st July, 2016
6.	Shri Mukesh Kumar Sharma, IAS	1 st July, 2016* ¹
7.	Shri Umesh Kumar, IAS	27 th July, 2016
8.	Dr. Brij Bhushan Sharma, RAcS	11 th July, 2016* ²
9.	Shri Vaibhav Galriya, IAS	6 th September, 2016
10.	Shri Umesh Kumar, IAS	7 th November, 2016
11.	Ms. Mugdha Sinha, IAS	10 th February, 2017
12.	Shri Siddharth Mahajan, IAS	28 th February, 2017

*1 Re-designated as Chairman and Managing Director w.e.f. 11th November, 2016

*2 Re-designated as Whole-time Director w.e.f. 30th September, 2016

During the year 2016-17, following ceased to be Directors of the Company:

S. No.	Name	Date of Cessation
1.	Shri Siddharth Mahajan, IAS	30 th April, 2016
2.	Shri Pawan Kumar Goyal, IAS	2 nd May, 2016
3.	Shri Bhaskar Atmaram Sawant, IAS	20 th June, 2016
4.	Ms Veenu Gupta, IAS	30 th June, 2016
5.	Shri Om Prakash Meena, IAS	1 st July, 2016
6.	Shri Ashok Jain, IAS	1 st July, 2016
7.	Shri Sarvesh Tewari, RAcS	11 th July, 2016



8.	Shri Umesh Kumar, IAS	6 th September, 2016
9.	Shri Shikhar Agarwal, IAS	7 th November, 2016
10.	Shri Ashwini Bhagat, IAS	11 th November, 2016
11.	Shri Umesh Kumar, IAS	10 th February, 2017

DECLARATION BY INDEPENDENT DIRECTOR

The Independent Director had submitted the declaration of independence, as required pursuant to Section 149 of the Companies Act, 2013 stating that he is not disqualified to become an independent director under the Companies Act, 2013 in Jaipur Metro Rail Corporation Limited and that he complies with all the criteria of independent director envisaged in applicable provisions of the Companies Act, 2013.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors of the Company confirms that-

- in the preparation of the Annual Accounts, the applicable accounting standards have been followed;
- the Directors had 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 year;
- the Directors had 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;
- the Directors have prepared the Annual Accounts on a going concern basis; and
- 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."

NUMBER OF MEETINGS OF THE BOARD

The Board has met five times during the year 2016-17. Details of the Board Meetings, along with the meetings attended by each Director are as given below:

Board Meeting	27th Meeting	28th Meeting	29th Meeting	30th Meeting	31st Meeting
Name of Director	28.06.16	07.09.16	05.12.16	27.12.16	24.03.17
Shri Ashwini Bhagat	Yes	Yes	NA	NA	NA
Shri Om Prakash Meena	No	NA	NA	NA	NA
Shri Ashok Jain	Yes	NA	NA	NA	NA
Shri Devendra Bhushan Gupta	Yes	Yes	No	Yes	No
Shri S K Agarwal	No	Yes	No	Yes	No

Ms. Veenu Gupta	No	NA	NA	NA	NA
Dr. Manjit Singh	Yes	No	Yes	No	No
Shri Shikhar Agrawal	Yes	No	NA	NA	NA
Shri Hemant Kumar Gera	Yes	Yes	No	No	No
Shri Naveen Mahajan	No	Yes	Yes	No	Yes
Shri Anil Kumar Bohra	Yes	No	No	Yes	Yes
Shri Ashwani Saxena	Yes	Yes	Yes	Yes	Yes
Shri C.S. Jeengar	Yes	Yes	Yes	Yes	Yes
Shri Rajesh Kumar Agerwal	Yes	Yes	Yes	Yes	Yes
Shri Sarvesh Tewari	Yes	NA	NA	NA	NA
Shri A Mukhopadhaya	NA	No	No	No	No
Shri Mukesh Kumar Sharma	NA	Yes	Yes	Yes	Yes
Shri Vaibhav Galriya	NA	Yes	Yes	No	No
Dr. Brij Bhushan sharma	NA	Yes	Yes	Yes	Yes
Shri Umesh Kumar	NA	NA	Yes	No	NA
Ms Mugdha Sinha	NA	NA	NA	NA	No
Shri Siddharth Mahajan	NA	NA	NA	NA	No

DEPOSITS

During the year under review, your Company has not accepted any deposits from public.

NOMINATION AND REMUNERATION COMMITTEE (NRC)

The Company has a Nomination and Remuneration Committee (NRC) consisting currently of the following Directors of the Company as members:

- Shri Alok;
- Shri Siddharth Mahajan; and
- Shri Ravi Jain.

As on 31st March, 2017, it consisted of the following:

- Shri Devendra Bhushan Gupta;
- Shri Hemant Kumar Gera; and
- Shri Siddharth Mahajan.

Being a Government Company, the appointment and remuneration of senior management of the Company is governed either by the rules of service of their parent organization (from where they come on deputation) or by the JMRC Recruitment Rules, 2012 (which are duly approved by the Board of the Company and the State Government), as may be applicable. Being based on the Government Rules (Centre/ State, as the case may be), these Rules grant hardly any scope for unreasonableness. Accordingly, the NRC had observed in its meeting held on 27th December, 2016 that the present arrangement of control, supervision and other parameters is satisfactory.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The Company has a Corporate Social Responsibility (CSR) Committee, consisting currently of the following Directors of the Company as members:

- i. Shri Alok;
- ii. Shri Siddharth Mahajan; and
- iii. Shri Ravi Jain.

As on 31st March, 2017, it consisted of the following:

- i. Shri Devendra Bhushan Gupta;
- ii. Shri Hemant Kumar Gera; and
- iii. Shri Siddharth Mahajan.

The CSR Committee met on 27th December, 2016 and took note of the below given CSR Policy of the Company; however, as currently there are no profits in the Company, it is not required to spend any amount on CSR activities:

A. SHORT TITLE & APPLICABILITY:

- (1) This policy shall be known as the "CSR Policy of JMRC".
- (2) This policy would apply for all Corporate Social Responsibility (CSR) initiatives, projects, programmes, and activities (hereinafter referred to as 'tasks') undertaken by JMRC in India as per the provisions of the Companies Act, 2013, the Companies (Corporate Social Responsibility Policy) Rules, 2014 and circulars issued thereunder from time to time (hereinafter referred to as 'the Act').

B. RESOURCES:

- (1) A minimum of 2% of the Company's average net profits, if any, made during immediately preceding three financial years shall be allocated as the CSR Budget, per annum. Net profit shall be assigned the meaning as per the Act.
- (2) Any unutilized/ unspent CSR Budget of a particular year would be carried forward to the following year, i.e., the CSR budget would be non lapsable in nature.
- (3) Surplus arising out of the CSR projects or programmes or activities shall not form part of the business profit of the Company, but shall be liable to be added back to the CSR Budget.

C. SCOPE AND FOCUS AREAS:

- (1) The scope of CSR Policy of JMRC would be as per the provisions of the Act.
- (2) The focus of this policy would be on the following activities, from out of the activities included in Schedule VII of the Companies Act, 2013:
 - a. promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
 - b. ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set up by the Central Government for rejuvenation of river Ganga; and



- c. protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts.
- (3) Tasks that benefit only the employees of the company and their families or tasks which are in the normal course of business of the Company would not be considered to be a CSR activity and only activities in India would be considered for computing CSR expenditure.

D. MODALITIES OF EXECUTION:

The modalities of execution of each task would be charted out by the CSR Committee (or the person made in-charge for the purpose by the CSR Committee) at the time of sanctioning the same.

E. IMPLEMENTATION SCHEDULE:

The implementation schedule of each task would be charted out by the CSR Committee (or the person made in-charge for the purpose by the CSR Committee) at the time of sanctioning the same.

F. MONITORING:

- (1) Monitoring of tasks would be done task-wise and benchmarked to the respective implementation schedule.
- (2) Minutes of the Committee's meetings shall be placed before the Board at the following meeting of the Board of the Company.
- (3) The Board of the Company would reserve complete discretion to withdraw/ cancel CSR budget allocation relating to any task, fully or partially, and/or recall unutilized amount relating to any task, fully or partially.

G. DISPLAY AND REPORTING:

- (1) This policy would be displayed on the Company's website, with such amendments as may be made by the Company, from time to time.
- (2) This policy along with the Annual Report on CSR activities would, as part of the Board's Report, be reported in the Company's Annual Report, as per the provisions of the Act.

AUDIT COMMITTEE

The Company has an Audit Committee consisting currently of the following Directors of the Company as members:

- i. Shri Alok;
- ii. Shri Siddharth Mahajan; and
- iii. Shri Ravi Jain.

As on 31st March, 2017, it consisted of the following:

- i. Shri Devendra Bhushan Gupta;
- ii. Shri Hemant Kumar Gera; and
- iii. Shri Siddharth Mahajan.



The Audit Committee of the Company meets from time to time to carry out its statutory functions. During this financial year 2016-17, the Committee met on 7th September, 2016 and 27th December, 2016.

RISK MANAGEMENT POLICY

Jaipur Metro Rail Project has been planned keeping in view the urban transport demands of the city for the next many decades. Planned to provide a state-of-the-art, affordable and reliable system of public transport, the project intends to spur economic development of the city while preserving its rich heritage and culture. Thus, the launch of Jaipur Metro is a significant step in making Jaipur a smart city.

The responsibility of security & policing of Jaipur Metro has been entrusted to Rajasthan Police. A strength of 789 police personnel has been sanctioned for security and policing of Jaipur Metro. Latest security equipments have been provided at all Metro Stations.

Operation and maintenance of the Metro is being handled by Jaipur Metro Rail Corporation with the help of over 400 trained and competent manpower. In Defect Liability Period (DLP), DMRC and concerned suppliers are providing the technical resource support, wherever required. Further, as per requirement JMRC is entering into AMC contracts after completion of DLP.

Jaipur Metro has taken various steps to ensure that at the time of emergency, all basic support systems are in place. One Standard Gauge self-propelled Rail-cum-Road Vehicle (RRV) and one four-wheeled Tower Wagon (SG self-propelled rail vehicle) are available. To take care of any medical help required during any accident/ incident, Jaipur Metro has signed a MoU with well-equipped Metro Manas Arogya Sadan Heart Care & Multispecialty Hospital, Mansarovar to provide their emergency medical services. A MoU has also been signed with NHM, GoR for “108” Ambulance services. Although Metro system is a failsafe system, still as a precautionary measure Jaipur Metro has, through public sector insurance company, put in place a free accident insurance scheme for its passengers, including visitors and employees (i.e., non-passengers visiting Metro Stations).

Local Self Government Department, GoR had created the RTIDF vide its Order dated 29th February, 2012, whereby it was decided that financial assistance against operational losses to the tune of ₹ 10 crores would be provided to JMRC from RTIDF. This figure was modified by GoR vide order dated 24th August, 2016 to the effect that financial assistance of ₹ 50.00 crores or operational loss of previous year or 25% of the receipts in RTIDF during previous year, whichever is less will be provided to JMRC.

Further, Phase-1B of Jaipur Metro Rail Project having total cost of ₹ 1126 crores has been funded by way of loan from ADB through GoI as Pass Through Assistance to the extent of ₹ 969 crores (USD 176 million). The loan is repayable in 15 years after a moratorium period of 8 years. The interest rate is linked with London interbank offered rate (LIBOR) plus 0.5% (which includes spread of 0.40% and maturity premium of 0.10%). Additionally, the commitment charges @ 0.15 % per annum on undisbursed amount is also payable. The ADB loan has been provided by GoI to GoR on a back-to-back basis, and given to JMRC as Interest Free Loan.

Thus, JMRC has appropriate risk management systems in place for identification and assessment of various risks, measures to mitigate them and mechanisms for proper and timely monitoring and reporting of any and all incidents. From time to time, the respective HoDs and Audit Committee of the Company review the implementation and monitoring of its various decisions, plans and strategies to ensure safeguarding of the

Company against any kind of risks, be it technological, legal, physical, financial or relating to the image of the Company.

THE VIGIL MECHANISM OF JMRC

JMRC is a law-abiding, wholly-owned Company of the State Government, being duly audited by the statutory auditors appointed by C&AG, internal auditors, secretarial auditors and also covered under the ambit of supplementary audit of the C&AG.

JMRC is an employee oriented organization which has taken various steps to promote the welfare of its employees, laid emphasis on adequate training of its staff, conducted interactions/ feedback sessions with the employees from time to time.

Further, additional measures have been undertaken by the Management, i.e., the contact details of all senior officers and nodal officer of JMRC have been made available on the official website of Jaipur Metro, the Management is responding to various issues raised by public through their suggestions/complaints manually at all Metro Stations and through the link provided on the website, RTI and Sampark Portal of GoR. Still, to comply with the provisions of the Companies Act, 2013, the Company has established a proper vigil mechanism system for directors and employees for reporting genuine concerns in the most appropriate manner.

This mechanism provides for adequate safeguards against victimisation of persons who use such mechanism and makes provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases.

All the members of the Board and employees of the Company are eligible to report genuine concerns and/or make a complaint under this Vigil Mechanism and adequate safeguards shall be provided by the Audit Committee and Management of the Company against victimization of persons who use such mechanism (herein after referred to as complainant) by way of following means:

- a. At the request of the complainant, his/her identity shall not be revealed till necessary in the interest of the matter in question.
- b. The complainant shall not be subjected to victimization due to the fact that he/she had reported a matter or filed a complaint under this Mechanism.
- c. Protection under this Vigil Mechanism would not mean protection against disciplinary action arising out of any false, motivated or vexatious complaint.
- d. Any other employee assisting in the investigation or furnishing evidence with regard to a matter shall also be protected against victimization.

The Contact details of the Chairman of the Audit Committee of the Company, be made available on the official website of the Company, so that the concerned person has access for reporting of genuine concerns and/or making complaint under this Vigil Mechanism. The Audit Committee of the Company shall also oversee the Vigil Mechanism of the Company.

Further, this Vigil Mechanism and JMRC Conduct, Discipline & Appeal Rules, 2017 (JMRC CDA Rules, 2017) be disclosed on the official website of Jaipur Metro.



INTERNAL FINANCIAL CONTROL SYSTEMS, ITS ADEQUACY AND EFFECTIVENESS

The Company has an adequate internal financial control system commensurate with the size and nature of its business. Processes have been 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. The internal financial controls are adequate and operating effectively.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The Company has not given loans, guarantees or made investments in terms of provisions of Section 186 of the Companies Act, 2013.

KEY MANAGERIAL PERSONNEL

For purposes of Section 203 of the Companies Act, 2013, following are the Key Managerial Personnel of the Company, on the terms and conditions of their appointment as already approved by the Board and/or as determined under the JMRC Recruitment Rules, 2012:

1. Chairman and Managing Director: Shri Mukesh Kumar Sharma (11.11.16 onwards)
2. Chairman and Managing Director: Shri Ashwini Bhagat (04.02.16 to 11.11.16)
3. Director (Finance) & Chief Financial Officer: Dr. Brij Bhushan Sharma (11.07.16 onwards)
4. Director (Finance), & Chief Financial Officer: Shri Sarvesh Tewari (01.04.15 to 11.07.16)
5. Director (Project), Whole Time Director: Shri Ashwani Saxena
6. Director (Operations and Systems), Whole Time Director: Shri C.S. Jeengar
7. Director (Corporate Affairs), Whole Time Director: Shri Rajesh Kumar Agerwal
8. Company Secretary: Ms. Harshita C. Kochhar

EXTRACT OF ANNUAL RETURN

Extract of Annual Return in form MGT-9 is annexed as Addendum-1 with this report.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTY REFERRED TO IN SUB-SECTION (1) OF SECTION 188

Information pertaining to the disclosure of particulars of contracts/ arrangements entered into by the Company with related parties referred to in Sub-section (1) of Section 188 of the Companies Act, 2013 is provided under Note 40 of the Notes on Accounts.

DISCLOSURES UNDER SECTION 134(3)(I) OF THE COMPANIES ACT, 2013

There have been following material changes in commitments that occurred between the end of the year and the date of this report which can affect the financial position of the Company:

Jaipur Metro Railway Administration approved first updated fare w.e.f 01.04.2017, separately for off-peak hours of Rs. 6 to Rs. 17, and for peak hours Rs. 11 to Rs. 23 as against Rs. 5 to Rs. 15, and Rs. 10 to Rs. 20, respectively. In addition, all smart cards are made non refundable from 01.04.2017.

TRANSFER TO RESERVES IN TERMS OF SECTION 134(3)(j) OF THE COMPANIES ACT, 2013

For the year under report, the Company has not transferred any sum to Reserves.

PARTICULARS OF EMPLOYEES

There is no employee in the Company whose particulars are required to be given under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

OTHER DISCLOSURES UNDER THE COMPANIES ACT, 2013

The Company does not have any Subsidiary/ Associate Company.

The details of the significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future is as follows:

1. M/s CEC was awarded civil work of phase-1B through international competitive bidding and agreement under FIDIC conditions was signed on 05.10.2013 in between JMRC and M/s CEC. There is a dispute between M/s CEC and JMRC regarding issuance certificate as to use of goods in terms of notification 108/95-Exise dated 28.08.1995 and notification 84/97-Customs dated 11.11.1997 as the project funded by ADB and therefore, above exemptions as certificate were not available to the Contractor in this contract in the opinion of JMRC.

M/s Continental Engineering Corporation requested for arbitration under clause 20.6 of particular condition contract.

An arbitration panel of 3 arbitrators have been appointed under the THE ARBITRATION AND CONCILIATION (AMENDMENT) ACT, 2015.

The final hearing of arbitration between M/s CEC v/s JMRC was held on 01.06.2017 and both the parties have submitted their written submission after the completion of hearings. The decision of arbitration panels is awaited.

The provisions of disclosure of policy relating to appointment of directors, payment of managerial remuneration, directors' qualification, positive attributes, independence of directors and other related matters under Section 178(3) of the Companies Act, 2013 have been exempted for Government companies as per MCA notification G.S.R. 463(E) dated 5th June, 2015.

The provisions of Section 134(3)(p) relating to Board evaluation are also exempted for Government companies as per MCA notification G.S.R. 463(E) dated 5th June, 2015.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

During the year 2016-17, the Company had a duly constituted Internal Complaints Committee in place as per Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013 and the decision of the Supreme Court of India in the case of Vishakha and others vs. State of Rajasthan [writ petition (criminal) no. 666-70/1992]. The information required under Section 21 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013 is provided below:



a)	Committee formed as per Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013 and the decision of the Supreme Court of India in the case of Vishakha and others vs. State of Rajasthan [writ petition (criminal) no. 666-70/1992].	Yes.
b)	No. of complaints received during the year	NIL.
c)	No. of complaints disposed of during the year	Not Applicable.
d)	No. of cases pending for more than 90 days	Not Applicable.
e)	No. of workshops or awareness programmes against sexual harassment carried out	NIL

SECRETARIAL AUDITORS' REPORT

The secretarial audit report of the Company is annexed herewith as Addendum-2 and the reply to the observations of the secretarial auditor is given in Addendum-3 to this report.

STATUTORY AUDITORS' REPORT

The reply to the observations of the auditors is given in Addendum-4 to this report.

APPOINTMENT OF STATUTORY AUDITORS

Your Directors recommend the appointment of statutory auditors of the Company for the year 2017-18 as per directions of the Comptroller and Auditor General of India.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars, as required under the provisions of Section 134(3)(q) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014, in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo, are as under:

A. ENERGY CONSERVATION:

The conservation of energy has received highest attention of the management on a continuous basis.

Your Company has provided a Mass Rapid Transit System to the city of Jaipur, which requires about 1/5th energy per passenger km compared to road-based system and cause no air pollution in the city.

Further, a regenerative braking system has been provided in Jaipur Metro coaches, which is causing a substantial saving upto 25% in energy consumption during operations.

B. TECHNOLOGY ABSORPTION:

Jaipur Metro coaches; procured through DMRC, from BEML (Bharat Earth Movers Ltd), Bangalore; are the first indigenous coaches that have not only been manufactured in India, but also designed in India. JMRC itself has not incurred any expenditure on research & development.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

The details of foreign exchange earnings and outgo are provided under Note 37 of the Notes on Accounts.

ACKNOWLEDGEMENTS

Your Directors wish to place on record their gratitude for the continuing support of Government of India, Government of Rajasthan, Railway Board, Commission of Railway Safety, RDSO (Research Designs & Standards Organisation), Delhi Metro Rail Corporation, and various Departments of the State Government including the Police Commissionerate of Jaipur, Collectorate of Jaipur, Jaipur Nagar Nigam, Jaipur Development Authority, RIICO (Rajasthan State Industrial Development & Investment Corporation Ltd), Jaipur Vidyut Vitran Nigam Ltd, Rajasthan Housing Board, and the Department of Archaeology & Museums.

Before parting, your Directors also wish to record their appreciation of the cooperation and encouragement the Company has received and continues to receive from people of the State, traders and Vyapaar Mandals of Walled City, including the project affected persons.

CAUTIONARY STATEMENTS

This Report contains certain statements relating to the future and therefore are forward looking within the meaning of applicable laws and regulations. Various factors such as economic conditions, changes in Government regulations, tax regime, other statutes, market forces and other associated and incidental factors may however lead to variation in actual results.

For and on behalf of the Board



(MUKESH KUMAR SHARMA)
Chairman & Managing Director

Date: 23rd August, 2017

Place: Jaipur

ADDENDUM-1 TO THE BOARD'S REPORT DATED 23RD AUGUST, 2017

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31.03.2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management & Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

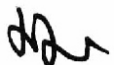
i) CIN	U60221RJ2010SGC030630
ii) Registration Date	01.01.2010
iii) Name of the Company	Jaipur Metro Rail Corporation Limited
iv) Category/ Sub-Category of the Company	State Government Company limited by shares
v) Address of the Registered office and contact details	Khanij Bhavan, Behind Udog Bhavan , C-Scheme, Jaipur – 302 005 +91 141 5192 102
vi) Whether listed company	No
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	Nil

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 and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Providing Mass Rapid Transit System (MRTS) in the city of Jaipur by way of metro rail network	99532124	100%

- III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES - NIL**
IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)



i) Category-wise Share Holding

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									
b. Central Govt									
c. <u>State Govt (s)</u>									
Government of Rajasthan			3789496	85.70%			14939854	88%	2.30%
Sh Ashok Jain			10	0.0002%			0	0%	0.0002%
Sh Devendra Bhushan Gupta			10	0.0002%			10	0.0002%	0
Ms Gayatri Rathore			10	0.0002%			0	0%	0.0002%
Sh Shikhar Agrawal			10	0.0002%			0	0%	0.0002%
Sh Siddharth Mahajan			440	0.00995%			0	0%	0.00995%
Sh Ashutosh A T Pednekar			10	0.0002%			0	0%	0.0002%
Sh Bhaskar Atmaram Sawant			10	0.0002%			0	0%	0.0002%
Sk Mukesh Kumar Sharma			0	0%			10	0.0001%	0.0001%
Sh S K Agarwal			0	0%			10	0.0001%	0.0001%
Sh Naveen Mahajan			0	0%			440	0.0026%	0.0026%
Sh Hemant Kumar Gera			0	0%			10	0.0001%	0.0001%
Sh Anil Kumar Bohra			0	0%			10	0.0001%	0.0001%
Sh Vaibhav Galriya			0	0%			10	0.0001%	0.0001%
Rajasthan Housing Board			0	0%			1000000	5.90%	5.90%
d. <u>Bodies Corp.</u>									
Rajasthan State Industrial Development & Investment Corporation Ltd. (RIICO)			631600	14.28%			1000000	5.90%	8.38%
e. Banks / FI									
f. Any Other									
Sub-total A.(1):-			4421596	100%			16940354	100%	
(2) Foreign									
a. NRIs – Individuals									
b. Other – Individuals									
c. Bodies Corp.									
d. Banks / FI									
e. Other (Specify)									
Sub-total A.(2):-									
Total shareholding of Promoter (A) = A.(1)+A.(2)			4421596	100%			16940354	100%	

B. Public Shareholding									
1. Institutions									
a. Mutual Funds									
b. Banks / FI									
c. Central Govt									
d. State Govt(s)									
e. Venture Capital Funds									
f. Insurance Companies									
g. FIIs									
h. Foreign Venture Capital Funds									
i. Others (specify)									
Sub-total B.(1):-									
2. Non-Institutions									
a. Bodies Corp.									
i) Indian									
ii) Overseas									
b. Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh									
c. Others (specify)									
Sub-total (B)(2):-									
Total Public Shareholding (B)=B.(1)+ B.(2)									
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)			4421596	100%			16940354	100%	

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding 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	Government of Rajasthan	3789496	85.70%		14939854	88%		2.30%
2	Sh Ashok Jain	10	0.0002%		0	0%		0.0002%
3	Sh Devendra Bhushan Gupta	10	0.0002%		10	0.0002%		0

4	Ms Gayatri Rathore	10	0.0002%		0	0%		0.0002%
5	Sh Shikhar Agrawal	10	0.0002%		0	0%		0.0002%
6	Sh Siddharth Mahajan	440	0.00995%		0	0%		0.00995%
7	Sh Ashutosh A T Pednekar	10	0.0002%		0	0%		0.0002%
8	Sh Bhaskar Atmaram Sawant	10	0.0002%		0	0%		0.0002%
9	Sk Mukesh Kumar Sharma	0	0%		10	0.0001%		0.0001%
10	Sh S K Agarwal	0	0%		10	0.0001%		0.0001%
11	Sh Naveen Mahajan	0	0%		440	0.0026%		0.0026%
12	Sh Hemant Kumar Gera	0	0%		10	0.0001%		0.0001%
13	Sh Anil Kumar Bohra	0	0%		10	0.0001%		0.0001%
14	Sh Vaibhav Galriya	0	0%		10	0.0001%		0.0001%
15	Rajasthan Housing Board	0	0%		1000000	5.90%		5.90%
16	Rajasthan State Industrial Development & Investment Corporation Ltd. (RIICO)	631600	14.28%		1000000	5.90%		8.38%

(iii) **Change in Promoters' Shareholding (please specify, if there is no change)**

Sl. No.		Shareholding at the beginning 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
	At the beginning of the year	4421596	100%	16940354	100%
	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.				
1	Shares transferred from Sh. Ashok Jain to Sh Mukesh Kumar Sharma	10	0.0002%	10	0.0001%
2	Shares transferred from Ms Gayatri Rathore to Sh. S K Agarwal	10	0.0002%	10	0.0001%
3	Shares transferred from Sh. Siddharth Mahajan to Sh. Naveen Mahajan	440	0.00995%	440	0.0026%
4	Shares transferred from Sh. Ashutosh A T Pednekar to Sh. Hemant Kumar Gera	10	0.0002%	10	0.0001%

5	Shares transferred from Sh. Bhaskar Atmaram Sawant to Sh. Anil Kumar Bohra	10	0.0002%	10	0.0001%
6	Shares transferred from Sh. Shikhar Agarwal to Sh. Vaibhav Galriya	10	0.0002%	10	0.0001%
	At the end of the year	4421596	100%	16940354	100%

(iv) **Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): NIL**

(v) **Shareholding of Directors and Key Managerial Personnel:**

Sl. No.		Shareholding at the beginning 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 and KMP				
	At the beginning of the year	Same as (iii) above			
	Date wise Increase/ Decrease in 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				

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Rs. in Crore

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year		1750.37		1750.37
i) Principal Amount				
ii) Interest due but not paid		31.76		31.76
iii) Interest accrued but not due				
Total (i+ii+iii)		1782.13		1782.13
Change in Indebtedness during the financial year				
Addition		175.14		175.14
Reduction		-1359.38		-1359.38
Net Change		-1184.24		-1184.24
Indebtedness at the end of the financial year				
i) Principal Amount		566.13		566.13
ii) Interest due but not paid due		57.27		57.27
iii) Interest accrued but not				
Total (i+ii+iii)		623.40		623.40

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:***In Rupees*

Sl. No.	Particulars of Remuneration	Name of MD/WTM/ Manager							Total Amount
		Sh Mukesh Kumar Sharma	Sh Ashwini Bhagat	Sh Ashwani Saxena	Sh C S Jeengar	Sh Rajesh Agerwal	Dr. B B Sharma	Sh Sarvesh Tewari	
1.	Gross salary		1130274	2761995	2681247	2508905	1167296	617951	10867668
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961								
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		43741	65754	47184	293766	19025	90949	560419
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961								
2.	Stock Option								
3.	Sweat Equity								
4.	Commission - as % of profit - others, specify.								
5.	Others, please specify								
	Total (A)		1174015	2827749	2728431	2802671	1186321	708900	11428087
	Ceiling as per the Act								

B. Remuneration to other directors: NIL

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

In Rupees

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		751692		
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		22070		
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2.	Stock Option				
3.	Sweat Equity				
4.	Commission - as % of profit - others, specify...				
5.	Others, please specify				
	Total		773762		

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

For and on behalf of the Board



(MUKESH KUMAR SHARMA)

Chairman & Managing Director

Date: 23rd August, 2017

Place: Jaipur

ADDENDUM -2 TO THE BOARD'S REPORT DATED 23RD AUGUST, 2017

JAKS & Associates
Company Secretaries

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 the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
JAIPUR METRO RAIL CORPORATION LIMITED
Khanij Bhavan,
Behind Udyog Bhavan,
C-Scheme Jaipur 302005
Rajasthan

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **JAIPUR 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.

Based on our verification of the **JAIPUR METRO RAIL CORPORATION LIMITED**'s books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of 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 proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **JAIPUR METRO RAIL CORPORATION LIMITED** for the financial year ended on **31st March, 2017** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;



- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder **(Not applicable to the Company during the Audit Period);**
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder **(Not applicable to the Company during the Audit Period);**
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings **(Not applicable to the Company during the Audit Period);**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 **(Not applicable to the Company during the Audit Period);**
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (repealed w.e.f. 15th May, 2015) **(Not applicable to the Company during the Audit Period);**
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not applicable to the Company during the Audit Period);**
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 **(Not applicable to the Company during the Audit Period);**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the Audit Period);**
 - (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 **(Not applicable to the Company during the Audit Period);**
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit Period);**
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the Company during the Audit Period);**
 - (i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 **(Not applicable to the Company during the Audit Period); and**



- (j) The Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 **(Not applicable to the Company during the Audit Period);**
- (vi) The other specific laws applicable to the company are:
 - (a) The Metro Railways (Constructions of works) Act, 1978
 - (b) The Metro Railways (Operations and Maintenance) Act, 2002
 - (c) Electricity Act, 2003 and Indian electricity Rules, 1956

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (ii) The Listing Agreements entered into by the Company with Stock Exchanges **(Not applicable to the Company during the Audit Period).**

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned *above except the following observations:*

1. *The company does not meet the criteria of minimum number of Independent Directors on the Board and two of its Committees thereof as per section 149 of the Companies Act, 2013.*

We further report that earlier, the company had converted share application money amounting to Rs. 1251.87 Crores into “Interest Free Long Term Subordinated Debt” during the Financial Year 2014-2015 without obtaining consent of the concerned parties, for which no decision was taken by the company. Now, as per the order of UDH, GoR order No. F. 10(16) UDH/Metro/2015 dated 8th November, 2016, Industries Department, GoR order No. F.5(35)Industries/1/1976 dated 15th December, 2016, RIICO letter No. FDI/U/233/IV/2010 dated 21st December, 2016, and in accordance with the provisions of Section 62(4) of the Companies Act, 2013, decision was taken to convert and issue & allot equity shares at par against such amount of long term interest free unsecured subordinate debt during the period under review and subsequently shares has been allotted amounting to Rs. 1251.87 Crores during the year.

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors. However, minimum numbers of Independent Directors as per the requirement of the Act have not yet been appointed on the Board of the company. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings was 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.

All the decisions were taken through majority in the meetings and no dissenting views were observed in 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 *except that the company needs strengthen the compliance of Labour Laws.*

This report is to be read with our letter of even date which is annexed as **ANNEXURE 'A'** and forms an integral part of this report.

Place: JAIPUR

Date: 23.08.2017

FOR JAKS & ASSOCIATES
Practicing Company Secretaries



Tara Chand Sharma
[Partner]
FCS No. 5749
C P No.: 4078



JKS & Associates

Company Secretaries

ANNEXURE 'A'

To,
The Members

JAIPUR METRO RAIL CORPORATION LIMITED

Our Report of even date is to be read along with this letter.

1. 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.
2. 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.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company. We have relied upon the Report of Statutory Auditors regarding compliance of Companies Act, 2013 and Rules made thereunder relating to maintenance of Books of Accounts, papers and financial statements of the relevant Financial Year, which give a true and fair view of the state of the affairs of the company.
4. We have relied upon the Report of Statutory Auditors regarding compliance of Fiscal Laws, like the Income Tax Act, 1961 & Finance Acts, the Customs Act, 1962, the Central Excise Act, 1944 and Service Tax.
5. Where ever required, we have obtained the Management representation about the compliance of Laws, rules and regulations and happening of events etc.
6. 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.



7. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: JAIPUR

Date: 23.08.2017

FOR JAKS & ASSOCIATES
Practicing Company Secretaries



Tara Chand Sharma

[Partner]

FCS No. 5749

C P No.: 4078

ADDENDUM-3 TO THE BOARD'S REPORT DATED 23RD AUGUST, 2017

Replies on the observations of the secretarial auditors of the Company for the year 2016-17:

Observation # 1:

The company does not meet the criteria of minimum number of Independent Directors on the Board and two of its Committees thereof as per section 149 of the Companies Act, 2013.

Reply # 1

The Companies Act, 2013 had provided time up to 31st March, 2015 for appointment of Independent Directors. The Company had accordingly started the proceedings for such appointment. But, while the matter was still under process, the Ministry of Corporate Affairs (MCA) issued certain exemptions for government companies vide its notification G.S.R. 463(E) dated 5th June, 2015. Thereafter, the matter was submitted to the Govt. of Rajasthan to appoint Independent Director on the Board of the Company giving full details of the requirement under the provisions of the Companies Act, 2013. Subsequently, the UDH, GoR has issued order no. F.10(24)UDH/3/01 Pt.-I dated 28th February, 2017 appointing Shri Siddharth Mahajan, IAS, presently the District Collector Jaipur as Independent Director on the Board of JMRC. The file for appointment of another Independent Director is under process at the level of State Government. As soon as it is received from the State Government, the compliance will be made and reported.

For and on behalf of the Board



Date: 23rd August, 2017

Place: Jaipur

(MUKESH KUMAR SHARMA)

Chairman & Managing Director

ADDENDUM-4 TO THE BOARD'S REPORT DATED 23RD AUGUST, 2017

Replies on the observations of the statutory auditors of the Company for the year 2016-17:

Observation #1

As detailed in point no. 27 of Notes on Accounts regarding capitalization of Rs. 1891.50 crore, DMRC has given Utilization Certificate of Rs. 1732.26 crore with classification of assets whereas as per the important condition of agreement with DMRC dated 05th August, 2010 point no. 25 clause K with regard to providing full details / bills for the expenditure incurred on behalf of JMRC has not been provided by DMRC the executing agency. Moreover item wise details were also not provided for Rs. 8.95 crore.

In absence of the above information we are unable to comment on the value / classification of any particular asset and consequently effect thereof.

The fixed assets register and physical verification thereof has not been done during the year 2016-17, hence discrepancy, if any, could not be commented.

Reply #1

The nature of work allotted to Delhi Metro Rail Corporation is on "Deposit basis" as per the referred agreement. Under the "Deposit Work basis contract" such evidences except Utilization Certificate are not submitted to Employer.

DMRC has regularly been submitting the Quarterly Progress Report comprising the details of works allotted towards project, payment released to contractors and physical progress of the project which has been made available to the Statutory Auditor.

The total amount of Rs. 1732.26 crore as per utilization certificate given by DMRC has been accounted for and the assets record and their verification has been conducted except the items of Rs. 8.95 crore, for which details have been received from DMRC and physical verification of the said assets is under process at the level of Directorates of Project and Operations & Systems, in addition to the physical verification by an independent agency.

Observation #2:

As detailed in Note No. 29 of Notes on Accounts with regard to acquisition of land and structure of East-West corridor of Metro Project for which company has paid Rs. 0.76 Crore (accumulated amount as on 31.3.2017 is Rs. 91.47 Crore) last year . It is also stated that documentary evidence on the basis of which payment made and area acquired is not being provided for verification except statement received from Land acquisition officer of JDA, further to state that the title of ownership for the above stated acquisition is not being transferred in favour of JMRC Ltd. However the same has been accounted as Fixed Assets of the company.

Reply # 2

The Company has made the payment for land acquisition on the basis of the calculation sheet issued by the Land Acquisition officer containing all the details regarding name of owner, khasara no., area of land, rate of land acquired, compensation, payment for structure and solatium amount etc., which was made available to the Auditor.

The Company has acquired land under section-6 read with section 16 and 17 of the Land Acquisition Act, 1894. In such cases either 80% compensation or full amount of award was paid and possession was taken. As soon as the company has paid the compensation or amount is deposited in the Civil Court and possession is taken, land vests in the Company free from all encumbrances.

The Company has acquired entire land following the above procedure and the process of entering in record of Rights is under process. The Company has requested concerned authorities to transfer title of the lands in favour of Company.

Observation # 3:

The Company has not complied with the provisions of Companies Act, 2013 with regard to appointment of Independent Director because of which the composition of Board of Directors and Audit Committee is not as stipulated under the Act. Further the company has also not constituted Corporate Social Responsibility Committee and Nomination & Remuneration Committee as per the provisions of the Act. The impact of such non compliance is not provided for in the books of accounts.

Reply # 3

As per the provisions of the Companies Act, 2013, the Company has to have two Independent Directors on the Board of the Company. The Companies Act, 2013 had provided time up to 31st March, 2015 for appointment of two Independent Directors. The Company had accordingly started the proceedings for such appointment. But, while the matter was still under process, the Ministry of Corporate Affairs (MCA) issued certain exemptions for government companies vide its notification G.S.R. 463(E) dated 5th June, 2015. Thereafter, the matter was submitted to the Govt. of Rajasthan to appoint Independent Directors on the Board of the Company giving full details of the requirements under the provisions of the Companies Act, 2013. Subsequently, the UDH, GoR has issued order no. F.10(24)UDH/3/01 Pt.-I dated 28th February, 2017 appointing Shri Siddharth Mahajan, IAS, presently the District Collector, Jaipur as Independent Director on the Board of JMRC. The file for appointment of another Independent Director is under process at the level of State Government. As soon as it is received from the State Government, the compliance will be made and reported.



Further, the Company had already constituted its Corporate Social Responsibility Committee and Nomination and Remuneration Committee during the financial year 2015-16 itself, with membership of three directors, currently including one independent director. Further, two meetings each of both of these Committees have been held on 22.12.2015 and 27.12.2016.

Observation # 4:

The provisions for leave encashment, gratuity and other benefits have not been made. The quantification of which is not possible for the want of their respective rules.

Reply # 4

The leave rules including rules for Leave encashment of JMRC employees have been already framed. The rules of gratuity and other benefits for the JMRC employees are under preparation and as soon as the same are finalized, necessary valuation for the liability will be made and provided for. Looking to the size of operations of the Company, such amount does not materially affect the figures reported in these financial statements.

Observation # 5:

The provision for the Bonus/ex-gratia has been made on adhoc basis. No basis of calculation has been provided. In absence of calculation the consequential impact on the current year profit and on current liability could not be ascertain so we reserved our opinion on the consequential effect of the same.

Reply # 5

The company has incurred operative losses during the FY 2016-17, and therefore, the compulsory payment of bonus is not applicable. However, as per the past practice and to strengthen and boost the morale of the employees, an adhoc provision has been made for ex-gratia/monetary incentive. Further, this also is not material looking to the total operations of the company.

Replies on the observations in the Annexure-1 to the Independent Auditor's Report:**Observation # 1(a):**

The company has not maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

Reply # 1(a):

The Company is maintaining the fixed assets register. The final utilization certificate under items-wise heads of assets from DMRC was received in August 2016 and therefore, the fixed assets register was updated in August 2016. Thereafter, the same is being regularly maintained and updated.



Observation # 1(b):

As explained to us, these fixed assets have been physically verified by the management once in the year, report of which has not been furnished before us for verification hence cannot be quantified.

Reply # 1(b)

The physical verification of the assets was carried out after updating the fixed assets register in August 2016. The physical verification has been performed in a planned way and same is being done on regular intervals at the level of all directorates, in addition to physical verification by an independent agency.

Observation # 1(c):

Formal title deeds of 170 immovable properties are not in the name of Company under fixed asset head by Rs 81.12 crore.

Reply # 1(c):

The properties transferred to JMRC were owned by the Government depts/ authorities/ bodies only. The letter of allotment/ possession has been received from the State Government/ respective body/ authority. The Request has been made to the respective department/ authority/ body of the State Government for execution of the title deeds in favor of the Company. The same are in process. The details have also been explained in note no 29 of the financial statement.

Observation # 7(b):

As at 31st March, 2017, the disputed statutory dues aggregating Rs. 54,22,000/- that have not been deposited on account of disputed matters pending before appropriate authorities.

Reply # 7(b):

The tax demand has been disputed in appeal and the company expects the favorable decision from the appellant authority. Hence, the same are pending for payment as taxes.

Observation # 8:

The company has not defaulted in repayment of loans or borrowing to a financial institution, bank, government or dues to debenture holders, except Rs. 57.26 due to GoR on account of interest as mentioned in note 44.

Reply # 8:

The company has raised loan funds from the Government of Rajasthan on which interest payable as on 31.03.2017, Rs. 57.26 Crore, could not be paid due to cash losses in the Company. Accordingly, the



Government is being requested to defer the recovery.

Replies on the observations in the Annexure-2 to the Independent Auditor's Report:

Observation # 1:

The company has got possession of lands but title deeds of 170 immovable properties in favor of company have not yet been executed.

Reply # 1:

Same as the reply of observation #1c above of Annexure-1 to the Independent Auditor's Report.

For and on behalf of the Board



Date: 23rd August, 2017

(MUKESH KUMAR SHARMA)

Place: Jaipur

Chairman & Managing Director



C.R. MEHTA & CO.

CHARTERED ACCOUNTANTS

21, GOLIMAR GARDEN, OPP. BHARAT PETROLIUM, BHAWANI SINGH ROAD, JAIPUR-302001
Tel : 2740030, 2740250 Fax : (0414) 2740250 E-mail : crmehtaca@gmail.com, crmehta@yahoo.com
Website : www.crmehta.com

INDEPENDENT AUDITORS' REPORT

To, The Members of
Jaipur Metro Rail Corporation Limited
Jaipur

Report on the Financial Statements

We have audited the accompanying financial statements of **Jaipur Metro Rail Corporation Limited, Jaipur**, 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 of 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.

Basis of Qualified Opinion

- i. *As detailed in point no. 27 of Notes on Accounts regarding capitalization of Rs. 1891.50 crore, DMRC has given Utilization Certificate of Rs. 1732.26 crore with classification of assets whereas as per the important condition of agreement with DMRC dated 05th August, 2010 point no. 25 clause K with regard to providing full details / bills for the expenditure incurred on behalf of JMRC has not been provided by DMRC the executing agency. Moreover item wise details were also not provided for Rs. 8.95 crore.*
In absence of the above information we are unable to comment on the value / classification of any particular asset and consequently effect thereof.
The fixed assets register and physical verification thereof has not been done during the year 2016-17, hence discrepancy, if any, could not be commented.
- ii. *As detailed in Note No. 29 of Notes on Accounts with regard to acquisition of land and structure of East-West corridor of Metro Project for which company has paid Rs. 0.76 Crore (accumulated amount as on 31.3.2017 is Rs. 91.47 Crore) last year. It is also stated that documentary evidence on the basis of which payment made and area acquired is not being provided for verification except statement received from Land acquisition officer of JDA, further to state that the title of ownership for the above stated acquisition is not being transferred in favour of JMRC Ltd. However the same has been accounted as Fixed Assets of the company.*
- iii. *The Company has not complied with the provisions of Companies Act, 2013 with regard to appointment of Independent Director because of which the composition of Board of Directors and Audit Committee is not as stipulated under the Act. Further the company has also not constituted Corporate Social Responsibility Committee and Nomination & Remuneration Committee as per the provisions of the Act. The impact of such non compliance is not provided for in the books of accounts.*



- iv. *The provisions for leave encashment, gratuity and other benefits have not been made. The quantification of which is not possible for the want of their respective rules.*
- v. *The provision for the Bonus/ex-gratia has been made on adhoc basis. No basis of calculation has been provided. In absence of calculation the consequential impact on the current year profit and on current liability could not be ascertain so we reserved our opinion on the consequential effect of the same.*

Opinion

In our opinion and to the best of our information and according to the explanations given to us, **except for the effects of the matter described in the Basis for Qualified Opinion paragraph above**, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017.
- b) In the case of Statement of Profit and Loss, of the Loss for the year ended on that date.
- c) In the Case of Cash Flow Statement, of the cash flow for the year ended on that date.

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, and on the basis of such checks of the books and records of the corporation as we considered appropriate and according to the information and explanations given to us, we give in the **Annexure – 1** a statement on the matters specified in the paragraph 3 and 4 of the said order.
2. We are enclosing our report in terms of section 143(5) of the Act, on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanation given to us, in the **Annexure-2** on the directions and sub-directions issued by Comptroller and Auditor General of India.
3. As required by Section 143 (3) of the Act, we report that:
 - (a) *Except as stated in the Basis for Qualified Opinion paragraph*, 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) Being a Government company, pursuant to the notification number GSR 463(E) dated on 5th June 2015, issued by Government of India; the provision of sub-section (2) of Section 164 of The companies Act 2013, are not applicable on the Company.
- (f) With respect to the adequacy of Internal Financial Controls over financial reporting of the company and operative effectiveness of such controls refer to our separate report in **Annexure "3"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting.
- (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 has disclosed the impact of pending litigations wherever it is possible and quantifiable on its financial position as detailed in Note no. 29(iv).
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For C.R. Mehta & Company
Chartered Accountants
FRN: 000789C



A handwritten signature in black ink, appearing to read "Palak".

(Palak Bansal)
Partner
M. No. : 429820

Place: Jaipur
Date: 23.08.2017



C.R. MEHTA & CO.

CHARTERED ACCOUNTANTS

21, GOLIMAR GARDEN, OPP. BHARAT PETROLIUM, BHAWANI SINGH ROAD, JAIPUR-302001
Tel : 2740030, 2740250 Fax : (0414) 2740250 E-mail : crmehtaca@gmail.com, crmehta@yahoo.com
Website : www.crmehta.com

Annexure-1 to the Independent Auditors' Report

Annexure-1 referred to in paragraph 1 of Our Report on Other Legal and Regulatory Requirements in our Independent Auditors' Report to the members of Jaipur Metro Rail Corporation Limited on the Financial Statements for the year ended 31st March, 2017.

We report that:

1. (a) The company has not maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) As explained to us, these fixed assets have been physically verified by the management once in the year, report of which has not been furnished before us for verification hence cannot be quantified.
(c) Formal Title deeds of 170 immovable properties are not in the name of Company under fixed asset head by Rs 81.12 crore.
2. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Consequently, the provisions of clauses 3 (a), and 3 (b) of the order are not applicable to the Company.
3. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
4. The Company has not accepted any deposits from the public covered under section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.
5. As per information & explanation given by the management, maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of section 148 of the Act.
6. As per para 50 of Significant Accounting Policies and notes to accounts the company has accepted specified bank notes during the period from 08-Nov-2016 to 30-Dec-2016 as per RBI circular no. RBI/2016-17/112 Dated 08-NOV-2016. The details are mentioned in accordance with the books of accounts maintained by the company
7. The company is 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 to the appropriate authorities



except in some case of delays for a period of less than six months from the date they became payable.

- (b) As at 31st March, 2017, the disputed statutory dues aggregating Rs. 54,22,000/- that have not been deposited on account of disputed matters pending before appropriate authorities are as under:

S.No.	Name of Statute	Nature of Dues	Amount (in Rs)	Period to Which the amount relates	Forum where dispute is pending
1.	Income Tax Act, 1961	TDS	2,74,000/-	A.Y. 2011-12	Income Tax Appellate Tribunal, Jaipur
2.	Income Tax Act, 1961	Income Tax	51,48,000/-	A.Y. 2012-13	CIT Appeals, Jaipur

- (c) According to the information and explanations given to us, there were no amounts which are required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under.

8. The Company have a accumulated loss and has incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.
9. The company has not defaulted in repayment of loans or borrowing to a financial institution, bank, government or dues to debenture holders, except Rs. 57.26 due to GoR on account of interest as mentioned in note 44.
10. Managerial remuneration has been paid or provided in accordance with requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
11. All transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statement etc., as required by the applicable accounting standards;
12. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution;
13. Based on our audit procedures and on the information given by the management, the term loans have been applied for the purpose for which they were raised.
14. According to the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

For C.R. Mehta & Company
Chartered Accountants

FRN: 000789C



(Signature)
(Palak Bansal)

Partner

M. No. : 429820

Place: Jaipur

Date: 23.08.2017



*C.R. MEHTA & CO.***CHARTERED ACCOUNTANTS**

21, GOLIMAR GARDEN, OPP. BHARAT PETROLIUM, BHAWANI SINGH ROAD, JAIPUR-302001
Tel : 2740030, 2740250 Fax : (0414) 2740250 E-mail : crmehtaca@gmail.com, crmehta@yahoo.com
Website : www.crmehta.com

Annexure-2 to the Independent Auditors' Report

Annexure-2 referred to in paragraph 2 of Our Report on Other Legal and Regulatory Requirements in our Independent Auditors' Report to the members of Jaipur Metro Rail Corporation Limited on the Financial Statements for the year ended 31st March. 2017

Annexure – “A”

1. Whether the company has clear title/lease deeds for freehold and leasehold respectively. If not please state the area of freehold and leasehold land for which title/lease deeds are not available.

The company has got possession of lands but title deeds of 170 immovable properties in favor of company have not yet been executed.

2. Please report whether there are any cases of waiver/write off of debts /loans/ interest etc. If yes, the reasons there for and the amount involved.

No such case observed.

3. Whether proper records are maintained for inventories lying with third parties and assets received as gift from Govt. or other authorities.

Not Applicable.

Annexure – “B”

1. Whether the Company's pricing policy absorbs all fixed and variable cost of production and the overheads allocated at the time of fixation of price?

Not Applicable as the company is not engaged in manufacturing business.

2. Whether the Company recovers Commission for work executed on behalf of Government/ other organization that is properly recorded in the books of account? Whether the Company has an efficient system for billing and collection of revenue.

Not Applicable.



3. Whether the Company regularly monitors timely receipt of subsidy from Government and it is properly recording them in its books?

No Subsidy from government has been received during the year.

4. Whether interest earned on parking of funds received for specific project from Government was properly accounted for?

No interest has been received during the year parking of funds received for specific project from Government.

5. Whether the Company has entered into Memorandum of understanding with its Administrative Ministry, if so, whether the impact thereof has been properly dealt with in the financial statements.

No Memorandum of understanding has been entered with Administrative Ministry.

For C.R. Mehta & Company
Chartered Accountants

FRN: 000789C



(Palak Bansal)
Partner

M. No. : 429820

Place: Jaipur
Date: 23.08.2017



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Website : www.crmehta.com

**ANNEXURE '3' TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE
FINANCIAL STATEMENTS OF JAIPUR METRO RAIL CORPORATION LIMITED**

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

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

Management's Responsibility for Internal Financial Controls

2. The Management of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') 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 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 Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing ('the Standards'), issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls.. 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.



4. 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 includes 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.
5. 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

6. 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 (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions of the assets of the Company; (2) 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 authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting, except those which the Company is in process of preparing & implementing,
9. such internal financial controls over financial reporting were operating effectively as at March 31, 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 issued by the ICAI.

Other Matters

10. Our opinion is limited to those internal financial controls over financial reporting that the Company is responsible for maintaining.

Place: Jaipur
Date: 23.08.2017

For C.R. Mehta & Company
Chartered Accountants



FRN: 000789C

Palak

(Palak Bansal)

Partner

M. No. : 429820



C.R. MEHTA & CO.

CHARTERED ACCOUNTANTS

21, GOLIMAR GARDEN, OPP. BHARAT PETROLIUM, BHAWANI SINGH ROAD, JAIPUR-302001
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Website : www.crmehta.com

COMPLIANCE CERTIFICATE

We have conducted the audit of accounts of JAIPUR METRO RAIL CORPORATION LIMITED, JAIPUR for the year ended 31st March, 2017 in accordance with the directions/sub-directions issued by the C & AG of India under section 143 (5) of the Companies Act, 2013 and certify that we have complied with all the directions/ sub-directions issued to us.

FOR C.R. MEHTA & CO.
CHARTERED ACCOUNTANTS

FRN: 000789C



(PALAK BANSAL)

PARTNER

M.NO. 429820

DATE: 23-AUG-2017

PLACE: JAIPUR



C.R. MEHTA & CO.

CHARTERED ACCOUNTANTS

21, GOLIMAR GARDEN, OPP. BHARAT PETROLIUM, BHAWANI SINGH ROAD, JAIPUR-302001
Tel : 2740030, 2740250 Fax : (0414) 2740250 E-mail : crmehtaca@gmail.com, crmehta@yahoo.com
Website : www.crmehta.com

Declaration regarding adherence to the Code of Ethics of the Comptroller and Auditor General of India

I, Palak Bansal, Partner of C.R. Mehta & Company (Chartered Accountants) hereby declare that:

- I have read and understood the SAI India's Code of Ethics.
- I will uphold and abide by the SAI India's Code of Ethics.
- I do not have any personal or professional interest in the audited entity.

As a representative of the SAI India, I undertake to adhere to the following:

- I will conduct the audit assigned to me in a fair, honest, timely and competent manner.
- I will maintain strict confidentiality of all information gathered in the course of audit.
- I will not behave or conduct myself in an inappropriate manner with any official of the audited entity.
- I will not accept any kind of inducements, including gifts and hospitality, directly or indirectly from the audited entity.

For C.R. Mehta & Co.
Chartered Accountants
FRN - 00789C



(PALAK BANSAL)
Partner
M.No. 429820

Dated:- 23-AUG- 2017

**JAIPUR METRO RAIL CORPORATION LIMITED**

Khanji Bhawan, Udyog Bhawan Premises, Tilak Marg, C-Scheme, Jaipur - 30205

CIN: U60221RJ2010SGC030630

BALANCE SHEET AS AT 31ST MARCH, 2017**JAIPUR METRO****(Amount in ₹)**

Particulars	Note No.	Figures as at 31st March, 2017	Figures as at 31st March, 2016
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	<u>3</u>	16940354000	4421596000
(b) Reserves and Surplus	<u>4</u>	(1802495881)	(901305210)
(2) Share Application Money Pending Allotment		0	0
(3) Deferred Government Grants	<u>5</u>	2047124731	1160678267
(4) Non-Current Liabilities			
(a) Long-Term Borrowings	<u>6</u>	5661285563	17503658249
(b) Deferred Tax Liabilities (Net)			
(c) Other Long Term Liabilities	<u>7</u>	9596861	9214904
(d) Long Term Provisions		0	0
(5) Current Liabilities			
(a) Short-Term Borrowings		0	0
(b) Trade Payables	<u>8</u>	426138288	495077858
(c) Other current liabilities	<u>9</u>	591844458	331023124
(d) Short-term provisions	<u>10</u>	104281459	55467839
Total		23978129479	23075411031
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets :	<u>11</u>		
(i) Tangible Assets		18903825743	19490444322
(ii) Intangible Assets		432149855	444055480
(iii) Capital Work-In-Progress		3435074836	2330072768
(b) Deferred Tax Assets (Net)	<u>12</u>	0	203143157
(c) Long term Loans and Advances	<u>13</u>	17443988	102772957
(d) Other Non-Current Assets	<u>14</u>	100000	100000
(2) Current assets			
(a) Inventories		0	0
(b) Trade Receivables	<u>15</u>	321028120	1220193
(c) Cash and Cash Equivalents	<u>16</u>	741188620	235858079
(d) Short-Term Loans and Advances	<u>17</u>	127318317	267744075
(e) Other Current Assets		0	0
Total		23978129479	23075411031

Significant accounting policies and notes of accounts (1 to 53) to the Financial Statement.

For JAIPUR METRO RAIL CORPORATION LIMITED

For C.R. MEHTA & COMPANY
CHARTERED ACCOUNTANTS
FRN 000789C(MUKESH KUMAR SHARMA)
Chairman & M.D.
DIN 02087671(ALOK)
Director
02600247(Dr. BRIJ BHUSHAN SHARMA)
Director (Finance)
07594103(HARSHITA C. KOCHHAR)
Company Secretary
M.No. F-8341(PALAK BANSAL)
PARTNER
M.No. 429820JAIPUR
DATE : 23.08.2017



JAIPUR METRO RAIL CORPORATION LIMITED

Khanji Bhawan, Udyog Bhawan Premises, Tilak Marg, C-Scheme, Jaipur - 30205

CIN: U60221RJ2010SGC030630

JAIPUR METRO

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31 MARCH, 2017

(Amount in ₹)

Particulars	Note No.	Figures for the current reporting period ending on 31.03.2017	Figures for the previous reporting period ending on 31.03.2016
I. Revenue from Operations	<u>18</u>	97204583	91452730
II. Other Income	<u>19</u>	636144954	181692603
III. Total Revenue (I +II)		733349537	273145333
IV. Expenses:			
(a) Operating Expenses	<u>20</u>	162556472	131707225
(b) Employee Benefit Expense	<u>21</u>	239651550	216810845
(c) Finance Cost	<u>22</u>	243088665	161252337
(d) Depreciation and Amortization Expenses	<u>23</u>	731712385	614903144
(e) Other Expenses	<u>24</u>	29067859	50448540
Total Expenses (a to e)		1406076931	1175122091
V. Profit before Exceptional & Extraordinary Items & Tax (III - IV)		(672727394)	(901976758)
VI. Exceptional/Extraordinary Items	<u>25</u>	25320120	0
VII. Profit after exceptional/extraordinary items but before tax (V + VI)		(698047514)	(901976758)
VIII. Tax expense:			
(a) Income Tax			
(b) Deferred Tax		203143157	(199165527)
IX. Profit(Loss) for the period from continuing operations(VIII-VII)		(901190671)	(702811231)
X. Earning per equity share:			
(a) Basic		(53.20)	(158.95)
(b) Diluted		(53.20)	(158.95)



Significant accounting policies and notes of accounts (1 to 53) to the Financial Statement.

For JAIPUR METRO RAIL CORPORATION LIMITED


(MUKESH KUMAR SHARMA)
Chairman & M.D.
DIN 02087671


(ALOK)
Director
02600247


(Dr. BRIJ BHUSHAN SHARMA)
Director (Finance)
07594103

For C.R. MEHTA & COMPANY
CHARTERED ACCOUNTANTS
FRN 000789C

(HARSHITA C. KOCHHAR)
Company Secretary
M.No. F-8341

(PALAK BANSAL)
PARTNER
M.No. 429820

JAIPUR
DATE : 23.08.2017





JAIPUR METRO RAIL CORPORATION LIMITED

Khanji Bhawan, Udyog Bhawan Premises, Tilak Marg, C-Scheme, Jaipur - 30205
CIN: U60221RJ2010SGC030630

JAIPUR METRO

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2017

(Amount in ₹)



Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/ Loss after Tax	(901190671)	(702811231)
Adjustment for:-		
Loss on sale of assets	0	0
Depreciation	731712385	614903144
Deferred tax Liability/ (Assets)	203143157	(199165527)
Interest & Finance Charges	0	0
Deferred Government Grants	(113553536)	(37398955)
Accrued Revenue Grant	0	0
Operating profit before Working Capital Changes	(79888665)	(324472569)
Adjustment for:-		
Inventories	0	0
Trade Receivables	(319807927)	(1096443)
Loan & Advances	225754727	261002718
Short Term Provisions	48813620	2272282
Current Liabilities & Trade Payables	192263721	629866842
Net cash from operating activities	67135476	567572830
B. CASH FLOW FROM INVESTING ACTIVITIES		
Fixed Assets	(133188181)	(18992687214)
Capital Work in Progress	(1105002068)	16117657745
Net cash inflow from investing activities	(1238190249)	(2875029469)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Share Capital & Share Application Money	0	0
Grants received during the year	0	0
Loans raised during the year	1676385314	1809897798
Capital Fund Reserve	0	0
Interest & Finance Charges	0	0
Net cash from financing activities	1676385314	1809897798
D. Net changes in cash & cash equivalents (A+B+C)	505330541	(497558841)
E. Cash & cash equivalents (Opening balance)	235858079	733416920
F. Cash & cash equivalents (Closing balance)	741188620	235858079

For JAIPUR METRO RAIL CORPORATION LIMITED


(MUKESH KUMAR SHARMA)
Chairman & M.D.
DIN 02087671


(ALOK)
Director
02600247


(Dr. BRIJ BHUSHAN SHARMA)
Director (Finance)
07594103

For C.R. MEHTA & COMPANY
CHARTERED ACCOUNTANTS
FRN 000789C

(HARSHITA C. KOCHHAR)
Company Secretary
M.No. F-8341

(PALAK BANSAL)
PARTNER
M.No. 429820

JAIPUR
DATE : 23.08.2017



JAIPUR METRO RAIL CORPORATION LIMITED, JAIPUR

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

1. GENERAL INFORMATION :

The Company has been established to provide Mass Rapid Transit System in the Jaipur city by providing the Metro Rail. The Company engaged Delhi Metro Rail Corporation for the entire work of Phase-IA i.e. from Mansarovar to Chandpole of the project on EPC mode. The estimated cost of Phase-IA is ₹ 2023 crore. Government of Rajasthan and its agencies have funded the project by way of equity/ grant/ debt.

The Company is further executing the work of Phase-IB i.e. from Chandpole to Badi Chaupar on EPC mode and apart from others, a major contract amounting to ₹ 507.37 crore for the work of Design and Construction of tunnel from Chandpole to Badi Chaupar was awarded to M/s Continental Engineering Corporation in September, 2013. The estimated cost of Phase-IB is ₹ 1126 crore which is being funded by way of a loan of 176 Million US Dollar (₹ 969 crore) from Asian Development Bank through Government of India/ Government of Rajasthan and remaining project cost i.e. ₹ 157 Crore is being provided by the Government of Rajasthan.

2. SIGNIFICANT ACCOUNTING POLICIES

(A) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the generally accepted accounting principles (GAAP) in India under the historical cost convention on accrual basis. The financial statements have been prepared to comply in all material aspects with the accounting standards notified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and relevant provisions of the Companies Act, 2013. Further the guidance note/announcement issued by ICAI is also considered where ever found applicable.

All Assets & Liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in the Revised Schedule III to the Companies Act, 2013.

(B) REVENUE RECOGNITION

- Income from fare collection is recognized on the basis of use of tokens, money value of the actual usage in case of smart cards and other direct fare collection.
- Rental income/ Lease Charges/ License fees are recognized in accordance with terms and conditions of the respective contract with licensee/ lessee.
- Interest income is recognized on time proportion basis taking into account the outstanding amount and rate applicable.
- Income from sale of scrap is accounted on realization basis.
- One time receipt like upfront fees is recognized as revenue over the period it relates and non-refundable deposits are recognized as revenue in the year of receipt.



- The refundable deposit on sale of smart cards is accounted for as deposit from customer. At the time of surrender of the card, any processing fee charged is recognized as revenue in the year of surrender.

(C) INVENTORIES

Inventories include consumable stores & spares and loose tools which are valued at cost or net realizable value whichever is lower. The cost formula used is weighted average basis.

(D) TANGIBLE ASSETS

- Tangible Fixed Assets are stated at their acquisition/ historical cost which include cost of installation, direct incidental expenditure to the construction/ execution of the Project/ assets and the borrowing cost attributable to the project incurred to the extent they relate to the period till such assets are ready for their intended use.
- Land acquired for Project is stated at cost including cost of structure acquired and also other direct & indirect expenditure related to its acquisition.
- Land allotted/ transferred to the company by the State Government, its Bodies/ Authorities at “NIL” value, is accounted at notional value of ₹ 1 for each transaction.
- Assets created/ acquired under “deposit work” are capitalized and item wise value and other details are accounted for on the basis of the certificate/ statement given by the executing agency.
- In the case of assets put to use, where final settlement of bills with contractors/ executing agency is yet to be effected, capitalization is done on provisional basis subject to necessary adjustment in the year of final settlement.
- Compensation, replacement etc. relating to the cost of rehabilitation of Project affected persons is booked to CWIP and on completion is added to the cost of related assets.
- Expenditure incurred on Utilities shifting/ Road work is considered as part of Viaduct construction work.
- Machinery spares, which can be used only in connection with an item of fixed asset and whose use is expected to be irregular, is capitalized.
- The Expenditure directly attributable to the project is allocated to the assets capitalized on proportionate basis to the value of the individual item of asset at the time of such capitalization.

(E) INTANGIBLE ASSETS

- Intangible Assets are stated at cost of its acquisition and any indirect costs directly attributable to intangible assets are capitalized.
- Payments made towards permissions/ Leave way charges for construction of viaduct, bridges, tunnels, culverts etc from various land owning agencies is capitalized as intangible assets.

(F) CAPITAL WORK IN PROGRESS

- Cost of capital assets which is under construction and not ready for its intended use inclusive of other direct and indirect expenditure exclusively attributable to that such as consultancy, testing, other licensing fees, electricity charges and housekeeping charges, Ticket vending services, Water connection charges etc are treated as Capital Work-in-Progress.



- (ii) The company has commenced construction of Phase-IB of the project by directly awarding the work to the contractor, the expenses related to personnel, office expenses of Project Directorate who are engaged in this phase, commitment charges on ADB loan and interest on loan from State Government have been capitalized as an identified direct cost over the project.
- (iii) Claims including price variation are accounted for on acceptance and liquidate damages are accounted for on settlement of final bill.

(G) DEPRECIATION

- (i) Depreciation has been provided at Straight Line Method (SLM) as per Schedule II of the Companies Act, 2013 taking into account the useful life of the asset as given in the schedule except in respect of following assets / components of assets, where useful life is determined on technical assessment as followed by DMRC :-

S. No.	Nature of Assets/ Components	Useful Life
A.	Rolling Stock	30 Years
A.1	Components of Rolling Stock- Power Supplies, Auxiliaries, Brakes, Air- conditioning system, Interiors, Onboard controls, Announcement & CCTV system	18 Years
B.	Escalators	30 Years
B.1	Components of Escalators- Steps, Handrail Drive System, Step Chain and Axels, Tension Carriage Assembly, Main Drive Assembly, Emergency Brake Assembly	15 Years
C.	Elevators	30 Years
C.1	Components of Elevators- Traction Machine/ Motor, Governor, Anti Creep Device	20 Years
D.	Automatic Fare Collection Equipment	15 Years
D.1	Components of AFC	10 Years

Parameters considered for identification of components of assets:

- (a) Assets having value of Rs. 10 lakh & above and components of value more than 10% in relation to the main asset have been considered for componentization.
 - (b) The maximum life of component has been restricted to the life of main asset.
 - (c) Components of assets having same useful life have been clubbed together irrespective of the percentage in relation to main asset.
- (ii) Depreciation is provided on pro-rata basis from the month in which assets come into operation and depreciation for the month of sale is ignored.
 - (iii) Land & Site development has not been depreciated.



- (iv) Fixed Assets costing ₹ 5,000 or less are depreciated fully in the year of purchase.
- (v) Amortization of Intangible Assets:-
 - (a) Software: Cost incurred on Computer Software purchased / developed resulting in future economic benefits, are capitalized as Intangible Assets and amortized over a period of 4 years on Straight Line Method (SLM) Basis.
 - (b) Right to way: Cost of Right to way i.e. permission to cross railway track, is being amortized over the remaining useful life of Asset, commencing from the year of operation
- (vi) Viaduct, Bridges & Tunnels, Permanent Way/ track Work and payment made towards permission for construction of viaduct, bridges and tunnels is depreciated/ amortized on straight line method in line with the useful life prescribed for “ Bridges, Culverts etc.” in Schedule-II of the Companies Act, 2013 from the date of commercial operation of respective Phase.
- (vii) Depreciation on addition to/ deduction from an existing asset which form integral part of main assets capitalized earlier is/ will be charged over the remaining useful life of that asset.

(H) FOREIGN CURRENCY TRANSACTIONS

- (i) Transactions denominated in foreign currency are recorded at the exchange rate prevailing at the time of transaction.
- (ii) Monetary items denominated in foreign currency are translated at exchange rates as at the reporting date.
- (iii) Foreign exchange difference arising in respect of monetary items relating to construction of capital asset is adjusted to Capital WIP prior to capitalization.

(I) GOVERNMENT GRANTS IN AID

(i) Capital Grant

Grants from the Governments/ non- Government or other Authorities towards capital expenditure for creation of Assets are initially shown as “Deferred Government Grants”. These will be subsequently recognized as income each year over the life of the relevant asset in proportion to Depreciation on those assets.

Government grant in the form of non monetary assets given free of cost, is recorded at nominal value of ₹ 1 and as it being in nature of promoter's contribution, is credited to Capital Fund Reserve and treated as part of Shareholders funds.



(ii) Revenue Grant

Grants / financial assistance for operations from the Governments/ non- Government or other Authorities towards revenue is recognized in P&L Account under the Head “Other Income”.

(J) INVESTMENT

Investment, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investment. All other investments are classified as non-current investments.

Current investments are carried in the financial statement at lower of cost or fair market value determined on an individual investment basis. Long term (Non Current) investments are carried at cost; provision for diminution in value is made to recognize a decline other than temporary fall in the value of the investments

(K) EMPLOYEES BENEFITS

- (i) Financial benefits to officers / employees working with Jaipur Metro Rail Corporation are being provided as per Jaipur Metro Recruitment Rules, 2012, JMRC Leave Rules, 2016 & various other Rules / Guidelines of GoR, their parent department, as may be applicable.
- (ii) The employees’ terminal benefit liabilities of the officers/ employees on deputation (such as Pension, Gratuity, etc.) lie with their parent organization/ department. The company is paying the contributions regularly to their parent organization/ department, wherever applicable, as per Rules.
- (iii) The directly recruited employees after completion of their probation have been enrolled under appropriate statutory scheme, i.e. New Pension Scheme for which JMRC is paying monthly contributions. Rules related to other benefits to directly recruited employees at the time of retirement are still under finalization. Provision for any liability will be made after approval of rules and implementation thereof.

(L) ALLOCATION OF INTEREST DURING CONSTRUCTION

Borrowing costs that are attributable to the acquisition and construction of the qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

(M) LEASE TRANSACTION**Where the Company is Lessee**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the



leased term are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss over the lease term.

Where the Company is lessor

Leases in which the Company does not transfer substantially all risks and benefits of ownership of the asset are classified as operating leases. Lease income on an operating lease is recognized in the statement of profit and loss over the lease term. Depreciation is recognized as an expense in the statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs etc. are recognized immediately in the Statement of Profit and Loss.

(N) EARNING PER SHARE

Basic and diluted earning per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders and weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to equity shareholders and weighted average number of equity shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

(O) DEFERRED TAX

Income Tax provision comprises of Current Tax and Deferred Tax charge or credit. Provision for Current Tax is made on the assessable income at the tax rate applicable to the relevant Assessment Year. The Deferred Tax Asset and Liability is calculated by applying tax rate and tax laws that have been enacted or substantially enacted by the Balance Sheet date. Deferred Tax Assets arising mainly on account of unabsorbed depreciation under tax laws are recognized, if there is a virtual certainty of its realization, supported by convincing evidence. Deferred Tax Assets on account of other timing differences are recognized, only to the extent there is a virtual certainty of its realization. At each Balance Sheet date, the carrying amount of deferred tax assets is reviewed to reassure realization.

(P) IMPAIRMENT

The Carrying amount of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal as well as external factors. An impairment loss will be recognized wherever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is greater of the assets net selling price and value in use. In assessing the value in use, the estimated future Cash flows are discounted to the present value at the weighted average cost of capital. After impairment, the depreciation is provided on the revised carrying amount of the assets



over the remaining useful life. Previously recognized impairment loss is further provided or reversed depending upon the changes in circumstances.

(Q) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Company recognizes provision where there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation but the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are neither recognized nor disclosed. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

(R) CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprises of cash at bank, cash in transit and cash in hand. The company considers all highly liquid investments with an original maturity of three months or less from date of purchases, to be cash equivalents.

Investments with an original maturity of more than three months are shown as other bank balances.

(S) CASH FLOW STATEMENT:

Cash flows are reported using the indirect method, whereby profit after tax is adjusted for the effects of transaction of a non-cash nature, any deferrals or accruals of past or future operating cash receipt or payment and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

(T) USE OF ESTIMATES

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized



JAIPUR MERTO RAIL CORPORATION LIMITED, JAIPUR**NOTE NO. 3****SHARE CAPITAL**

(Amount in ₹)

	<u>AS AT 31.03.17</u>	<u>AS AT 31.03.16</u>
<u>AUTHORISED</u>		
20000000 Equity shares of ₹1000/- each	<u>20000000000</u>	<u>20000000000</u>
<u>ISSUED, SUBSCRIBED AND PAID UP</u>		
16940354 Equity shares of ₹ 1000/- each fully paid up	<u>16940354000</u>	<u>4421596000</u>
	<u>16940354000</u>	<u>4421596000</u>

(A) Reconciliation of the Number of Equity Shares

	Nos.	(Amount in ₹)	Nos.	(Amount in ₹)
Opening Balance	4421596	4421596000	4421596	4421596000
Add :Shares issued during the year	12518758	12518758000	0	0
Closing Balance	16940354	16940354000	4421596	4421596000

(B) Right, Preferences & Restrictions attached to Shares

Equity Shares :- The Company has one class of equity shares having a par value of ₹1000/- per share. Each shareholder is eligible for one vote per share held.

(C) Details of Shareholders holding more than 5% of Shares of the aggregate shares in the Company

<u>Name of Share Holder</u>	<u>No. of Share Held</u>	<u>% of Shares</u>	<u>No. of Share Held</u>	<u>% of Shares</u>
His Excellency the Governor of Rajasthan & on his behalf	14940294	88.19%	3789936	85.71%
Rajasthan State Industrial Development & Investment Corporation Ltd.	1000000	5.90%	631600	14.28%
Rajasthan Housing Board	1000000	5.90%	0	0
Total	16940294	99.99%	4421536	99.99%



JAIPUR MERTO RAIL CORPORATION LIMITED, JAIPUR**NOTE NO. 4****RESERVES AND SURPLUS**

(Amount in ₹)

<u>PARTICULARS</u>	<u>AS AT 31.03.17</u>	<u>AS AT 31.03.16</u>
(A) Capital Fund Reserve (Against Land)	35	35
Total (A)	35	35
(B) Surplus in Statement of Profit & Loss :		
Balance as at the beginning of the year	(901305245)	(198494014)
Add : Profit / (Loss) for the year	(901190671)	(702811231)
Total (B)	(1802495916)	(901305245)
TOTAL (A+B)	(1802495881)	(901305210)

NOTE NO. 5**DEFERRED GOVERNMENT GRANTS**

(Amount in ₹)

<u>PARTICULARS</u>	<u>AS AT 31.03.17</u>	<u>AS AT 31.03.16</u>
Development Grant in Aid for Phase 1A of Jaipur Metro Rail Project		
Jaipur Development Authority	1198077222	1198077222
Opening Balance	1160678267	1198077222
Received / Transferred during the year	0	0
Less: Transferred to Income in current year	-44878745	-37398955
Total (A)	1115799522	1160678267
Government of Rajasthan	1000000000	0
Opening Balance	0	
Received / Transferred during the year	1000000000	
Less: Transferred to Income upto current year	-68674791	0
Total (B)	931325209	0
TOTAL (A) +(B)	2047124731	1160678267

The Commercial operation of Phase 1A of Jaipur Metro Rail Project have been commenced on 3rd June 2015. The Grant-in-Aid received from Jaipur Development Authority and Government of Rajasthan has been amortised to the extent of proportionate depreciation charged during the year based on the proportion of the amount of grant to the total amount capitalised on account of Phase 1A. Grant received from Government of Rajasthan is amortised, since it relates to project it is transferred to income on account of proportionate amortization to the depreciation, which includes a sum of ₹ 31215813 for F.Y. 2015-16 and ₹ 37458978 for current financial year. due to GoR grant finalized this year.



JAIPUR MERTO RAIL CORPORATION LIMITED, JAIPUR**NOTE NO. 6****LONG TERM BORROWINGS**

<u>PARTICULARS</u>	(Amount in ₹)	
	<u>AS AT 31.03.17</u>	<u>AS AT 31.03.16</u>
10% Interest Loan from Govt of Rajasthan	2659646000	2490000000
Loan from Govt of Rajasthan (Asian Development Bank)	2651639563	1419900249
Interest free Unsecured Subordinate Debt from Govt of Rajasthan	0	11150358000
Interest free Unsecured Subordinate Debt from Raj. Housing Board	0	1000000000
Interest free Unsecured Subordinate Debt from Rajasthan State Industrial Development & Investment Corporation Ltd.	0	368400000
Interest free Loan from Govt of Rajasthan (Through RTIDF)	0	75000000
Recoverable Interest Free amount(Under the Grant Head) from Govt of Rajasthan	0	1000000000
Interest Free Loan from GOR Against ADB Loan	250000000	0
Interest Free Loan from GOR for Phase II	100000000	0
TOTAL	5661285563	17503658249

NOTE NO. 7**OTHER LONG TERM LIABILITIES**

<u>PARTICULARS</u>	(Amount in ₹)	
	<u>AS AT 31.03.17</u>	<u>AS AT 31.03.16</u>
Total Outstanding Dues of Micro and small scale industrial Undertaking(s). (Due over 30Days)	0	0
Total Outstanding Dues of Medium scale industrial Undertaking(s). (Due over 30Days)	0	0
Security Deposits	9596861	9214904
TOTAL	9596861	9214904



JAIPUR MERTO RAIL CORPORATION LIMITED, JAIPUR**NOTE NO. 8****TRADE PAYABLES**

<u>PARTICULARS</u>	(Amount in ₹)	
	<u>AS AT 31.03.17</u>	<u>AS AT 31.03.16</u>
Others:- Creditors against Expenses	220082071	290742764
Delhi Metro Rail Corporation (Phase-1A)	200974176	200974176
Advance from Customers / Commuters	5082041	3360918
TOTAL	426138288	495077858

NOTE NO. 9**OTHER CURRENT LIABILITIES**

<u>PARTICULARS</u>	(Amount in ₹)	
	<u>AS AT 31.03.17</u>	<u>AS AT 31.03.16</u>
Earnest Money	8803301	4182680
Duties & Taxes	4343142	6796573
Unearned Income	1601040	933800
New Pension Scheme Contribution & Other deductions	2301740	529302
Interest on Loan from GoR	572691914	317603249
Sundry Creditors	2103321	977520
TOTAL	591844458	331023124

NOTE NO. 10**SHORT TERM PROVISIONS**

<u>PARTICULARS</u>	(Amount in ₹)	
	<u>AS AT 31.03.17</u>	<u>AS AT 31.03.16</u>
Outstanding Liabilities for expenses	97622533	48808913
Provision for Sundry Land Owner	6658926	6658926
TOTAL	104281459	55467839



S. No.	Name of Assets	As at 01.04.16	Addition	GROSS BLOCK Deletion/ Adjustment	As at 31.3.2017	Upto 01.04.16	DEPRECIATION / AMORTISATION/ ADJUSTMENT For the Period Adjustment/ Rectification	Upto 31.3.2017	As at 01.04.16	NET BLOCK As at 31.3.2017
(i)	TANGIBLE ASSETS									
1	Leasehold Land (Incl transferred by GoR)	35								35
2	Freehold Land (Acquired for Project)	914780605			914780605	60088712	81709296		149798008	914780605
3	Buildings (Depot & Stations)	5160407661	195750		5160603411	5240540	4493864		9734404	5092318949
4	Residential Flats	228546289	131846138		360392407	87156433	104587719		191744152	350658003
5	Viaduct	3302770075			3302770075	169962	674812		844774	3111025923
6	Temporary Structure	2106376	147661		2254037	85596115	102715339		188311454	1409263
7	Plant & Machinery	1621821135			1621821135	122190910	146629091		268820001	1433509681
8	Rolling Stock	3971176982			3971176982	92290487	110748584		203039071	3702356981
9	Signalling & Telecom Equipments	1748661850			1748661850	1163442375	36842342		1656371363	1545622779
10	Track Work (Permanent Way)	1163442375			1163442375	30701952	67544294		1132740423	
11	Traction Equipments	947791554			947791554	50022332	60026798		110049130	837742424
12	Escalators	324957842			324957842	12005387	14406464		26411851	298545991
13	Elevators	145761321			145761321	4500380	5400457		9900837	135860484
14	Automatic fare Collection System	429658583			429658583	28984946	32381935		59366881	370291702
15	IT System	2790715			2790715	736439	883726		1620165	1170550
16	Safety Equipments	34255822			34255822	1807946	2169535		3977481	30278341
17	Library Books	92106	2832		94938	92106	2832		94938	0
18	Furniture & Fixtures	29994248			29994248	3803697	2876385		6682082	23312166
19	Computer & Peripherals	12848600			12848600	9494450	1759955		11254405	1594195
20	Vehicle	14895902			14895902	4588596	1789888		6378484	8317418
21	Office Equipments	50528601	470500		50999101	11172945	9180438		20353383	30645718
	Total (i)	20107088657	132662881	0	20239751538	616644335	719281480	0	1335925795	19490444322
(ii)	INTANGIBLE ASSETS									
1	Software	1896525	525300		2421825	1851021	97315		1948336	473489
2	Right of way (N/W Railway)	458810309			458810309	14800333	14800333		27133943	431676366
	Total (ii)	460706834	525300	0	461232134	16651354	14897648	2466723	29082279	444055480
(iii)	CAPITAL W.I.P.									
	Project - Phase-IA									
1	Direct Expenditure on Project through DMRC	16382550496			16382550496	16382550496	16382550496		16382550496	
2	Direct Expenditure incidental to Construction of Project	1595417592			1595417592	1595417592	1595417592		1595417592	
	Project - Phase-IB									
3	Direct Expenditure on Project through CEC	2048498268	980733960		3029232228					3029232228
4	Direct Expenditure incidental to construction of Project	281574500	124268108		405842608					405842608
	(Refer to Note No. 11, (iii)4)									
	Total (iii)	20308040856	1105002068	0	21413042924	0	0	0	0	20308040856
(iv)	INTANGIBLE ASSETS UNDER DEVELOPMENT									
	Total (I to IV)	40875836347	1238190249	0	42114026596	633295689	73479108	2466723	1365008074	40242540658
	Prev. Year Figures	20022838790	20852397557	0	40875836347	18392545	614903144	0	633295689	2226457250



JAIPUR MERTO RAIL CORPORATION LIMITED, JAIPUR**NOTE NO. 11(iii) 2****Detail of Direct Expenditure incurred Incidental to Construction of Project and allocated to Phase-IA****(Amount in ₹)**

<u>PARTICULARS</u>	<u>AS AT 31.03.17</u>	<u>AS AT 31.03.16</u>
(A) Opening Balance		1523494984
(B) Addition during the year		
(i) Expenditure During the Year		
(a) Interest on Loan		23581967
(b) Water Connection Charges		29828211
(c) Trial Expenses & Pre-operation Expenses	Work Completed and all	7727124
(e) Electricity Expenses	Work in Progress	12521306
Total (i)	transferred to Assets	73658608
(ii) Expenditure capitalised earlier is now reinstated		
(a) Electricity Expenses recovered		1736000
Total Addition during the year (i -ii)		71922608
TOTAL (A+B)		1595417592

NOTE NO. 11(iii)4**Detail of Direct Expenditure incurred Incidental to Construction of Project and allocated to Phase-IB****(Amount in ₹)**

<u>PARTICULARS</u>	<u>AS AT 31.03.17</u>	<u>AS AT 31.03.16</u>
(A) Opening Balance	281574500	161182219
(B) Addition during the year		
(a) Consultancy	63938115	67512457
(b) Administrative Expenses Project Staff	33491704	22526647
(c) Foreign Exchange Loss/ (Profit)	79280	(215484)
(d) Commitment charges on ADB Loan	11876314	14653798
(e) Interest on GoR Loan	12000000	12000000
(f) Other Project Expenses	2882695	3914863
Total (B)	124268108	120392281
Total (A+B)	405842608	281574500



JAIPUR MERTO RAIL CORPORATION LIMITED, JAIPUR**NOTE NO. 12****DEFERRED TAX ASSETS/LIABILITIES (Net)**

<u>PARTICULARS</u>	<u>AS AT 31.03.17</u>	<u>AS AT 31.03.16</u>
(A) Deferred Tax Liability		
Opening balance	670479745	2545525
Add: On account of Depreciation during the year	508777134	667934220
Total (A)	1179256879	670479745
(B) Deferred Tax Assets		
Opening balance	873622902	6523155
Add: (i) On account of unabsorbed Depreciation	722680148	873622902
Less:(ii) DTA is not created/reversed due to no virtual certainty	(417046171)	(6523155)
Total (B)	1179256879	873622902
Deferred Tax Assets (Net) (B-A)	0	203143157

NOTE NO. 13**LONG TERM LOANS & ADVANCES**

<u>PARTICULARS</u>	<u>AS AT 31.03.17</u>	<u>AS AT 31.03.16</u>
Unsecured, Considered Good, unless otherwise stated		
Advance to Continental Engineering Corporation for Phase-IB	0	84194848
Security Deposit with JVVNL, JMC, RSM, PHED	17443988	18578109
TOTAL	17443988	102772957

NOTE NO. 14**OTHER NON-CURRENT ASSETS**

<u>PARTICULARS</u>	<u>AS AT 31.03.17</u>	<u>AS AT 31.03.16</u>
Fixed Deposits with Banks (Maturity period > 12 months)	100000	100000
(Earmarked for issuance of BG to Prasar Bharti, GoI)		
TOTAL	100000	100000



JAIPUR MERTO RAIL CORPORATION LIMITED, JAIPUR**NOTE NO. 15****TRADE RECEIVABLES**

(Amount in ₹)

<u>PARTICULARS</u>	<u>AS AT 31.03.17</u>	<u>AS AT 31.03.16</u>
Trade Receivable outstanding for a period exceeding six months from the date they become due for payment		
From Others	1120986	1220193
Grant Receivable from DLB (RTIDF) Incl. Rs. 61.35 lakh of F.Y. 2015-16	319907134	0
Other Trade Receivables (More than six months)		
TOTAL	321028120	1220193

NOTE NO. 16**CASH & BANK BALANCES**

(Amount in ₹)

<u>PARTICULARS</u>	<u>AS AT 31.03.17</u>	<u>AS AT 31.03.16</u>
<u>Cash & Cash Equivalents</u>		
Cash in Hand/ Transit	519891	567293
Current A/c (With Scheduled Bank)	30716729	45290786
Fixed Deposit with Banks (Maturity Period < 3 months)	199986000	190000000
<u>Other Bank Balances</u>		
Fixed Deposit with Banks (Maturity Period > 3 months & < 12month)	509966000	0
TOTAL	741188620	235858079

NOTE NO. 17**SHORT TERM LOANS & ADVANCES**

(Amount in ₹)

<u>PARTICULARS</u>	<u>AS AT 31.03.17</u>	<u>AS AT 31.03.16</u>
<u>Unsecured, Considered Good, unless otherwise stated</u>		
Sundry Advances	102200516	129189714
Prepaid Expenses	5937197	2894146
Deposit & Advances with Govt. Deptt.	1189736	103467772
Advance to Income Tax Dept. (Demand under appeal)	672440	672440
Accrued Interest & Other Income	6628474	613128
Advance to Staff	0	10000
TDS Receivables (AY 2012-13 and 2017-18)	10689954	30896875
TOTAL	127318317	267744075



JAIPUR MERTO RAIL CORPORATION LIMITED, JAIPUR**NOTE NO. 18****REVENUE FROM OPERATIONS**

		(Amount in ₹)
<u>PARTICULARS</u>	<u>AS AT 31.03.17</u>	<u>AS AT 31.03.16</u>
Traffic Earnings	79038369	82885103
Earning from Rentals/ Lease	17864624	8431627
Licence Fees for Feeder Service	301590	36000
Advertisement Income	0	100000
TOTAL	97204583	91452730

NOTE NO. 19**OTHER INCOME**

		(Amount in ₹)
<u>PARTICULARS</u>	<u>AS AT 31.03.17</u>	<u>AS AT 31.03.16</u>
(A) From Operation		
Interest Income (incl Bank interest)	28198105	39605040
Misc. income	1205002	4150504
Training Charges	0	98400
Other excess provision written back	2125234	66185
Tender Fees, RTI Fees, Metro Vehicle Use	839012	162735
Recruitment fees	13071355	0
Lease House Rentals (Recovery from Staff)	180576	210784
Total (A)	45619284	44293648
(B) From Grant / Deferred Grant		
Grant from RajasthanTransport Infrastructure Development Fund (RTIDF)	476972134	100000000
(a) Grant for 2015-16	163200000	
(b) Grant for 2016-17	313772134	
Deferred Grant from JDA (Written off) (2016-17)	44878745	37398955
Deferred Grant from GoR (Written off) (2015-16)	31215813	0
Deferred Grant from GoR (Written off) (2016-17)	37458978	0
Total (B)	590525670	137398955
TOTAL (A) + (B)	636144954	181692603



JAIPUR MERTO RAIL CORPORATION LIMITED, JAIPUR**NOTE NO. 20****OPERATIONAL EXPENSES***

<u>PARTICULARS</u>	(Amount in ₹)	
	<u>AS AT 31.03.17</u>	<u>AS AT 31.03.16</u>
Customer Facilitation Services	24151575	16567348
Electricity Expenses (107451236-4693790)	102757446	85694779
Facilities Management Services	3880191	3205200
Maintenance & House Keeping Services	26575115	22772285
Cash Collection Expenses	1191004	1181710
Spectrum Charges	3212064	2143333
Repair & Maintenance / POL	789077	142570
TOTAL	162556472	131707225

* Other operation related expenses under the head "Employees' Benefit, Other Expenses and Exceptional / Extra Ordinary Items" are separately given under Note no. 21, 24 & 25.

NOTE NO. 21**EMPLOYEES' BENEFIT EXPENSES**

<u>PARTICULARS</u>	(Amount in ₹)	
	<u>AS AT 31.03.17</u>	<u>AS AT 31.03.16</u>
(A) Establishment Expenses :		
Salary, Wages and allowances to Staff	195971199	181936637
Salary to Contractual Staff	19522727	16785554
Pension Contribution of Staff	8483576	2990550
Children Education Allowance & LTC	624220	341646
Ex-gratia	4000000	4549618
Total (A)	228601722	206604005
(B) Reimbursement of expenses to Staff :		
Medical Expenses (Incl Mediclaim of Staff)	3367608	3242750
Telephone Expenses	5493830	4301449
Other Expenses	2188390	2662641
Total (B)	11049828	10206840
TOTAL (A+B)	239651550	216810845



JAIPUR MERTO RAIL CORPORATION LIMITED, JAIPUR**NOTE NO. 22****FINANCE COST****(Amount in ₹)**

<u>PARTICULARS</u>	<u>AS AT 31.03.17</u>	<u>AS AT 31.03.16</u>
Interest on GoR loan	243088665	161232241
Bank Charges	0	20096
TOTAL	243088665	161252337

NOTE NO. 23**DEPRECIATION & AMORTISATION EXPENSES****(Amount in ₹)**

<u>PARTICULARS</u>	<u>AS AT 31.03.17</u>	<u>AS AT 31.03.16</u>
Depreciation on Tangible Assets	719281460	599991532
Depreciation related to previous year	0	7930
Amortisation of Intangible Assets	12430925	14903682
TOTAL	731712385	614903144



JAIPUR MERTO RAIL CORPORATION LIMITED, JAIPUR**NOTE NO. 24****OTHER EXPENSES**

<u>PARTICULARS</u>	<u>AS AT 31.03.17</u>	(Amount in ₹)
		<u>AS AT 31.03.16</u>
Advertisement	8789621	24835417
Audit Fees (Statutory Audit)	345000	310500
Audit Fees (Tax Audit & Secretarial Audit)	187450	165600
Bank Charges	11412	0
Consultancy Fees	1544651	1112593
Electricity Charges	548593	701301
Event Exp	0	1834441
Expenses related to Previous Year	735692	150608
Interest	100705	30526
Internal Audit Fees	216200	171939
Loose Tools	0	14792
Meeting & Seminars	338438	1033939
News Paper	31479	31738
Office Exp	2607299	2362147
Plantation Exp.	386135	628340
Postage & Courier Exp.	44108	53070
Printing & Stationery Exp	1457196	2803715
Rent Exp	4078213	3945328
Repair, Maintenance & Renovation of office	1411649	1074748
RoC Filing Fees	79700	48800
Staff Training Exp.	221740	191160
Technical & Other Exp.	0	116324
Telephone Exp	1399815	1999103
Travelling Exp	424503	774974
Vehicle Hire Exp	1450598	2770594
Vehicle Maintenance Exp	2437088	3115276
Web Maintenance Charges	220574	171567
TOTAL	29067859	50448540

NOTE NO. 25**EXCEPTIONAL / EXTRA ORDINARY ITEMS**

<u>PARTICULARS</u>	<u>AS AT 31.03.17</u>	(Amount in ₹)
		<u>AS AT 31.03.16</u>
Prior period Items :		
Remuneration of DMRC SC/TO	7827401	0
Training Expenses payable to DMRC	17492719	0
TOTAL	25320120	0



26. EARNING PER SHARE :

	Particulars	31.03.17	31.03.16
(i)	Profit / (Loss) after Tax (₹)	(901190671)	(702811231)
(ii)	Weighted Average No. of Equity Shares (Basic & Diluted)	16940354	4421596
(iii)	Basic & Diluted EPS (₹)	(53.20)	(158.95)
(iv)	Face value per Share (₹)	1000	1000

27. CAPITAL WORK IN PROGRESS AND FIXED ASSETS

(i) The company engaged Delhi Metro Rail Corporation for construction of Phase-IA Project i.e. Mansarovar to Chandpole on EPC mode having length of 9.63 KMs on Deposit Work basis. The construction work of Phase-IA Project has been completed and commercial operation has been commenced from 3rd June, 2015. On account of above deposit work, the company has paid an advance of ₹ 1712.06 crore to DMRC till 31st March, 2016. DMRC has given a utilization certificate of ₹ 1732.26 crore and same was accounted for and a sum of ₹ 20.20 crore was credited to the account of DMRC and shown under the head “Current Liabilities” as on 31.03.2016. Since, it was a deposit work, actual bills of expenditure are available with Delhi Metro Rail Corporation.

(ii) The utilization certificate received from DMRC stating the amount under head wise assets totally to ₹ 1732.26 crore was capitalized accordingly. The commercial operation started on 03.06.2015 and expenditure of Rs. 93.91 crore incurred thereafter was certified by the DMRC as integral part of the assets capitalized as on 03.06.2015 and hence the same were treated as part of the assets so capitalized. Further, the allocation of expenses directly attributable and incurred up to 02.06.2015 was capitalized on proportionate value of each head of asset. Further, expenditure on water connection incurred was also included in such direct expenditure for allocation.

The above expenditure capitalized on the basis of certificate/utilization received from DMRC includes an amount of ₹ 8.95 crore related to furniture and fixture, safety item, Office equipments and others of which individual item wise details have not been provided in previous year by DMRC but capitalized on lump sum basis. During current year DMRC have provided the details of assets which are entered in fixed assets register and same will be physically verified. However any difference found will be adjusted /accounted for in the year of receipt of such details, verification and reconciliation thereof. Further, AFC system includes the value of Cards/ Tokens supplied by DMRC as these don't have any isolated value/ use.

(iii) The Company further awarded the construction work of underground portion from Chandpole to Badi Chaupar of Phase-IB to M/s Continental Engineering Corporation amounting to ₹ 507.37 crore. JMRC has paid an amount of ₹ 302.92 crore towards this contract up to this financial year. Since it is a running project, work-in-progress is accounted after certification of work.

28. EXTERNAL LOAN

A loan agreement between Asian Development Bank and Government of India and a Project Agreement between Asian Development Bank, State of Rajasthan and Jaipur Metro Rail Corporation has been signed on 29th May, 2014 for availing a loan of US \$ 176 million for the



construction of Phase-IB of Jaipur Metro Rail project. Loan proceeds are first received by Government of India and thereafter in Government of Rajasthan to be passed on to the company as an interest free Rupee loan. As such, only liability of the commitment charges @ 0.15% per annum on the undisbursed amount of loan is to be borne by the company, which has been provided for in the books of accounts.

A sum of ₹ 261.35 Crore (including ₹ 121.99 crore during F.Y. 2016-17) has been received by the company as reimbursement of expenditure incurred towards Phase-IB up to this year. Repayment of loan is scheduled to start after a moratorium period of eight years i.e. from the year 2022-23.

Since it is an interest free Rupee loan by Government of Rajasthan to the Company, liability of interest and exchange fluctuation amount, if any, is not ascertained and provided for by the Company as the liability of the interest has been agreed to be borne by the State Government.

29. LAND

- (i) Value of land and building appurtenant thereto given by State Govt. / Authorities for Metro Project is at 'Nil' cost but accounting value of the same is being made at notional value of ₹ 1 for each land in books of accounts by crediting capital fund reserve. Further, the said land has been treated as fixed assets of the Company. The legal title deeds of lands transferred in favour of Company have not yet been executed; hence lands allotted by Government of Rajasthan to the Company have not yet acquired the status of an irrevocable transfer.
- (ii) The land acquired by the Company for East-West corridor (Phase-I) has been shown at the value of compensation paid to the parties for acquisition. However, in some cases where land was acquired through settlement and no compensation was paid, accounting in books of such lands has been made at a notional value of ₹ 1.
- (iii) The total area of land acquired/ allotted till date is 371881 Sqm (including land transferred by State Government / various authorities). Title deeds of land acquired for East-West Corridor of metro project through Land Acquisition Officer are yet to be executed in favour of the Company.
- (iv) In some land acquisition cases, the company has made payment of 80% amount of the compensation in the Civil Court as per decision made by the Land Acquisition Officer. As the balance 20% amount of compensation is yet payable, the Company has provided in books of accounts to the extent of balance 20% amount of the compensation as per valuation made by the Land Acquisition Officer. Total provision amounting to ₹ 66.58 lakh has been made as on the balance sheet date.

30. LONG TERM INTEREST FREE UNSECURED SUBORDINATE DEBT

A sum of ₹ 1251.8758 Crore was held by the Company as Share application money pending for allotment of equity shares, from State Government, Rajasthan Housing Board & RIICO on 31st March, 2014. However, the allotment of equity shares against such application money received couldn't be made in view of the decision of the Government of Rajasthan/ High Powered Committee that further allotment of equity shares shall not be made till the proposed equity participation by Government of India is finally approved.

In view of the above Government decisions and given the mandatory nature of provisions of the



Companies Act, 2013 the said amounts of ₹ 12,51,87,58,000 of share application money pending allotment, of Government of Rajasthan, RIICO and RHB was shown as long term interest free unsecured subordinate debt in the books of accounts of the Company for the year 2014-15 w.e.f. 15th June, 2014(Confirmation awaited). The same classification and disclosure has been continued in F.Y 2015-16. The communication of the final decision of the State Government have been received and the same was put up before the 30th BoD in its meeting held on 27th December, 2016 As per decision taken in the BoD considering the order of the UDH deptt, GoR, the company has allotted the shares at par to the GoR, RIICO & RHB against their respective amount lying under the head “long term interest free unsecured subordinate debt”.

31. ADMINISTRATIVE OFFICE PREMISES TAKEN ON RENT

The company has taken furnished premises on Rent/Lease basis from Rajasthan State Mines & Minerals Ltd and for the same the company had initially paid ₹ 50 lakh as Security Deposit (interest free). As agreed with the said lessor the company has accounted for the rent including Service Tax due till 31st March, 2017. The said security deposit is being amortized against rent. However, rent agreement with RSMM is yet to be executed.

The Company has also taken on lease premises from Rajasthan Small Industrial Corporation. As agreed, with the said lessor the company has accounted for the rent including Service Tax due till 31st March, 2017 on the basis of rent rates finalized as per agreement executed.

32. GOVERNMENT GRANT/FINANCIAL ASSISTANCE

Government Grant of Rs. 100.00 Crore received in previous year was shown as Loan due to condition that this amount will be repaid after receipt of Government of India (GoI) share to the Project. As these GoI share will not be received as per the decision taken by the State Government, the same amount has been accounted for as Capital Grant.

As per the LSG revised notification no. 15683 dated 24th August, 2016 operating loss except the depreciation and finance cost, will be reimbursed by RTIDF stating that “ 25% of previous year receipt of RTIDF or operating loss of previous year of the company or 50 crore whichever is less” will be given as Financial Assistance to JMRC. Accordingly the financial assistance recoverable of Rs. 31.37 Crore has been accounted for as accrued income and shown under the head, Other Income.

33. CONTINGENT LIABILITIES AND COMMITMENTS

In the following cases, contingent liabilities and commitments are reported as under:

- (i) ₹ 189.09 Crore on account of contractual agreement with DMRC for execution of Civil Work, Track Laying, Electrification and against Supplementary Agreement executed for Rolling Stock, Signaling & Telecommunication & Automated Fare Collection, payable to DMRC.
- (ii) ₹ 204.45 Crore on account of contractual agreement with Continental Engineering Corporation for execution of tunnel work of Phase-IB of Jaipur Metro Rail project from Chandpole to Badi Chaupar.
- (iii) Liability, if any by way of solatium, compensation etc. payable with the order of State Government on account of final settlement to owners of property whose land and structure acquired during the year and due to any compensation granted on account of inconvenience caused in running the

business activity.

- (iv) The quantum of pending court cases could be ascertained in 16 cases only out of 63 cases to the of Rs. 100.01 Crore and for the rest 47 cases quantum is not ascertainable.
- (v) Income Tax Department, during the scrutiny assessment, has raised a demand of ₹ 3.47 lakh for the A.Y. 2011-12 on account of TDS and a demand for ₹ 51.48 Lakh for the A. Y. 2012-13. The company has received the decision of the ITAT in case of TDS AY 2011-12 where the liability has become Nil. In case of demand for 2012-13, the company has filed the rectification application which is under process. Further a demand has been raised in the current period for Asstt year 2014-15 for Rs 247 Lacs which has been disputed under appeal before CIT(A).
- (vi) Liability on account of Bank Guarantee of ₹ 1.00 lakh given by Jaipur Metro Rail Corporation to Prasar Bharti, Govt. of India for wireless connection.
- (vii) Liability of consultancy fees for Phase-IA due to delay in completion of Project may also occur as the matter is under consideration. Liability claimed by DMRC is Rs 33.28 crore still under examination
- (viii) RAVIL had submitted a Utilization Certificate for ₹ 170.47 lakh towards renovation of lease premises of RAJSICO in financial year 2014-15, out of which the company had certified the work of 150.17 Lakh and balance ₹ 20.30 lakh was not accounted for due to non-verification of work.
- (ix) The amount of gratuity, leave encashment and other terminal benefits as may be required to be paid on finalization of the relevant rules by the Company, not quantified for this year hence not provided for.
34. In the opinion of the management and to the best of their knowledge and belief the value of realization of advances and other Current Assets in the ordinary course of business will not be less than the amount at which they are stated in the Balance Sheet.
35. The Company is not a manufacturing undertaking, hence the provisions for Disclosure of licensed and installed capacity, raw material consumption, production and turnover are not applicable.
36. The company has also incurred an expenditure of ₹ 3.86 lakh towards plantation/ maintenance of trees including ₹ 2.00 lakh through Forest Department, Government of Rajasthan for environmental protection and in lieu of trees cut down during construction of project.
37. Details of Foreign Currency transactions during the year:-

		(in ₹)
	2016-17	2015-16
(i) CIF Value of Imports	NIL	NIL
(ii) Earning in foreign currency	NIL	NIL
(iii) Value of Components, spare parts, And stores consumed		
- Indigenous	NIL	NIL
- Imported	NIL	NIL



(iv) Expenditure in foreign currency:-

Particulars	Currency of payment	2016-17 (₹)	2015-16 (₹)
Continental Engineering Corporation, Taiwan	Euro	17991488	19968198
	US \$	55476877	60763289

38. There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days at the Balance Sheet date. This information as required to be disclosed under the Micro, Small & Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

39. **SEGMENT REPORTING (AS 17)**

The Company has only one reportable business segment, which is running and maintenance of Metro Rail facility in Jaipur and operates in a single business segment based on the nature of the services, the risk and returns, the organization structure and the internal financial reporting systems. Accordingly, the amount appearing in the financial statements relate to the Company's single business segment.

40. **RELATED PARTY DISCLOSURES (AS 18)**

(A) The name of related Parties of the Company is as under:

(i) Individuals and Key Management personal having substantial Interest in the Company

a)	Shri Ashwini Bhagat, Chairman & Managing Director	upto 11.11.2016
b)	Shri Mukesh Sharma, Chairman & Managing Director	from 11.11.2016
c)	Shri Ashwani Saxena, Director (Project)	2016-17
d)	Shri Chain Sukh Jeengar, Director (O&S)	2016-17
e)	Shri Rajesh Kumar Agerwal, Director (Corporate Affairs)	2016-17
f)	Shri Sarvesh Tewari, Director (Finance)	upto 10.07.2016
g)	Dr. Brij Bhushan Sharma, Director (Finance)	from 11.07.2016

(ii) Relatives of such individual and Key Management personal Nil

(iii) Enterprises in which any person described above has substantial interest- Nil

(B) Details of transactions with related parties are as follows:

S. No.	Particulars of Related Parties	Relation with Company	Amount in (₹)	Particulars of Amount
i.	Shri Ashwini Bhagat	Chairman & Managing Director	1174015	Salary & other expenses viz. reimbursement of Medical, Telephone and Newspaper
ii.	Shri Ashwani Saxena	Director (Project)	2827749	
iii.	Shri Chainsukh Jeengar	Director (O&S)	2728431	
iv.	Shri Rajesh Kumar Agerwal	Director (Corporate Affairs)	2802671	
v.	Shri Sarvesh Tewari	Director (Finance)	708900	
	Dr. Brij Bhushan Sharma		1186321	



41. LEASES**(A) As a Lessee****(1) Finance Lease**

There is no Finance Lease taken by the Company during the year.

(2) Operating Lease

(i) The total of future minimum lease payments under operating lease for each of the following periods:-

(a)	Not later than one year	₹ 55.16 lakh
(b)	Later than one year and not later than five years	₹ 10.65 lakh
(c)	Later than five years	Nil
(ii)	Lease payments recognized in the Indirect Expenses and charged to Revenue for the year ended on 31st March, 2017 is ₹ 40.78 Lakh.	

(B) As a Lessor

The Company has leased out space at Metro stations for ATMs, Mobile towers, Roof Top towers etc. Income generated from leasing out such space has been considered as Revenue from operation.

42. Payment made to Auditors

Figures in ₹

S. No.	Particulars	2016-17	2015-16
i.	Audit Fees	300000	270000
ii	Tax Audit Fees	83000	72000
iii.	Out of Pocket expenses	35000	25000
iv.	Service Tax	62700	54800

43. DEFERRED TAXATION

No Deferred Tax Assets was created on the business losses carry forward up to the F.Y. 2016-17 as there is no virtual certainty for recovery of the same. However deferred tax liability and assets were created on account of timing difference on account of depreciation. The same has been reviewed as on 31.03.2017. The Deferred tax liability and assets, both created on account of timing differences only for depreciation and since the deferred tax assets were more, it has been restricted to the extent of Deferred tax liability in view of the fact that if there is any tax liability on account of depreciation (DTL) to that extent the unabsorbed and carry forward depreciation (DTA) will be set off, but for the remaining excess amount of DTA there are no convincing evidence with the company to have virtual certainty to recover the remaining Deferred tax assets, accordingly the net of both as shown in schedule/Note No 12 is Rs. Nil. The amount standing as DTA as on 31.03.2016 has been transferred to the Statement of Profit and Loss account. The effect of income in case of depreciation related to Deferred Grant received from Jaipur Development Authority of ₹ 4.49 crore and Government of Rajasthan of ₹ 6.86 crore has been adjusted while calculating Deferred Tax Assets/ Liability.

44. A sum of ₹ 57.26 crore is due towards interest liability payable to Government of Rajasthan against the loan received for Phase-1 project. The matter regarding waiver of interest has been taken up by the



Company with Government of Rajasthan and is in consideration, therefore the same has not been paid.

45. The company has received Grant of ₹ 16.32 crore for F.Y. 2015-16 and ₹ 31.37 crore receivable for F.Y. 2016-17 as Revenue Grant from Rajasthan Transport Infrastructure Development Fund created under Local Self Governance Department, GoR for compensation of operational loss and shown under the head "Other Income" in accounts.
46. The company has imposed SHE penalty of ₹ 2.20 Lakh on M/s Continental Engineering Corporation which is shown under the head "Misc. Income".
47. Payments of power bill were deposited under protest.
48. During the year a recruitment procedure was conducted and a sum of Rs. 1.30 Crore received as recruitment fees. An expenditure of Rs. 0.40 Crore (approx) is expected to be incurred in current financial year.
49. The rights to use the way were sanctioned by the railway for 35 years in the year 2011-12. The said right is actually put to use in the year 2015-16. Hence, the effect of this expenditure is charged only for remaining 31 years. Accordingly the company has amortized the rights (Intangible Assets).
50. Details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016 is provided in the Table below :-

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	234500	175910	410410
(+) Permitted receipts	36385008	1523701	1790870
(-) Permitted payments	0	0	0
(-) Amount deposited in Banks	3873000	79216701	1794670
Closing cash in hand as on 30.12.2016	0	406610	406610

As per directions issued by the GOI / RBI, Specified Bank Notes had been permitted to accept at Metro Railway and same were deposited in banks.

51. The Company did not have convertible, partly convertible debentures as on 31st March, 2017.
52. Previous figures have been regrouped / reclassified, wherever necessary, to make them comparable to the current year's presentation.
53. Figures have been rounded off to nearest Rupee.

for JAIPUR METRO RAIL CORPORATION LIMITED

(MUKESH KUMAR SHARMA)
Chairman & M.D.
DIN 02087671

(ALOK)
Director
02600247

(Dr. BRIJ BHUSHAN SHARMA)
Director (Finance)
07594103

(HARSHITA C. KOCHHAR)
Company Secretary
M.No. F-8341

(PALAK BANSAL)
PARTNER
M.No. 429820

for C.R. MEHTA & COMPANY
CHARTERED ACCOUNTANTS
FRN 000789C

JAIPUR
DATE : 23.08.2017





संख्या/No. जी.एस.एस.-III/ए.ए/जे.एम.आर.सी।K-213/
2016-17/1867

भारतीय लेखा तथा लेखापरीक्षा विभाग

कार्यालय प्रधान महालेखाकार (सामान्य एवं सामाजिक क्षेत्र लेखापरीक्षा) राजस्थान
जनपथ, जयपुर-302 005

INDIAN AUDIT AND ACCOUNTS DEPARTMENT
OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL (GENERAL AND SOCIAL SECTOR AUDIT) RAJASTHAN
Janpath, Jaipur-302 005

दिनांक/Date...27.9.17.....

प्रबन्ध निदेशक,
जयपुर मेट्रो रेल कार्पोरेशन लिमिटेड,
खनिज भवन, उद्योग भवन परिसर,
तिलक मार्ग, सी-स्कीम,
जयपुर-302015

विषय: जयपुर मेट्रो रेल कार्पोरेशन लिमिटेड, जयपुर के 31 मार्च, 2017 को समाप्त होने वाले वर्ष के लेखों पर भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणी ।

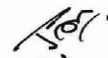
महोदय,

मुझे कम्पनी अधिनियम की धारा 143(6) के अंतर्गत कम्पनी की वार्षिक साधारण सभा में प्रस्तुत करने हेतु 31 मार्च 2017 को समाप्त वर्ष के लिए, जयपुर मेट्रो रेल कार्पोरेशन लिमिटेड, जयपुर के वित्तीय विवरणों पर कम्पनी अधिनियम की धारा 143(6)(b) के अधीन शून्य टिप्पणी प्रमाण-पत्र जारी करने का आदेश प्राप्त हुआ है ।

उपरोक्त अवधि के वित्तीय विवरणों एवं लेखापरीक्षकों की रिपोर्ट की सात प्रतियां जैसी कि साधारण सभा में रखी जावें तथा स्वीकृत की जावें, कृपया इस कार्यालय को शीघ्र भिजवाने का श्रम करें ।

भवदीय,

संलग्न : उपरोक्तानुसार


उपमहालेखाकार
(सा.एवं सा.क्षे.ले.प.- III)

टेलीक्स : 2285
Telex : 2285

फैक्स : 0141-2385181
Fax : 0141-2385181

टेलीफोन : 2385430-39, 2385230, 2385131, 2385232
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तार : लेखापरीक्षा
Telegram : Lekhapariksha

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

The preparation of financial statements of Jaipur Metro Rail Corporation Limited, for the year ended 31 March 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 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 Companies Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with 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 23 August, 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 Jaipur 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. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comments upon or supplement to Statutory Auditors' Report.

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


(R.G. Viswanathan)

**Pr. Accountant General (G & SSA)
Rajasthan, Jaipur**

**Place:-Jaipur
Date:-**



**Project Phase-1B site visit by Shri R S Shekhawat, the then Hon'ble Minister, UDH,
Shri Mukesh Kumar Sharma, CMD, JMRC and Shri Ashwani Saxena, Director (Project), JMRC**



JMRC team at Mansarovar Depot



JAIPUR METRO

JAIPUR METRO RAIL CORPORATION LIMITED

CIN : U60221RJ2010SGC030630

Registered Office

Khanij Bhavan, Udyog Bhavan,
C-Scheme, Jaipur - 302 005

Contact

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