

3rd ANNUAL REPORT 2011-12



JAIPUR METRO RAIL CORPORATION LIMITED

■ Registered Office ■

Khanij Bhawan, Tilak Marg,
C-Scheme, Jaipur - 302 005

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print'oland, jpr # 2210284



**JAIPUR METRO
RAIL CORPORATION LIMITED**



JAIPUR METRO
RAIL CORPORATION LIMITED

3rd
Annual Report
2011-12



Hon'ble Union Cabinet Minister of Urban Development Shri Kamal Nath, Hon'ble Chief Minister Shri Ashok Gehlot and Hon'ble Member of Parliament, Jaipur Shri Mahesh Joshi on the occasion of foundation stone laying Ceremony of Jaipur Metro Rail Project.



Hon'ble Union Cabinet Minister of Urban Development Shri Kamal Nath, Hon'ble Chief Minister Shri Ashok Gehlot, Hon'ble UDH Minister Shri Shanti Dhariwal and other dignitaries on the occasion of foundation stone laying Ceremony of Jaipur Metro Rail Project.



Hon'ble Minister of Urban Development & LSG Shri Shanti Dhariwal, Hon'ble Members of Parliament Shri Mahesh Joshi and Shri Lal Chand Kataria, Hon'ble MLA, Shri Pratap Singh Khachariyawas on Metro site visit.

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JMRC Board of Directors Meeting in progress



Chairman and Managing Director, JMRC Shri Nihal Chand Goel on Metro site visit.

Jaipur Metro Rail Corporation Limited

Board of Directors

(as on 12.9.2012)

Shri Nihal Chand Goel
Chairman & Managing Director

Shri Gurdial Singh Sandhu
Principal Secretary, UDH & LSG

Shri Jagdish Chandra Mohanty
Principal Secretary, PWD

Shri Deepak Upreti
Transport Commissioner

Shri Pawan Kumar Goyal
Secretary, LSG

Shri Rajendra Bhanawat
Managing Director, RIICO

Shri Tanmay Kumar
Secretary Finance (Revenue)

Shri Kuldeep Ranka
Commissioner, JDA

Shri Kunji Lal Meena
CMD, JVVNL

Shri T. Ravikanth
Commissioner, Rajasthan Housing Board

Shri Loknath Soni
CEO, Jaipur Municipal Corporation

Shri Sanjay Solanki
Financial Advisor

Shri Paresh Kumar Jain
Company Secretary

Auditors :

Madhukar Garg & Company, Chartered Accountants

Registered Office :

Khanij Bhawan, Tilak Marg, C-Scheme, Jaipur - 302 005

Tel. : 0141-5192109, 0141-5192138

Fax : 0141-2385791

E-mail : jmrc.finance@gmail.com

Website : www.jaipurmetrorail.in

JAIPUR METRO RAIL CORPORATION LIMITED

Khanij Bhawan, Tilak Marag, C-Scheme, Jaipur-302005
Tel. No. 0141-2385790 / 2385791

F.No.5 () JMRC/Board Meeting/2012-13/7258

Date : 12.09.2012

Shri Nihal Chand Goel, Chairman & Managing Director, Jaipur Metro Rail Corporation Limited, Jaipur.	Shri Tanmay Kumar, Secretary, Finance (Revenue), Government of Rajasthan, Jaipur. Director & Shareholder, JMRC
Shri G.S. Sandhu, Principal Secretary, UDH & LSG, Government of Rajasthan, Jaipur. Director & Shareholder, JMRC	Shri Kuldeep Ranka, Commissioner, JDA, Jaipur. Director & Shareholder, JMRC
Shri Jagdish Chandra Mohanty, Principal Secretary, PWD, Government of Rajasthan, Jaipur. Director & Shareholder, JMRC	Shri Kunji Lal Meena, Chairman & Managing Director, JVVNL, Jaipur. Director & Shareholder, JMRC
Shri Deepak Upreti, Transport Commissioner, Government of Rajasthan, Jaipur. Director & Shareholder, JMRC	Shri T. Ravikanth, Commissioner, Rajasthan Housing Board, Jaipur. Director, JMRC.
Shri Pawan Kumar Goyal, Secretary, LSG Government of Rajasthan, Jaipur. Director, JMRC.	Shri Loknath Soni, Chief Executive Officer, Jaipur Municipal Corporation, Jaipur. Director & Shareholder, JMRC
Shri Rajendra Bhanawat Managing Director, RIICO, Jaipur. Representative RIICO & Director, JMRC.	

Sub : 3rd Annual General Meeting of Jaipur Metro Rail Corporation Limited.

Sir,

The 3rd Annual General Meeting of Jaipur Metro Rail Corporation Limited is scheduled on 28/09/2012. You are requested to kindly make it convenient to attend the aforesaid meeting.

The date, time and venue are:

Date : 28th September, 2012
Time : 1:00 PM
Venue : Conference Hall, IIIrd Floor, JMRC Ltd., Khanij Bhawan, Jaipur.

Notice which includes Agenda for the meeting is enclosed herewith.

Your's Sincerely,

(Signature)
(Paresh Kumar Jain)
Company Secretary



JAIPUR METRO RAIL CORPORATION LIMITED

Khanij Bhawan, Tilak Marag, C-Scheme, Jaipur-302005
Tel. No. 0141-2385790 / 2385791

S.No.: F.1()JMRC/2011/7257

Date : 12.09.2012

Shri Prakash Tekwani,
Joint Secretary,
Finance (Exp.III) Department,
Government of Rajasthan, Jaipur.

Sub: 3rd Annual General Meeting of Jaipur Metro Rail Corporation Limited.

Sir,

The 3rd Annual General Meeting of Jaipur Metro Rail Corporation Limited is scheduled on 28/09/2012. Having been nominated as representative of H. E. the Governor of Rajasthan, you are requested to kindly make it convenient to attend the aforesaid meeting.

The date, time and venue are:

Date : 28th September, 2012

Time : 1:00 PM

Venue : Conference Hall, IIIrd Floor, JMRC Ltd., Khanij Bhawan, Jaipur.

Notice which includes Agenda for the meeting is enclosed herewith.

Your's Sincerely,



(Paresh Kumar Jain)
Company Secretary

NOTICE

Notice is hereby given that the third annual general meeting of the members of Jaipur Metro Rail Corporation Limited is scheduled to be held on 28/09/2012 at 1.00 PM at JMRC Conference Hall, III Floor, Khanij Bhawan, Tilak Marg, Jaipur to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended on March 31, 2012 and the Balance Sheet as on that date together with the Reports of Directors and Auditors thereon.
2. Appointment of the Statutory Auditors of the Company and fixing of their remuneration.

Special Business

3. To consider, and if thought fit, to pass the following resolution, with or without modification(s), as special resolution:

“RESOLVED THAT pursuant to the provisions of Sections 16 & 94 of the Companies Act, 1956, and other applicable provisions, the authorized share capital of the Company be and is hereby increased from ₹ 11,00,00,00,000 (Rupees One Thousand One Hundred Crore only) divided into 1,10,00,000 equity shares of ₹ 1000 each to ₹ 15,00,00,00,000 (Rupees One Thousand Five Hundred Crore only) divided into 1,50,00,000 equity shares of ₹ 1000 each.

RESOLVED FURTHER THAT the existing clause V of the Memorandum of Association of the Company as to share capital be and is hereby deleted and in its place the following Clause V be and is hereby substituted:

“The authorized share capital of the Company is ₹ 15,00,00,00,000 (Rupees One Thousand Five Hundred Crore only) divided into 1,50,00,000 (One Crore Fifty Lakh only) equity shares of ₹ 1000 (Rupees One Thousand only) each.”

RESOLVED FURTHER THAT pursuant to the provisions of Section 31(1) of the Companies Act, 1956, the existing Article 3 of the Articles of Association of the Company be and is hereby deleted and in its place the following Article 3 be and is hereby substituted:

“The authorized share capital of the Company is ₹ 15,00,00,00,000 (Rupees One Thousand Five Hundred Crore only) divided into 1,50,00,000 (One Crore Fifty Lakh only) equity shares of ₹ 1000 (Rupees One Thousand only) each.”

**By order of the Board
For Jaipur Metro Rail Corporation Ltd.**



(Nihal Chand Goel)
Chairman & Managing Director

Regd. office
Khanij Bhawan, Tilak Marg, Jaipur.
Date: 12/09/2012



Notes:

- 1. Explanatory statement pursuant to Sec. 173(2) of the Companies Act. 1956 is enclosed herewith.
- 2. **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. A blank form of proxy is enclosed which should be returned to the company duly completed no later than forty eight hours before the commencement of the meeting.**

Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 regarding Item number 3.

The Authorized Share Capital of the Company is ₹ 11,00,00,00,000 divided into 1,10,00,000 equity share of ₹1000 each.

For enabling the Company to enhance its equity base, it is proposed that the existing Authorized Share Capital of the Company be increased from ₹1100 Crore to ₹1500 Crore. The provisions of the Companies Act, 1956 require the Company to seek the approval of the members for increase in the authorised share capital and for the alteration of the capital clause of the Memorandum of Association and of the Articles of Association of the Company. Hence this resolution.

The Board of Directors, in its meeting held on 12/09/2012, has approved the increase in the Authorized Share Capital of the Company from ₹ 1100 Crore to ₹1500 Crore and has recommended the resolution set out at Item 3 of the accompanying Notice for the approval of the Members.

None of the Directors of the Company is in any way concerned or interested in the aforesaid resolution except as member of the Company.

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the third Annual Report on the business and operations of your Company together with the audited Statement of Accounts for the year ended on 31st March, 2012 and the Auditors' Report thereon.

FINANCIAL RESULTS

The year under report covers a period of 12 months ended on 31st March, 2012, for which the summarized financial results are as under:

Particulars	For the year ended on 31 st March, 2012 (in ₹)	For the year ended on 31 st March, 2011 (in ₹)
Revenue from operations	Nil	Nil
Other Income	114439238	4409336
Less: Expenses for the year	297851963	135218881
Less: Prior period expenses	93889665	0
Less : Transferred to Capital Work in Progress	31214177	130809545
Profit/(Loss) for the year	(246088213)	0

As in the previous year, during the year 2011-12 also, operations have not been started, since the project was at construction stage. The other income is mostly the interest income.

The prior period expenses of ₹ 93889665 are the expenditure incurred in the previous year which were not direct expenditure on the project but were transferred to Capital Work in Progress. In the current year the same has been accounted for in consonance with the accounting policy of the Company as disclosed at Note 1(K) of the Notes on Accounts.

CORPORATE REVIEW: JAIPUR METRO RAIL PROJECT

As the members are aware, the Government of Rajasthan (GoR) has resolved to take up Jaipur Metro Rail Project and the Jaipur Metro Rail Corporation Ltd. has been created as an undertaking of the State Government for implementing the Project. The DPR Version



January-2010 prepared by Delhi Metro Rail Corporation (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:

Phase-I: East-West Corridor from Mansarovar to Badi Chaupar with a route length of 12.067 kms having a total estimated cost of ₹ 3149 crore.

Phase-II: North-South Corridor from Ambabari to Sitapura with a route

length of 23.099 kms having a total estimated cost of ₹ 6583 crore.

Phase I of the project is proposed to be implemented on EPC mode and Phase II on PPP mode.

The brief details of Phase-I, currently underway, are as under:-

Description	Phase-IA	Phase-IB	Total Phase-I
FROM - TO	Mansarovar to Chandpole	Chandpole to Badi Chaupar	Mansarovar to Badi Chaupar
Elevated Route Length (in kms.)	9.278	Nil	9.278
Under Ground Route Length (in kms.)	0.440	2.349	2.789
Total Route Length (in kms.)	9.718	2.349	12.067
Elevated Stations	8	Nil	8
Under Ground Stations	1	2	3
Total Stations	9	2	11
Total Completion Cost (in crore ₹)	2023	1126	3149

Phase-IA (Mansarovar to Chandpole)

The Jaipur Metro Rail Corporation has entered into an agreement on 05.08.2010 with DMRC for the development of Phase-1A from Mansarovar to Chandpole, covering a length of 9.718 kms, on 'deposit work' basis. A supplementary agreement was executed with DMRC on 14/08/2012 for rolling stock and S&T including AFC. This part of the project is expected to be

operational by 1st July, 2013. Presently, DMRC has completed 60% civil works of this part. Till date, a total sum of ₹ 606.38 crore has been paid to DMRC, including a fee of ₹ 48.62 crore to cover their establishment cost and overheads.

Phase-IB (Chandpole to Badi Chaupar)

Phase-IB (Chandpole to Badi Chaupar), covering a length of 2.349 kms, is proposed to be developed by JMRC on EPC mode, funding for the same by GoR, GoI and financial institutions being in process.



PHASE-II (Ambabari to Sitapura)

Phase-II, having a total length of 23.099 kms and a project cost of ₹ 6583 crore, is proposed to be developed on PPP mode. In this corridor, a total of 20 stations are proposed, of which 15 are elevated and 5 are underground. This Phase is proposed to be awarded to a private entity (the 'Concessionaire') through a competitive bidding process and implemented in accordance with the terms and conditions of the concession agreement which would be entered into between the Corporation and the Concessionaire. The process of selection of PPP Partner for Phase II is underway.

SHARE CAPITAL AND BUY BACK

During the year under review, the Company has not increased its authorised share capital, while the paid up capital of the Company was increased from ₹ 992100000 to ₹ 4421596000.

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

DIVIDEND

Your Company is at the project implementation stage and incurring losses and hence your Directors do not recommend any dividend for the year ended on 31st March, 2012.

DIRECTORS

The following changes were made, till date, in the Directorship of the Company:

- Shri Nihal Chand Goel, IAS, has been appointed as Chairman & Managing Director of the company with effect from 08/04/2012.



- Shri Rajendra Bhanawat, IAS, Managing Director, RIICO has been appointed as Director with effect from 30/12/2011.
- Shri Tanmay Kumar, IAS, Secretary Finance (Revenue) has been appointed as Director in place of Shri Abhay Kumar with effect from 08/04/2012.
- Shri Jagdish Chandra Mohanty, IAS, Principal Secretary PWD

has been appointed as Director in place of Shri Om Prakash Saini with effect from 08/05/2012.

- Shri Pawan Kumar Goyal, IAS, Secretary LSG has been appointed as Director in place of Dr. R. Venkateswaran with effect from 08/05/2012.
- Shri T. Ravikanth, IAS, Commissioner Rajasthan Housing Board has been appointed Director with effect from 12/06/2012.
- Shri Loknath Soni, CEO, Jaipur Municipal Corporation has been appointed as Director in place of Shri Rajesh Yadav with effect from 05/12/2011.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Board of Directors of the Company confirms that-

- in 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 judgements 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 or loss of the Company for that period;
- the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- the Directors had prepared the Annual Accounts on a going concern basis.

FIXED DEPOSITS

During the year under review your Company has not accepted any deposits from public in terms of Section 58A of the Companies Act, 1956.

DISCLOSURES UNDER SECTION 217(1) (d) OF THE COMPANIES ACT, 1956

There have been no material changes and commitments that occurred between the end of the year and the date of this report and can affect the financial position of the Company.

TRANSFER TO RESERVES IN TERMS OF SECTION 217(1) (b) OF THE COMPANIES ACT, 1956

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 section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended.

AUDITORS

Your directors recommend the appointment of statutory auditors of the Company as per the suggestion made in this behalf by the Comptroller and Auditor General of India.

AUDITORS' REPORT

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

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

The particulars as required under the provisions of Section 217(1)(e) of the Companies Act, 1956 in respect of conservation of energy and technology absorption have not been furnished considering the nature of activities undertaken by the Company during the year under review.



The details of foreign exchange earnings and outgo are provided under Note 29 of the Notes on Accounts.

ACKNOWLEDGEMENTS

Your Directors wish to place on record their gratitude for the continuing support of Government of India, Indian Railways, Delhi Metro Rail Corporation, Government of Rajasthan and its various Departments including the Police Commissionerate of Jaipur, Jaipur Nagar Nigam, Jaipur Development Authority, RIICO, RVPN, JVVNL and Rajasthan Housing Board.

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, including the project affected persons.

For & on behalf of the Board



(Nihal Chand Goel)
Chairman & Managing Director

Place: Jaipur
Date: 12.09.2012

JAIPUR METRO RAIL CORPORATION LIMITED

Addendum to the Directors report Dated 12.09.2012

Replies of the Observations of the Auditors on the Financial Statements of the company for the year ended on 31.03.2012.

Para 4(f) (i) of the Report	The relevant clauses in the Agreement with the DMRC will be revisited in terms of the nature of the work being the "Deposit work".
Para 4 (f) (ii) of the Report	The issue has been explained in the Notes on Accounts at Note no. 22. The required papers and documents would be obtained from the concerned department/ authority of the State Government.
Para 4 (f) (iii) of the Report	The decision of the State Government is to provide the land for the project at nil value and the JMRC has not paid any amount for the lands in question. Hence the accounting treatment for the same is not required.
Para 4 (f) (iv) of the Report	The matter has been taken up with the State Government in light of the total share capital proposed in the case of a JV being formed of the GoR and the GoI. The same will be settled expeditiously with the State Government so as to comply with the provisions of the Companies Act in time.

For Jaipur Metro Rail Corporation Limited



(Nihal Chand Goel)
Chairman & Managing Director

AUDITOR'S REPORT

Auditor's Report to the Members of **JAIPUR METRO RAIL CORPORATION LIMITED, JAIPUR**

1. We have audited the attached Balance Sheet of **JAIPUR METRO RAIL CORPORATION LIMITED, JAIPUR**, as at 31st March, 2012 and also the Profit & Loss Account for the Year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that;
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of those books;
 - (c) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report comply with the Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956;
 - (e) According to the information and explanations given to us, the Company is a

Government Company, therefore, provisions of Section 274(1)(g) of the Companies Act, 1956 are not applicable pursuant to the Gazette notification No. GSR 829(E) dated 21.10.2003 issued by Government of India;

- (f) (i) **As detailed in Point No. 21 of Notes on Accounts regarding Capital Work in Progress amounting to ₹ 227.51 Crore charged on account of direct cost of Project incurred by Delhi Metro Rail Corporation Ltd. for which no proper explanatory detail & evidences were made available for audit. In regard to above neither statement of expenditure nor account confirmation is being provided from executing agency. Hence in absence of information we are unable to allocate it. However same has been stated as Stage – I Jaipur Metro Rail Project (Phase – I).**

Further in reference to above, as per para (K) of Point No. 25 (DMRC Responsibility) of the agreement between Jaipur Metro Rail Corporation Ltd. (JMRC) & Delhi Metro Rail Corporation Ltd. (DMRC), expenditure incurred in each quarter should be informed by way of statement of account duly supported by the full detail / bills for expenditure as may be required for the audit purpose of JMRC have not been provided by DMRC.

- (ii) **As detailed in Point No. d(i) of Note No. 22 of Notes on Accounts with regard to acquisition of land and structure for East- West corridor of Metro Project for which company has paid ₹ 87.99 Crore out of which ₹ 43.56 Crore is being deposited in Court under dispute. It is to state that document 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 payment of final settlement is pending for which neither provision is being made nor title for the same is being transferred in favour of JMRC Ltd.**
- (iii) **As detailed in Point No. d(ii) of Note No. 22 of Notes on Accounts with regard to land an structure acquired for metro project and compensated by another piece of land allotted by JDA without consideration for which no accounting entry is being passed in books of accounts of the company resulting into understatement of project cost and contribution of JDA to the project. No proper explanation was given for land acquired and corresponding compensation given for the land.**



(iv) As detailed in Point No. 23 of Notes on Accounts with regard to non allotment of Equity Shares against the money received from State Government for allotment of equity shares has resulted into non compliance of unlisted public companies (Preferential allotment) Amendment Rules 2011 of the Companies Act, 1956.

- (g) **Subject to foregoing**, in our opinion and to the best of our information and according to explanations given to us, the said accounts read together with the Accounting Policies, Notes thereon and our comments & observation attached herewith give the information required by the Companies Act, 1956 in the manner so required, and give a true and fair view in conformity with the Accounting Principles Generally accepted in India,
- (i) in the case of Balance Sheet, of the state of the affairs of the company as at **31st March, 2012**.
- (ii) In the case of Profit & Loss Account, of the Loss of the Company for the year ended on that date.

for **MADHUKAR GARG & COMPANY**
Chartered Accountants
FRN 000866C



Sunil Shukla

SUNIL SHUKLA
(Partner)
M. No. 071179

Place : Jaipur
Date : 12.09.2012

JAIPUR METRO RAIL CORPORATION LIMITED, JAIPUR

ANNEXURE TO THE AUDITORS' REPORT

For the Year Ended on 31st March, 2012

Referred to in our Report of even date:

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed Assets have been physically verified by the management during the year at reasonable intervals. No material discrepancies were noticed on such verification.
- (c) Substantial part of fixed assets have not been disposed off during the year.
2. As there is no Inventory clause 2(a), 2(b) and 2(c) are not applicable.
3. (a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Hence requirement of clause 3(b), 3(c) and 3(d) is not applicable.
- (e) The company has not taken any loans, secured or unsecured from companies firm or other parties covered in the register maintained under section 301 of the Act. Hence requirement of clause 3(f) and 3(g) is not applicable.
4. There are adequate internal control procedure commensurate with the size of the Company and the nature of its business with regard to the purchases of inventories, fixed assets and for the sale of goods wherever applicable. We have not observed any continuing failure to correct major weakness in internal control system.
5. (a) According to the information and explanations given to us, we are of the opinion that there are no transactions that need to be entered into the register maintained under section 301 of the Companies Act 1956.
- (b) In our opinion and according to the information and explanations given to us, there are no transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act 1956 exceeding the value of rupees five lakhs in respect of any party during the year.
6. As informed to us, the Company has not accepted any deposits under the provisions of Section 58A and 58AA of the Act and the rules framed there under.

7. In our opinion, the Company's present Internal Audit system is commensurate with its size & nature of the business of the company.
8. As informed to us, Maintenance of cost records has not been prescribed by the Central Government under Section 209(1)(d) of the Companies Act 1956, for the products of the Company.
9. (a) According to the books and records as produced and examined by us in accordance with generally accepted auditing practices in India and also based on Management representations, undisputed statutory dues including Provident Fund, Employees' state Insurance Dues, Investor Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and Other material Statutory dues have generally been regularly deposited by the Company during the year with the appropriate authorities in India.
(b) As at 31st March, 2012, there have been no disputed dues which have not been deposited with the respective authorities in respect of Income Tax, Wealth Tax, Service Tax, Sales Tax, Custom Tax, Excise Duty and Cess.
10. The Company has nil accumulated losses as at 31st March, 2012. However it has incurred cash loss during the financial year ended on 31st March, 2012.
11. In our opinion and according to the information and explanations given to us, the Company has not availed any loan from any financial institution or bank or debenture holders during the year.
12. The Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
13. Considering the nature of activities carried on by the Company during the year, the provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to it.
14. The Company has not dealt or traded in shares, securities, debentures or other investments during the year.
15. The Company has not given guarantees for loans taken by others from banks or financial institutions.
16. The Company has not taken term loan from Banks or any other financial institutions during the year.
17. On the basis of review of utilization of funds, which is based on overall examination of the balance sheet of the company, related information as made available to us and as

represented to us by the Management, In our opinion the Company has not raised any short term funds. Hence its uses for long term investment is not applicable.

18. The Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money by public issue during the year.
21. As per the information and explanations given to us and on the basis of examination of records, no fraud on or by the Company was noticed or reported during the year.

for **MADHUKAR GARG & COMPANY**
Chartered Accountants
FRN 000866C

Place : Jaipur
Date : 12.09.2012



Sunil Shukla

SUNIL SHUKLA
(Partner)
M. No. 071179

COMPLIANCE CERTIFICATE

We have conducted the audit of account of **Jaipur Metro Rail Corporation Limited, Jaipur** for the year ended **31st March, 2012** in accordance with the directions/sub-directions issued by the C&AG of India under section 619 (3)(a) of the Companies Act, 1956 and certify that we have complied with all the directions/subdirections issued to us.

for **MADHUKAR GARG & COMPANY**
Chartered Accountants
FRN 000866C

Place : Jaipur
Date : 12.09.2012



Sunil Shukla
SUNIL SHUKLA
(Partner)
M. No. 071179

JAIPUR METRO RAIL CORPORATION LIMITED, JAIPUR

BALANCE SHEET AS AT 31ST MARCH, 2012

		(Amount in ₹)	
Particulars	Note No.	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	4421596000.00	992100000.00
(b) Reserves and Surplus	3	(246088202.86)	7.00
(c) Money received against share warrants		0.00	0.00
(d) Deferred Government Grants	4	735577221.50	548077221.50
(2) Share application money pending allotment		1070361000.00	939998000.00
(3) Non-Current Liabilities			
(a) Long-term borrowings		0.00	0.00
(b) Deferred tax liabilities (Net)		0.00	0.00
(c) Other Long term liabilities		0.00	0.00
(d) Long term provisions		0.00	0.00
(4) Current Liabilities			
(a) Short-term borrowings		0.00	0.00
(b) Trade payables	5	27314381.00	159761.00
(c) Other current liabilities	6	4873937.00	15126515.00
(d) Short-term provisions	7	176230050.00	3420311.00
Total		6189864386.64	2498881815.50
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets :	8		
(i) Tangible assets		889928621.24	9144682.00
(ii) Intangible assets		450299603.00	0.00
(iii) Capital work-in-progress		2353535786.00	182075410.03
(iv) Intangible assets under development		0.00	0.00
(b) Non-current investments		0.00	0.00
(c) Deferred tax assets (net)		0.00	0.00
(d) Long term loans and advances	9	1212541265.00	859077129.00
(e) Other non-current assets	10	20105270.00	20105270.00
(2) Current assets			
(a) Current investments		0.00	0.00
(b) Inventories		0.00	0.00
(c) Trade receivables		0.00	0.00
(d) Cash and cash equivalents	11	1244475277.30	1419696431.47
(e) Short-term loans and advances	12	18978564.10	8782893.00
(f) Other current assets		0.00	0.00
Total		6189864386.64	2498881815.50

See Accompanying Notes (1 to 39) to the Financial Statements.

As per our separate report of even date attached.

For JAIPUR METRO RAIL CORPORATION LIMITED, JAIPUR

For MADHUKAR GARG & COMPANY
CHARTERED ACCOUNTANTS
FRN 000866C

(Nihal Chand Goel) (Kuldeep Ranka) (Sanjay Solanki) (P.K. Jain)
Chairman & M.D. Director Financial Advisor Company Secretary

Sunil Shukla
(**SUNIL SHUKLA**)
PARTNER
M.NO. 071179



JAIPUR
DATE : 12.09.2012



JAIPUR METRO RAIL CORPORATION LIMITED, JAIPUR**STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2012**

(Amount in ₹)			
Particulars	Note No.	Figures for the current reporting period	Figures for the previous reporting period
I. Revenue from operations		0.00	0.00
II. Other Income	13	114439238.16	0.00
III. Total Revenue (I +II)		114439238.16	0.00
IV. Expenses:			
Cost of materials consumed		0.00	0.00
Purchase of Stock-in-Trade		0.00	0.00
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		0.00	0.00
Employee benefit expense	14	22416784.00	0.00
Finance costs	15	2324.23	0.00
Depreciation and amortization expense	16	1778722.00	0.00
Other expenses	17	242439955.76	0.00
Total Expenses		266637785.99	0.00
V. Profit before exceptional & extraordinary items & tax (III - IV)		(152198547.83)	0.00
VI. Exceptional Items (Prior Period Item)	18	93889665.03	0.00
VII. Profit before extraordinary items and tax (V -VI)		(246088212.86)	0.00
VIII. Extraordinary Items		0.00	0.00
IX. Profit before tax (VII - VIII)		(246088212.86)	0.00
X. Tax expense:			
(1) Current tax		0.00	0.00
(2) Deferred tax		0.00	0.00
XI. Profit(Loss) for the period from continuing operations (IX-X)		(246088212.86)	0.00
XII. Profit/(Loss) from discontinuing operations		0.00	0.00
XIII. Tax expense of discounting operations		0.00	0.00
XIV. Profit/(Loss) from Discontinuing operations (after Tax) (XII - XIII)		0.00	0.00
XV. Profit/(Loss) for the period (XI + XIV)		(246088212.86)	0.00
XVI. Earning per equity share:	19		
(1) Basic		(55.66)	0.00
(2) Diluted		(55.66)	0.00

See Accompanying Notes (1 to 39) to the Financial Statements.

As per our separate report of even date attached.

For JAIPUR METRO RAIL CORPORATION LIMITED, JAIPUR



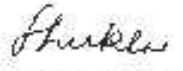



(Nihal Chand Goel) (Kuldeep Rarika) (Sanjay Solanki) (P.K. Jain)
 Chairman & M.D. Director Financial Advisor Company Secretary

JAIPUR
DATE : 12.9.2012

For MADHUKAR GARG & COMPANY
CHARTERED ACCOUNTANTS

FRN 000866C


 (SUNIL SHUKLA)
 PARTNER
 M.NO. 071179

**JAIPUR METRO RAIL CORPORATION LIMITED, JAIPUR****NOTES ON ACCOUNTS****(1) SIGNIFICANT ACCOUNTING POLICIES****(A) BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical convention on accrual basis. These Financial statements have been prepared to comply in all material aspects with the accounting standards notified under section 211 (3 C) (Companies (Accounting Standards) Rules, 2006, as amended) and the other relevant provisions of the Companies Act, 1956.

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 Schedule VI to the Companies Act, 1956.

(B) FIXED ASSETS

- Fixed Assets are stated at Cost which includes cost of acquisitions, installation, direct costs and borrowing cost incurred up to the date of commissioning.
- Land is stated at cost including 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.
- In case of Deposit works, the advances for Capital works are transferred to capital work in progress till the work is completed on receipt of the statement of expenditure from the executing agency/s.
- Amount paid to NWR for Right to way i.e permission to cross Railway track by Jaipur Metro for way leave charges is shown as Intangible assets.

(C) DEPRECIATION

- Depreciation has been provided at the SLM rates as prescribed by Schedule XIV of the Companies Act, 1956.



- (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
 - (b) **Right to way :** Cost of right to way is permission to cross railway track will be amortized in 35 years being its period of permission to use which is beyond the maximum period of 10 years as specified in the Accounting Standard - 26 on Intangible Assets, as the economic benefits from the underlying assets would be available to the company over such period.

(D) FOREIGN CURRENCY TRANSACTIONS

Transaction denominated in foreign currency are recorded at the exchange rate prevailing at the time of transaction.

(E) INVENTORIES

- (i) Inventories including stores & spares and loose tools are valued at cost or net realizable value whichever is less. Cost is determined on weighted average basis.
- (ii) Land inventory is valued at the lower of cost and net realizable value.

(F) REVENUE RECOGNITION

All Incomes are accounted on accrual basis generally.

(G) EMPLOYEES BENEFITS

All employees of Jaipur Metro Rail Corporation Ltd. are on deputation from various Govt. Departments / Companies / Authorities etc. or retired employees on contractual

basis or through placement agencies. Employees benefits to staff on deputation are payable as per Service Rules of their parent department.

(H) GRANT IN AID

Grant from State Government, its authorities / bodies, the Government Companies & other authorities towards Capital Expenditure for creation of assets are initially shown as "Deferred Project Grants". These are subsequently recognized as income each year over the life of the relevant assets in proportion to depreciation on those assets.

(I) 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, only 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 reasonable certainty of its realization. At each Balance Sheet date, the carrying amount of deferred assets is reviewed to reassure realization.

(J) IMPAIRMENT

An assets is treated as impaired, when carrying cost of assets exceeds its recoverable amount. An impaired loss is charged to Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there is a change in the estimate of the recoverable amount.

(K) CAPITAL WORK IN PROGRESS

- (i) Cost of fixed assets yet to come into operation and other direct and indirect revenue expenditure exclusively attributable to project are treated as capital work in progress.

- (ii) Expenditure during construction period will be allocated in the ratio of assets capitalized in the month of commissioning of project.
- (iii) During the year under Audit indirect expenditure related to administration & other General Expenses including Consultancy charges paid to DMRC incurred not directly attributable to the cost of project are charged to Profit & Loss Account. Income earned is also credited to Profit & Loss Account. However upto previous year such expenses (net of income) were charged to Capital Work in Progress. Due to change in accounting policy income and expenses of previous year has been charged to Profit & Loss Account.

(L) LEASE TRANSACTION

For assets taken on operating lease, lease rentals payable are charged to revenue.

(M) MISCELLANEOUS EXPENDITURE

Company formation expenses are treated as preliminary expenses and the same will be written off over a period of five years commencing from the year of commercial operation.

(N) 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 that 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.

(O) 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 METRO RAIL CORPORATION LIMITED, JAIPUR

NOTE NO. 2

SHARE CAPITAL

(Amount in ₹)

	AS AT 31.03.12	AS AT 31.03.11
AUTHORISED		
11000000 Equity shares of ₹ 1000/- each (Previous Year 11000000 Equity shares of ₹ 1000/- each)	11000000000.00	11000000000.00
ISSUED, SUBSCRIBED AND PAID UP		
4421596 Equity shares of ₹ 1000/- each fully paid up (Previous Year 992100 Equity shares of ₹ 1000/- each fully paid up)	4421596000.00	992100000.00
	4421596000.00	992100000.00

(A) Reconciliation of the Number of Equity Shares

	Nos.	(Amount in ₹)	Nos.	(Amount in ₹)
Shares outstanding at the Beginning	992100.00	992100000.00	500.00	500000.00
Add : Shares Issued during the year	3429496.00	3429496000.00	991600.00	991600000.00
No. of Shares outstanding at the End	4421596.00	4421596000.00	992100.00	992100000.00

(B) Right, Preferences & Restrictious 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. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation. The Equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their share holding.

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

Name of Share Holder	No. of Share Held	% of Shares	No. of Share Held	% of Shares
His Excellency the Governor of Rajasthan & on his behalf	3789996.00	85.71%	850500.00	85.72%
Rajasthan State Industrial Development & Investment Corporation Ltd.	631600.00	14.29%	141600.00	14.28%
Total	4421596.00	100.00%	992100.00	100.00%



JAIPUR METRO RAIL CORPORATION LIMITED, JAIPUR

NOTE NO. 3RESERVES AND SURPLUS

(Amount in ₹)

	<u>AS AT 31.03.12</u>	<u>AS AT 31.03.11</u>
(1) Capital Fund Reserve (against Land)	10.00	7.00
Total (1)	10.00	7.00
(2) Surplus in Statement of Profit & Loss :		
Balance as at the beginning of the year	0.00	0.00
Add : Profit / (Loss) for the year	(246088212.86)	0.00
Total (2)	(246088212.86)	0.00
Total (1 + 2)	(246088202.86)	7.00

NOTE NO. 4DEFERRED GOVERNMENT GRANTS

Development Grant in Aid (Jaipur Development Authority)	735577221.50	548077221.50
	735577221.50	548077221.50

NOTE NO. 5TRADE PAYABLES

Trade Payables - Due to Micro, Small & Medium Enterprises	0.00	0.00
<u>Others :</u>		
Creditors against Expenses	0.00	159761.00
Creditors against Fixed Assets	27314381.00	0.00
	27314381.00	159761.00

JAIPUR METRO RAIL CORPORATION LIMITED, JAIPUR

NOTE NO. 6OTHER CURRENT LIABILITIES

(Amount in ₹)

	<u>AS AT 31.03.12</u>	<u>AS AT 31.03.11</u>
Earnest Money	2950000.00	100000.00
Security Received	938902.00	54000.00
Government Dues	985035.00	74515.00
ROC Fees Payable	0.00	14898000.00
	4873937.00	15126515.00

NOTE NO. 7SHORT TERM PROVISIONS

Rent Payable to RSMM	0.00	625691.00
Outstanding Liabilities	6068369.00	2794620.00
Provision for Sundry Land Owner	170161681.00	0.00
	176230050.00	3420311.00



JAIPUR METRO RAIL CORPORATION LIMITED, JAIPUR

JAIPUR METRO RAIL CORPORATION LIMITED, JAIPUR

NOTE NO. 8

NOTE NO. 8.1

FIXED ASSETS CHART

Detail of Indirect Expenditure (Net) incurred Incidental to Construction of Project pending allocation

(Amount in ₹)											
S. No.	Name of Assets	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
		As at 01.04.11	Addition	Deletion/ Adjustment	As at 31.3.2012	Upto 01.04.11	For the Period	Adjustment	Upto 31.3.2012	As at 01.04.11	As at 31.3.2012
(i)	TANGIBLE ASSETS										
	With JMRC										
1	Land (Property Development)	7.00	3.00	0.00	10.00	0.00	0.00	0.00	0.00	7.00	10.00
2	Land (Corridor East-West)	0.00	879951036.00	0.00	879951036.00	0.00	0.00	0.00	0.00	0.00	879951036.00
3	Books Library	55065.00	3458.00	0.00	58523.00	55065.00	3458.00	0.00	58523.00	0.00	0.00
4	Furniture & Fixtures	979084.00	58300.00	0.00	1037384.00	6257.00	62405.00	0.00	68662.00	972827.00	968722.00
5	Computer & Peripherals	3251352.53	409182.00	0.00	3660534.53	151290.03	585491.00	0.00	736781.03	3100062.50	2923753.50
6	Vehicle	0.00	1361721.24	0.00	1361721.24	0.00	124268.00	0.00	124268.00	0.00	1237453.24
4	Office Equipments	2108109.00	409500.00	0.00	2517609.00	41261.00	128391.00	0.00	169652.00	2066848.00	2347957.00
	With DMRC										
1	Computer & Peripherals	2895233.00	0.00	0.00	2895233.00	472764.00	469317.00	0.00	942081.00	2422469.00	1953152.00
2	Furniture & Fixtures	410257.00	0.00	0.00	410257.00	25969.00	25969.00	0.00	51938.00	384288.00	358319.00
3	Office Equipments	209723.50	0.00	0.00	209723.50	11543.00	9962.00	0.00	21505.00	198180.50	188218.50
	Total (i)	9908831.03	882193200.24	0.00	892102031.27	764149.03	1409261.00	0.00	2173410.03	9144682.00	889928621.24
(ii)	INTANGIBLE ASSETS										
	With JMRC										
1	Software	0.00	1690405.00	0.00	1690405.00	0.00	369461.00	0.00	369461.00	0.00	1320944.00
2	Right of way (N/W Railway)	0.00	458810309.00	0.00	458810309.00	0.00	9831650.00	0.00	9831650.00	0.00	448978659.00
	Total (ii)	0.00	460500714.00	0.00	460500714.00	0.00	10201111.00	0.00	10201111.00	0.00	450299603.00
(iii)	CAPITAL W.I.P.										
	Project - Stage 1 of JMRC (Phase -1)										
1	Direct Expenditure on Project	40922871.00	2234135864.00	0.00	2275058735.00	0.00	0.00	0.00	0.00	40922871.00	2275058735.00
2	Indirect Expenditure (Net) incurred Incidental to Construction of Project pending allocation (Refer to Note No. 8.1)	141152539.03	31214177.00	93889665.03	78477051.00	0.00	0.00	0.00	0.00	141152539.03	78477051.00
	Total (iii)	182075410.03	2265350041.00	93889665.03	2353535786.00	0.00	0.00	0.00	0.00	182075410.03	2353535786.00
(iv)	INTANGIBLE ASSETS UNDER DEVELOPMENT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total (I to iv)	191984241.06	3608043955.24	93889665.03	3706138531.27	764149.03	11610372.00	0.00	12374521.03	191220092.03	3693764010.24
	Prev. Year Figures	3515213.50	6393617.53	0.00	9908831.03	0.00	768375.03	5774.00	764149.03	3515213.50	9144682.00

(Amount in ₹)

	AS AT 31.03.12	AS AT 31.03.11
Opening Balance	141152539.03	10342994.00
(A) Expenditure During the Year		
Administrative Expenses	1136454.00	3013709.50
Advertisement	4680769.00	5178902.00
Consultancy Project Expenses	10626144.00	87786957.00
Depreciation & Amortization	9831650.00	758375.03
Technical & Other exp	1078660.00	0.00
Expenses on DPR	3860500.00	24817500.00
Expenses by DMRC (Pre-project Expenses)	0.00	2037291.00
Expenses related to Previous Year	0.00	5774.00
Event Project Expenses	0.00	2914190.50
Payment to Employees	0.00	8706182.00
Total (A)	31214177.00	135218881.03
(B) Indirect Income earned During the Year		
Income from Interest	0.00	4339614.00
Other Income	0.00	69722.00
Total (B)	0.00	4409336.00
Add : Net Expenditure incurred during the year (A-B)	31214177.00	130809545.03
Less : Transferred to Prior Period Items (Refer to Note No. 18)	93889665.03	0.00
	78477051.00	141152539.03



JAIPUR METRO RAIL CORPORATION LIMITED, JAIPUR

NOTE NO. 9LONG TERM LOANS & ADVANCES

(Amount in ₹)

	<u>AS AT 31.03.12</u>	<u>AS AT 31.03.11</u>
Unsecured, Considered Goods, unless otherwise stated		
Capital Advances to Contractor (Advance given to DMRC for Project work to the extent not yet adjusted)	1212541265.00	859077129.00
	1212541265.00	859077129.00

NOTE NO. 10OTHER NON-CURRENT ASSETS**Unsecured, Considered Good, unless otherwise stated**Preliminary Expenses

Company Incorporation Expenses	5207270.00	5207270.00
Increase in Authorised Share Capital	14898000.00	14898000.00
	20105270.00	20105270.00

NOTE NO. 11CASH & BANK BALANCESCash & Cash Equivalents

Cash on Hand	0.00	0.00
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Bank Balances

In Current A/c (With Scheduled Bank)	1039475277.30	1419696431.47
In Fixed Deposit (Less than 3 Month Maturity)	205000000.00	0.00

Other Bank Balances	0.00	0.00
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1244475277.30	1419696431.47
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JAIPUR METRO RAIL CORPORATION LIMITED, JAIPUR

NOTE NO. 12SHORT TERM LOANS & ADVANCES

(Amount in ₹)

	<u>AS AT 31.03.12</u>	<u>AS AT 31.03.11</u>
Unsecured, Considered Goods, unless otherwise stated		
Sundry Advances	110637.00	1227225.24
Tax Deducted at Source	8872611.10	433962.00
Prepaid Expenses	661768.00	905581.76
Deposit to Rajasthan State Mines & Minerals Ltd.	5000000.00	5323415.00
Advance to DMRC (Through JDA)	892709.00	892709.00
Advance to Inspector General (Reg. & Stamps)	2500000.00	0.00
Advance to Income Tax Dept. (Demand)	300000.00	0.00
Accured Income	4500.00	0.00
Accured Interest	366782.00	0.00
Money Recoverable from Ministry of Finance (GOI) as Grant	269557.00	0.00
	18978564.10	8782893.00

NOTE NO. 13OTHER INCOME

Interest Income	91273483.16	0.00
Tender Fees	5019000.00	0.00
RTI Fees	1048.00	0.00
Misc. Other Receipts	84082.00	0.00
Reimbursement of Expenses (Ministry of Finance, GOI)	18061625.00	0.00
	114439238.16	0.00



JAIPUR METRO RAIL CORPORATION LIMITED, JAIPUR**NOTE NO. 14****EMPLOYEE BENEFIT EXPENSES**

(Amount in ₹)

AS AT 31.03.12 **AS AT 31.03.11****(1) Establishment Expenses :**

Salary to Staff	14928012.00	0.00
Remuneration to Staff	1578307.00	0.00
Salary to Managing Director	128052.00	0.00
Pension Contribution of State Employees	916317.00	0.00
Bonus	250000.00	0.00
Computer Operator Remuneration	1481468.00	0.00
Security Guard Remuneration	1811536.00	0.00
Total (1)	<u>21093692.00</u>	<u>0.00</u>

(2) Reimbursement to Staff :

Local Travel Allowance	304564.00	0.00
Medical Exp.	503117.00	0.00
News Paper Bill	39308.00	0.00
Telephone Expenses	466603.00	0.00
Tution Fees AIS	9500.00	0.00
Total (2)	<u>1323092.00</u>	<u>0.00</u>
Total (1 + 2)	<u>22416784.00</u>	<u>0.00</u>

JAIPUR METRO RAIL CORPORATION LIMITED, JAIPUR**NOTE NO. 15****FINANCE COST**

(Amount in ₹)

AS AT 31.03.12 **AS AT 31.03.11**

Bank Charges	2324.23	0.00
	<u>2324.23</u>	<u>0.00</u>

NOTE NO. 16**DEPRECIATION & AMORTISATION EXPENSES**

Depreciation on Tangible Assets	1409261.00	0.00
Amortisation on Intangible Assets	369461.00	0.00
	<u>1778722.00</u>	<u>0.00</u>



JAIPUR METRO RAIL CORPORATION LIMITED, JAIPUR

NOTE NO. 17

OTHER EXPENSES

(Amount in ₹)

AS AT 31.03.12 AS AT 31.03.11

(A) Manufacturing Expenses	0.00	0.00
(B) Administration Expenses :		
Rent	1376108.00	0.00
Company Law Affairs (Including Additional Fees of ₹ 1304733.00)	1397233.00	0.00
Cleaning & Sweeping Expenses	196050.00	0.00
Company Guest Expenditure	12983.00	0.00
Electricity Charges through RSMM	711388.00	0.00
Meeting & Seminars	290680.00	0.00
News Paper (Office)	9551.00	0.00
Office Expenses	1076978.76	0.00
Printing & Stationery Expenses	666850.00	0.00
Telephone Expenses	317233.00	0.00
Vehicle Hire Expenses	2325843.00	0.00
Legal Expenses	804100.00	0.00
Expenses Related to Previous Year	28204578.00	0.00
Vehicle Maintenance Expenses	235695.00	0.00
Travelling Expenses to Staff	878655.00	0.00
Travelling Expenses (Managing Director)	650.00	0.00
Internal Audit Fees	110300.00	0.00
Advertisement (Print Media)	459548.00	0.00
Expenses on DPR (Revised)	0.00	0.00
Membership Fee	197229.00	0.00
Payment to Auditor		
Statutory Audit Fees	112360.00	0.00
Tax Audit Fees	33708.00	0.00
Consultancy		
Consultancy Fees (F&T)	1067985.00	0.00
Consultancy Fees paid to DMRC	20180000.00	0.00
Consultancy Fees (Others)	154250.00	0.00
(C) Selling Expenses	0.00	0.00
	24243995.76	0.00

JAIPUR METRO RAIL CORPORATION LIMITED, JAIPUR

NOTE NO. 18

EXEPTIONAL ITEM (PRIOR PERIOD ITEMS)

(Amount in ₹)

AS AT 31.03.12 AS AT 31.03.11

(A) Indirect Expenses		
Administrative Expenses	2314399.00	0.00
Consultancy Project Expenses	86514271.00	0.00
Depreciation & Amortisation Expenses	758375.03	0.00
Expenses Related to Previous Year	5774.00	0.00
Payment to Employee	8706182.00	0.00
Total (A)	98299001.03	0.00
(B) Indirect Income		
Income from Interest	4339614.00	0.00
Other Income	69722.00	0.00
Total (B)	4409336.00	0.00
Total (A - B)	93889665.03	0.00



19. EARNING PER SHARE :

(in ₹)

Particulars	31.03.12	31.03.11
(i) Profit/(Loss) after Tax	(246088212.86)	-
(ii) Weighted Average No. of Equity Shares (Basic)	4421596.00	-
(iii) Weighted Average No. of Equity Shares (Diluted)	4421596.00	-
(iv) Basic EPS	(55.66)	-
(v) Diluted EPS	(55.66)	-
(vi) Nominal Value of Per Equity Share	1000.00	-

20. PRIOR PERIOD ITEM

During the year company has changed its accounting policy of capitalizing indirect expenses not directly attributable to project and reducing indirect income earned from the cost of project. Hence the effect of such change in policy amounting to ₹ 9.39 Crore has been charged to Profit & Loss Account by reducing the cost of indirect expenditure (net) incurred incidental to construction of project pending allocation.

21. CAPITAL WORK IN PROGRESS

The company has received the Detailed Project Report for Phase-I of the Jaipur Metro Rail Project prepared by Delhi Metro Rail Corporation Limited. The work of Phase-I has been proposed to be executed in 2 Stages. The company has executed an agreement with DMRC Limited on 5th August, 2010 for Development of Via – Duct, Track and Electrification and related civil works of the metro line from Mansarovar to Chandpole having length of 9.718 Kms on deposit work basis and referred as Stage-I of the Project. The remaining work of Phase-I of the Project was proposed to be executed on PPP basis which has been referred as Stage-II of the Project.

Company has adjusted ₹ 227.51 Crore as Capital Work in Progress out of advance of ₹ 348.76 Crore given to DMRC on the basis of statement of expenditure received from the executing agency i.e. DMRC Ltd. Since it is a deposit work, actual bills of expenditure are lying with the DMRC Ltd. However the company has requested to executing agency to provide a copy of the said bills of expenditure which has not yet been received from them. The advances paid by the DMRC to Contractors as per their terms & conditions have not been accounted for.

22. LAND

- (A) During the year State Government / Authorities have allotted 2 different lands measuring 6725 sq.mtr. in favour of Jaipur Metro Rail Corporation Limited for which possession of Property is already taken. Including the above Allotment resulting into cumulative total of 160351.23 Sq. Mtr. of land for which legal title in favour of Company is still not executed. Value of such land 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 account. Further the said Land has been treated as fixed assets for the JMRC Limited and will be used for Property Development. However such Land allotted can also be taken back by State Government as per its policy decision.
- (b) During the year a land piece measuring 1437.50 Sq. Mtr. located at Phoos ka Bangla, Jaipur transferred by State Govt. to JMRC in Previous year was given back to the State Govt. Further land situated at Jaipur Railway Station measuring 2195 Sq. Mtr. has been transferred in favour of JMRC. Value of such land given by State Govt. / Authorities / Railway for Metro Project is at Nil cost but for accounting purpose value of the same is taken at a notional value of ₹ 1 of each land piece in the books of accounts by crediting capital fund account.
- (c) Detail of Quantitative disclosure of Land Pieces allotted by State Govt. for Development Purpose (Notional Value of ₹ 1) treated as fixed assets is as below :-

	Piece of Land (No.)	Sq. Mtr
Opening Balance as on 01.04.11	7	153626.23
Add : Addition during the year		
Transfer from State Govt.	2	6725.00
Less : Transferred back to State Govt.		1437.50
Transfer from N/W Railway	1	2195.00
Closing Balance as on 31.03.12		161108.73

- (d) (i) During the year company has acquired land & structure for the purpose of East - West Corridor of Metro Project through Land Acquisition Officer of Jaipur Development Authority as per the policy of State Government of Rajasthan for which company has paid ₹ 87.99 Crore including payment made to Court under dispute amounting to ₹ 43.56 Crore. Final settlement of the compensation for the above acquisition of Land & Structure is still pending. Title Deed of the above acquisition in favour of Jaipur Metro Rail Corporation Ltd. is also still pending.
- (d) (ii) In reference to the above acquisition of land and structure during the year by the Company, no effect has been taken in financial books as the same being adjusted by



allotment of another piece of land and structure allotted by JDA without consideration . Detail of total area of property acquired and adjusted is as under:

(in sq mtr.)

<u>Nature of Property</u>	<u>Area Acquired</u>	<u>Area Allotted</u>
Commercial Area	2624.83	2440.88
Residential Area	1996.09	2073.30

23. SHARE APPLICATION MONEY PENDING ALLOTMENT

During the year company has received ₹ 30698.59 Lac against Share Application Money from State Government against which company has allotted Equity shares of ₹ 19994.98 Lac in favour of State Government and balance amount of ₹ 10703.61 Lac is pending for allotment.

24. ADMINISTRATIVE OFFICE PREMISES TAKEN ON RENT

The company has taken furnished premises on Rent/Lease basis from Rajasthan State Mines & Minerals Ltd. For the same, the company has paid ₹ 50.00 Lac 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, 2012 on the basis of rent rates applicable as per PWD norms. The execution of the Agreement with the lessor is in process.

25. WORKS CONTRACT TAX

The State Government has issued its notification no. F.12 (100) FD/Tax/10- 80 Dated 06.10.2010 & 08.12.2011 granted exemption from the VAT / Works Tax and Entry Tax respectively to Delhi Metro Rail Corporation Limited / Jaipur Metro Rail Corporation Limited on all the transactions related to the Jaipur Metro Rail Project.

26. CONTINGENT LIABILITIES NOT PROVIDED FOR

- (A) ₹ 952.00 Crore on account of Contractual Agreement with DMRC for execution of Civil Work, Track Laying and Electrification, further liabilities of ₹ 39.00 Crore for administrative expenses / consultancy payable to DMRC.
- (B) 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
- (C) ₹ 721.15 Crore against Supplementary Agreement executed on 14th August, 2012 with DMRC for Rolling Stock, Signaling & Telecommunication and Automated Fare Collection.

- (D) Liability of ₹ 43.27 Crore of which accrued but not due in reference to Clause no. 5 of Agreement made with DMRC on dated 14.08.2012 stating that ₹ 5.40 Crore is payable as Professional Fees on Quarterly basis w.e.f. 01.01.2012.

- (E) Liability, if any on account of cases pending for decision before court. 27. 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.

- 28. 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.

29. Detail of Foreign Currency transactions during the year :-	(in ₹)
(i) CIF Value of Imports	NIL (NIL)
(ii) Earning in foreign currency	NIL (NIL)
(iii) Expenditure in foreign currency :-	
Membership Fees	206763.00 (194051.00)

- 30. 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.

31. SEGMENT REPORTING (AS 17)

As the company has not started any business activity disclosure for AS 17 not required.

32. RELATED PARTY DISCLOSURES (AS 18)

As no transaction was entered between Jaipur Metro Rail Corporation Limited and related parties, so no disclosure is required.

33. LEASES

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 noncancelable operating lease for each of the following periods:-



- | | |
|---|-----|
| (a) Not later than one year | Nil |
| (b) Later than one year and not later than five years | Nil |
| (c) Later than Five Years | Nil |
- (ii) Lease payments recognized in the Indirect Expenses pending allocation for the year ended on 31st March, 2012 is ₹ 13.76 Lacs.
- (iii) The Company has not given any sub-lease during the year

34. DEFERRED TAXATION

During the year company has no business activity except project under construction in which all expenses direct and indirect expenses attributable to project are capitalized. However during the year company has incurred losses but there is no certainty of its realization so provision of Deferred Tax Assets required as per Accounting Standard (AS)-22 Accounting for Taxes on Income has not been provided.

35. Project advance account with Delhi Metro Rail Corporation Ltd. (Project Work) is subject to confirmation & reconciliation.
36. Balance of Sundry Debtors, Sundry Creditors and Advances are subject to confirmation.
37. The Company did not have convertible, partly convertible debentures as on 31st March, 2012.
38. Figures in Bracket denotes for previous year

39. PREVIOUS YEAR FIGURES

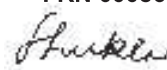
The financial statements for the year ended 31st March, 2011 had been prepared as per the then applicable, pre-revised Schedule VI of the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended 31st March, 2012 are prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been reclassified and rearranged to conform to this year's classification. The adoption of Revised Schedule VI for the previous year figure does not impact recognition and measurement principles followed for preparation of Financial Statements.

For JAIPUR METRO RAIL CORPORATION LIMITED, JAIPUR

			
(Nihal Chand Goel) Chairman & M.D.	(Kuldeep Rarka) Director	(Sanjay Solanki) Financial Advisor	(P.K. Jain) Company Secretary

JAIPUR
DATE : 12.9.2012

For MADHUKAR GARG & COMPANY
CHARTERED ACCOUNTANTS
FRN 000866C


(SUNIL SHUKLA)
PARTNER
M.NO. 071179

**JAIPUR METRO RAIL CORPORATION LIMITED**

Khanij Bhawan, Tilak Marg, C-Scheme, Jaipur-302005
Tel. No. 0141-2385790 / 2385791

Meeting Notice

Notice is hereby given that the adjourned third annual general meeting of the members of Jaipur Metro Rail Corporation Limited is scheduled to be held on 29/01/2013 at 12.30 PM at JMRC Conference Hall, III Floor, Khanij Bhawan, Tilak Marg, Jaipur to transact the following business:

Ordinary Business

To receive, consider and adopt the Audited Profit and Loss Account for the year ended on March 31, 2012 and the Balance Sheet as on that date together with the Reports of Directors and Auditors thereon.

By order of the Board

For Jaipur Metro Rail Corporation Ltd.

Regd. office

Khanij Bhawan

Tilak Marg, Jaipur.

Date: 27/12/2012


(Nihal Chand Goel)

Chairman & Managing Director

Notes:

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. A blank form of proxy is enclosed which should be returned to the company duly completed no later than forty eight hours before the commencement of the meeting.



संख्या/No. सा.एवं सा.क्षे. III/वा.ले./जे.एम.आर.सी./2011-2012/2763

भारतीय लेखा तथा लेखा परीक्षा विभाग
कार्यालय 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 5.12.2012

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

विषय : जयपुर मेट्रो रेल कॉर्पोरेशन लिमिटेड, जयपुर के 31 मार्च, 2012 को समाप्त वर्ष के लेखों पर भारत के नियंत्रक महालेखापरीक्षक की टिप्पणी।

महोदय,

मुझे इस पत्र के साथ कम्पनी अधिनियम की धारा 619 (4) के अन्तर्गत जयपुर मेट्रो रेल कॉर्पोरेशन लिमिटेड, जयपुर के 31 मार्च, 2012 को समाप्त वर्ष के लेखाओं पर भारत के नियंत्रण महालेखापरीक्षक की टिप्पणियां वार्षिक आम सभा के समक्ष कम्पनी अधिनियम की धारा 619 (5) के अन्तर्गत प्रस्तुत करने हेतु जारी करने का आदेश प्राप्त हुआ है।

उपरोक्त अवधि के वार्षिक लेखाओं पर अंकेक्षण प्रतिवेदन की सात प्रतियां जैसी कि वार्षिक साधारण सभा में रखी जावें व स्वीकृत की जावें, कृपया इस कार्यालय को शीघ्र भिजवाने का श्रम करें।

संलग्न : उपरोक्तानुसार

भवदीय,

उपमहालेखाकार
(सा. एवं सा.क्षे. III)



COMMENTS OF THE COMPTROLLER & AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF COMPANIES ACT, 1956 ON THE ACCOUNTS OF JAIPUR METRO RAIL CORPORATION LIMITED, JAIPUR FOR THE YEAR ENDED 31 MARCH, 2012.

The preparation of financial statements of Jaipur Metro Rail Corporation Limited, Jaipur for the year ended 31 March, 2012 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 12 September, 2012.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 619(3) (b) of the Companies Act, 1956 of the financial statements of Jaipur Metro Rail Corporation Limited, Jaipur for the year ended 31 March, 2012. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquires of the statutory auditors and company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under Section 619(4) of the Companies Act, 1956 which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related Audit Report.

A. Comments on Profitability

Profit & Loss Account

Expenses

1. Other Expenses (Note no. 17) - ₹ 24.24 crore

The above is overstated by ₹ 22.96 crore due to incorrect accountal of consultancy fees paid to DMRC for the technical works related to Jaipur Metro project as revenue expenditure instead of accounting the same under the head Capital Work in Progress. This has resulted in over statement of Loss and understatement of Capital Work in Progress by ₹ 22.96 crore. The Accounting Policy no. 1 (k) (iii) in this regard is also in contravention to the Accounting Standard 10.

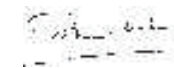


2. Exceptional Items (Prior Period Items) - (Note no. 18) - ₹ 9.39 crore

The above is overstated by ₹ 8.55 crore due to incorrect reversal of consultancy fees paid to DMRC in the year 2010-11 for the technical works related to Jaipur Metro project and accounted for under the head Capital Work in Progress in the year 2010-11. The same was done as per Accounting Policy no. 1 (k) (iii) inserted in the current year, which is also in contravention to the Accounting Standard 10. This has resulted in overstatement of Loss and understatement of Capital Work in Progress by ₹ 8.55 Crore.

Thus, due to comments of the C&AG, the net profit for the year is worked out to ₹ 6.90 crore instead of the net loss of ₹ 24.61 crore shown by the company. The Capital Work in Progress and Reserve and Surplus is worked out to ₹ 266.86 crore and ₹ 6.90 crore instead of ₹ 235.35 crore and (-) ₹ 24.61 crore respectively.

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



(S. K. Bahri)

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

Place : Jaipur

Date: 05/12/2012

REPLY OF MANAGEMENT ON COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF JAIPUR METRO RAIL CORPORATION LIMITED JAIPUR FOR THE YEAR ENDED 31 MARCH 2012

Both the observations are based on Accounting Standard 10 (AS-10) issued by ICAI.

The relevant para of AS-10 is 9-Components of Cost, of which sub para 2 clearly states that **administrative and general overhead expenses are usually excluded from the cost of fixed assets because they do not relate to a specific fixed asset.**

In case of Jaipur Metro Rail Project, various assets under various asset groups would be created particularly under the group of civil works, plant and machinery and other fixed assets. As per the agreement, the Company has agreed to pay only 6% charges to DMRC on the total estimated value (as per DPR) of the works to be carried out by DMRC, which is payable even if the actual expenditure is less or more under any asset group.

It is worth noting here that the rate of fee normally charged on the deposit works is 12.5%, against which the DMRC, as referred in clause 2 at page 3 of the agreement executed between DMRC & JMRC, has agreed to charge only 6% to cover their establishment and administrative overheads and would charge separately for the detailed design and proof check consultants. In our case, the fee of 12.5% has been reduced to 6% as it is meant only to cover their establishment and administrative overheads.

It is therefore evident that DMRC is providing only administrative/management support to JMRC by undertaking on behalf of JMRC, the appointment of contractors and consultants and procurement of equipments and installation thereof, virtually as an extension of the administrative wing of the JMRC. If DMRC would not have agreed to do it, JMRC would have directly incurred the establishment cost.

As per AS-10 also the cost which is not specifically attributable to a specific asset is not to be capitalized. The expression "**may be included as part of the cost of the construction**" has been used which indicates that those expenses which are not specifically attributable to specific fixed asset, may not be capitalized.

Prudence also demands that we avoid overstating the capital costs, rather than take the benefit of doubt and classify some expenditure as capital expenditure.

The spirit of AS-10 is not to ensure that all expenditure that may be classified as capital expenditure **must be** so classified. Instead, it is to ensure that no expenditure that may not be classified as capital expenditure **is not** so classified. This spirit of AS-10 has been followed by the company only to avoid unnecessary capitalization of the revenue expenses.

Now since if there is a difference of opinion on interpretation of the aforesaid clauses of AS-10, issued by ICAI, the management would seek the opinion of the ICAI itself. In case any adjustment is to be carried out in compliance thereof, the same would be made in the current financial year with suitable disclosure in the financial statements.



JAIPUR METRO

JAIPUR METRO RAIL ROUTE MAP

