

# 5<sup>th</sup> Annual Report

## 2014-15



### **METRO-LINK EXPRESS FOR GANDHINAGAR AND AHMEDABAD (MEGA) COMPANY LTD.**

Block No.1, First Floor, Karmayogi Bhavan, Sector 10/A, Gandhinagar, Gujarat-382010  
Tele: +91-79-26800000 Fax No: +91-79-26859766 , Website: [www.gujaratmetrorail.com](http://www.gujaratmetrorail.com).

CIN: U60200GJ2010SGC059407

## **5th Annual Report 2014-15**

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**METRO-LINK EXPRESS FOR GANDHINAGAR AND AHMEDABAD (MEGA)**  
**COMPANY LIMITED**

**(A SPV of Government of India & Government of Gujarat )**

**CORPORATE INFORMATION**

**Board of Directors:**

- |     |                                     |   |
|-----|-------------------------------------|---|
| 1.  | Shri Madhusudan Prasad, IAS         | <i>Ex-officio</i> Chairman & Secretary, Urban Development, Govt. of India |
| 2.  | Shri Mukund Kumar Sinha             | Nominee Director (Govt. of India)   |
| 3.  | Shri Shailendra Singh               | Nominee Director (Govt. of India)   |
| 4.  | Shri Praveen Prakash, IAS           | Nominee Director (Govt. of India)<br>up to 3/12/2015                      |
| 5.  | Smt. Jhanja Tripathy, IRAS          | Nominee Director (Govt. of India)<br>w.e.f 9/12/2015                      |
| 6.  | Shri R. Ramanathan                  | Nominee Director (Govt. of India)   |
| 7.  | Dr. Manjula Subramaniam, IAS (Retd) | Nominee Director (Govt. of Gujarat)                                       |
| 8.  | Dr. J. N. Singh, IAS                | Nominee Director(Govt. of Gujarat)  |
| 9.  | Dr. Rajiv Kumar Gupta, IAS          | Nominee Director(Govt. of Gujarat)  |
| 10. | Shri Ajay Bhadoo, IAS               | Nominee Director(Govt. of Gujarat)  |
| 11. | Shri I. P. Gautam, IAS(Retd)        | Managing Director   |
| 12. | Shri Biren Parmar, IAAS             | Whole Time & Functional Director(Finance)                                 |
| 13. | Shri Ajay Kumar Gupta               | Whole Time & Functional Director (Proj. & Planning)                       |

**Statutory Auditors:**

M/s. Ramanlal G. Shah & Company (FRN: 108517W)  
Chartered Accountants  
Shreeji House, B/h. M.J. Library  
Ellisbridge, Ahmedabad

**Internal Auditors:**

M/s. Talati & Talati, Chartered Accountants (FRN: 110758W)  
Chartered Accountants  
Ambica Chambers, Near Old High Court,  
Navrangpura, Ahmedabad

**Secretarial Auditors:**

M/s. Arvind Gaudana & Company  
Practicing Company Secretaries  
307, Ashirwad Paras, Near Prahladnagar Garden  
Corporate Road, Prahlad Nagar,  
Satellite, Ahmedabad – 380015.

**Bankers:**

State Bank of India  
Axis Bank  
ICICI Bank Ltd

**Chief Financial Officer**

Shri Shabbir Sabuwala

**Company Secretary**

Shri Navin Varma (w.e.f 15/09/2015)

**Registered Office:**

Block No.1, First Floor, Karmayogi Bhavan, Sector 10/A, Gandhinagar, Gujarat-382010

Tele: +91-79-26800000 Fax No: +91-79-26859766 ,Website: [www.gujaratmetrorail.com](http://www.gujaratmetrorail.com),

CIN: U60200GJ2010SGC059407



## CHAIRMAN'S MESSAGE

*Dear Shareholders,*

*It gives me immense pleasure to present the 5<sup>th</sup> Annual Report of your Company for the financial year 2014-15. Your Company has started the construction work for Ahmedabad Metro Rail Project Phase-1. The project was at preoperative stage during the previous year and has taken significant steps for successful implementation of the project.*

*I am glad to inform you that for implementation of Ahmedabad Metro Rail Project Phase-1, your Company has been converted into 50:50 SPV of Government of India and Government of Gujarat. As per approved DPR, Ahmedabad Metro Rail Project Phase-1 will cover a distance of 35.96 kms consisting of two corridors i.e. East-West corridor of 20.54 kms and North-South corridor of 15.42 kms. The total project cost is Rs. 10,773 crore and as per approved financing plan, funds will be arranged by equal equity contribution & subordinate debts for taxes and land by both the Governments apart from ODA loan from Japan International Cooperation Agency (JICA). It is important to mention that JICA has already approved and sanctioned ODA loan for Ahmedabad Metro Rail Project amounting to Rs. 5968 crores (1,12,816 million Yen).*

*The project implementation activities have commenced and efforts are being made to complete the project within stipulated time. I would like to share with you that General Engineering Consultancy (GEC) work has been awarded to Systra led international consortium. Several major construction and Design & Drawing Consultancy (DDC) work tenders have been finalized and awarded. Tenders for Rolling stock, Signalling and track works have been submitted for evaluation to JICA as per loan guidelines. It gives me immense pleasure to inform you that these efforts made in implementation of the project have started fetching results which can be seen on the site.*

*I would like to extend my thanks to all the Shareholders, Directors, employees, contractors, and consultants for their continuous support extended to this Company over a period of time.*

*The trust that you have placed in the Management of your company is an invaluable source of support. Let me assure you, we will continue to stay focused in building a world class rail based mass rapid transport system in Ahmedabad.*

*Yours sincerely,*

**(Madhusudan Prasad)**

Chairman  
DIN 02665954

**Date: 16<sup>th</sup> December, 2015**  
**Place: New Delhi**

## **NOTICE**

**NOTICE** IS HEREBY GIVEN THAT THE FIFTH ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF **METRO LINK EXPRESS FOR GANDHINAGAR AND AHMEDABAD (MEGA) COMPANY LIMITED** WILL BE HELD ON MONDAY, THE 21<sup>ST</sup> DAY OF DECEMBER, 2015 AT 11.00 A.M AT THE REGISTERED OFFICE OF THE COMPANY AT BLOCK NO. 1, FIRST FLOOR, KARMAYOGI BHAVAN, SECTOR 10/A, GANDHINAGAR – 382010.

### **TO TRANSACT THE FOLLOWING BUSINESS:**

#### **ORDINARY BUSINESS:**

01. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2015, Statement of Profit & Loss for the year ended on 31<sup>st</sup> March, 2015 together with Cash Flow Statement and Reports of the Board and the Independent Statutory Auditors thereon and Comments of the Comptroller and Auditor General of India.

02. To consider the appointment & fixing of remuneration of Statutory Auditor for F.Y. 2015-16.

**“RESOLVED THAT pursuant to the provisions of Section 139,141,142, 144 and other applicable provisions, if any, of the Companies Act, 2013, read with the underlying rules viz. Companies (Audit and Auditors) Rules, 2014, M/s Ramanlal G. Shah & Co., Chartered Accountants, Ahmedabad, is hereby appointed as Statutory Auditor of the Company, by the office of Comptroller and Auditor General of India for the F.Y. 2015-16 vide letter no CA. V/COY/GUJARAT,GUJMET(1)/872 dated 24.07.2015 and a written certificate in respect to the same, having been received from the said Auditor. M/s. Ramanlal G Shah & Co., Chartered Accountants (FRN No.108517W) be and is hereby appointed as the Statutory Auditors of the Company under Section 139 of the Companies Act, 2013 for the F.Y. 2015-16 to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company at a remuneration of**

Rs.700,000/- (Rupees Seven Lakhs) plus service tax as applicable, towards the statutory audit fees for financial year 2015-16 and agreed upon by **M/s. Ramanlal G Shah & Co.**"

## **SPECIAL BUSINESS**

### **ITEM No. 03**

#### **APPOINTMENT OF SHRI BIREN PARMAR, IAAS (DIN 02603933) AS WHOLE TIME DIRECTOR (FINANCE)**

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

**"RESOLVED THAT** pursuant to the provisions of section 196, 197 and 203 of the Companies Act, 2013 ('the Act) read with the Schedule V of 'the Act', consent of the shareholders be and is hereby accorded for the appointment of Shri Biren D. Parmar IA&AS (1993 batch) (DIN 02603933) as Whole Time Director (Finance) of the Company for a period of 3 years from the date of his joining or any other such time as decided by the Board at any stage before the expiry of 3 years i.e from 19/10/2015 upto 18/10/2018, as per the recommendation of the Comptroller & Auditor General of India on deputation basis as per the standard terms and conditions of the company as may be decided by the Board."

### **ITEM No. 04**

#### **APPOINTMENT OF SHRI AJAY KUMAR GUPTA (DIN 07308772) AS WHOLE TIME DIRECTOR (PROJECT & PLANNING)**

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

**"RESOLVED THAT** pursuant to the provisions of section 196, 197 and 203 of the Companies Act, 2013 ('the Act) read with the Schedule V of 'the Act', consent of the shareholders be and is hereby accorded for the appointment of Shri. Ajay Kumar

Gupta (DIN 07308772) as Whole Time Director (Project & Planning) of the Company for a period of 5 years from the date of his joining i.e from 28/09/2015 upto 27/09/2020 as per the standard terms and conditions of his appointment as set in the appointment letter dated 29<sup>th</sup> September, 2015."

#### **ITEM No. 05**

#### **TO APPROVE OFFER, ISSUE AND ALLOTMENT OF EQUITY SHARES AGAINST THE EQUITY CONTRIBUTION OF RS. 100 CRORES RECEIVED FROM THE MINISTRY OF URBAN DEVELOPMENT, GOVERNMENT OF INDIA ON PREFERENTIAL BASIS**

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

**"RESOLVED THAT** in accordance with the provisions of Section 62(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force) and the corresponding rules thereto, consent of the shareholders of the company be and is hereby accorded for offer, issue and allotment of 10,00,00,000 (Ten Crore) equity shares of Rs. 10/- (ten) each for cash at par aggregating to Rs.100,00,00,000 (Rupees One Hundred Crore only), ranking pari-passu with the existing shares of the company, to the Ministry of Urban Development, Government of India towards its equity share contribution (on preferential basis), in the name of 'His Excellency the President of India' along with other individual shareholders (representatives of the H.E the President of India) as may be nominated by the MoUD, Gol."

**"RESOLVED FURTHER THAT** for the purpose of giving effect to the above, the Board be and is hereby authorized on behalf of the Company to take all actions and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable, incidental or expedient to the issue or allotment of aforesaid equity shares to be allotted (on preferential basis) and to resolve and settle all



questions and difficulties that may arise in relation to the proposed issue, offer and allotment of equity shares and to do all act, things, deeds in connection therewith and incidental thereto as the Board in its absolute discretion may deem fit, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

### **ITEM No. 06**

#### **APPROVAL FOR INCREASE IN BORROWING POWERS OF THE COMPANY IN EXCESS OF PAID-UP CAPITAL AND FREE RESERVES OF THE COMPANY UPTO RS. 8000 CRORES**

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

“**RESOLVED THAT** in supercession of the special resolution passed by the members at their 2nd Annual General Meeting held on 21<sup>st</sup> January 2013 and in accordance to the provisions of Section 180 (1)(c) of Companies Act, 2013 together with rules and regulations made there under (including statutory modification(s) or re-enactments thereof) or any other act/law for the time being in force / likely to be in force , consent of the shareholders of the company be and is hereby accorded to borrow and raise such sum or sums of money from time to time from banks, financial institutions, international agencies, Central and State Governments or any combination thereof, as may be required for the purposes of the business of the Company, in excess of the aggregate of the paid-up capital and free reserves of the Company, that is to say, reserves not set apart for any specific purpose, subject to the proviso that such borrowing shall not exceed Rs. 8000 crore (Rupees Eight Thousand Crore only) and shall exclude all temporary loans, working capital loans obtained by the Company from its bankers in the ordinary course of its business, on such terms and conditions as the Board may consider necessary and expedient in the best interest of the Company.

**“RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred, to any Committee of Directors or any Director or Officer to give effect to the resolution hereof.”

**By order of the Board of Directors**

**Metro-Link Express for Gandhinagar and  
Ahmedabad (MEGA) Company Limited.**

Sd/-

**Navin Varma  
Asst. Gen. Manager (F&A) &  
Company Secretary**

**Date: 14/12/2015**

**Place: Gandhinagar**

**Notes:**

1. A member entitled to vote at the meeting is also entitled to appoint a proxy in his/her place who need not be a member of the Company.
2. Proxy Form duly filled in must be lodged with the Company at its registered office at least 48 hours before the date of the meeting.
3. A Statement setting out the material facts pursuant to Section 102(1) of the Companies Act, 2013 forms part of this notice and is annexed with the notice.

## Statement Setting out Material facts

Statement setting out the material facts pursuant to Section 102(1) of the Companies Act, 2013

### General Information

This Statement of material facts has been prepared for the shareholders of the Company in connection with the Fifth Annual General Meeting of the Company. The purpose of this Statement of material facts is to provide shareholders with information that the Board believes to be material to shareholders in deciding whether or not to approve the above resolutions detailed in the Notice and other information to enable shareholders to understand the implications of decision taken.

### ITEM No.03

As per the sanction letter of Ministry of Urban Development (MoUD), Government of India dated 17<sup>th</sup> November, 2014. Three (3) Whole Time Directors positions including Director (Finance) is required to be appointed in 50:50 SPV MEGA Company Limited.

The Management of MEGA Company Limited vide its letter dated 16<sup>th</sup> May, 2015 had requested to the Comptroller & Auditor General Of India (C&AG), New Delhi to spare a suitable IA&AS officer for the post of Director (Finance) in MEGA Company Limited on deputation basis for 3(three) years.

C&AG notified these vacancies all over India in their offices and got nomination as per standard procedure of C&AG.

Further, the office of Comptroller & Auditor General of India vide its letter dated 11th June, 2015 recommended one IA&AS officer Shri Biren D. Parmar (IA&AS – 1993 batch)(DIN 02603933) along with his bio-data for the post of Director (Finance) of MEGA Company Limited.

Subsequently, the Board of Directors of the Company at their meeting held on 15<sup>th</sup> September, 2015 has appointed Shri. Biren D. Parmar, IAAS as a Whole Time Director (Finance) of the Company for a period of 3(three) years from the date of his

joining as per the standard terms and conditions of MEGA, subject to the approval of Shareholders at the ensuing Annual General Meeting.

Accordingly, the Board recommends the resolution in relation to appointment of Shri. Biren D. Parmar, IAAS as Whole Time Director (Finance) of the Company, for the approval by shareholders of the Company for a period of 3(three) years i.e from 19/10/2015 upto 18/10/2018.

Except Shri Biren D. Parmar, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 3.

#### **ITEM No.04**

As per the sanction letter of Ministry of Urban Development (MoUD), Government of India dated 17<sup>th</sup> November, 2014. Three (3) Whole Time Directors positions including Director (Project & Planning) is required to be appointed in 50:50 SPV MEGA Company Limited.

MEGA Company Limited had advertised and invited applications from qualified and experienced candidates for the position of Whole Time Director (Project & Planning) on " Permanent / on Contract upto 5 years" basis through an advertisement No. MEGA/HR/RECT/ADVT/2015/03 dated 4<sup>th</sup> June, 2015 published in the Times of India (all India edition) on 10<sup>th</sup> June, 2015.

Further, the Board of Directors of the Company vide the Circular Resolution dated 24<sup>th</sup> July, 2015 had constituted a sub-committee of the Board consisting of following members for interview and selection for appointment of Whole Time Director (Project & Planning).

The selection committee conducted the interviews on 28/08/2015 to assess the suitability of candidates. Out of the fifteen (15) shortlisted candidates 9(nine) candidates attended the interview before selection committee.

After judging the performance and overall suitability of Nine (9) candidates, the Selection Committee shortlisted two (2) candidates, out of which one (1) candidate was selected and the other candidate was waitlisted.

Based on the recommendations of the selection committee, the Board of Directors of the Company at their meeting held on 15<sup>th</sup> September, 2015 have appointed Shri Ajay Kumar Gupta (DIN 07308772) as a Whole Time Director (Project & Planning) of the Company for a period of 5 (five) year from the date of his joining as per the standard terms and conditions of his appointment as set in the appointment letter dated 29<sup>th</sup> September, 2015, subject to the approval of Shareholders at the ensuing Annual General Meeting.

Accordingly, the Board recommends the resolution in relation to appointment of Shri. Ajay Kumar Gupta as Whole Time Director (Project & Planning) of the Company, for the approval by shareholders of the Company for a period of 5(five) years i.e from 28/09/2015 upto 27/09/2020.

Except Shri Ajay Kumar Gupta, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 4.

#### **ITEM No.05**

MEGA Company Limited has been converted into 50:50 Special Purpose Vehicle (SPV) of GoI and GoG with effect from 18<sup>th</sup> March, 2015.

As per the conditionality of the project sanction letter, the Government of India and Government of Gujarat will have equal i.e 1:1 equity participation in MEGA Company Limited.

At present the entire paid-up capital of the Company is held by the Government of Gujarat.

The Ministry of Urban Development, Govt. of India vide its letter no.K-14011/57/2011/MRTS-IV/U.T.II (Vol.I) dated 19<sup>th</sup> August, 2015 has sanctioned the release of an amount of Rs. 100 Crore (Rupees one hundred crore only) to MEGA Company Limited as Government of India's share towards equity capital. The said amount has been received by the Company and the same is kept as share application money pending for allotment. Copy of the letter dated 19<sup>th</sup> August, 2015 is placed at **Annex-1** for kind perusal of the shareholders.

As per section 62(1) (c) of the Companies Act, 2013 ('the act'), Where at any time, a company proposes to increase its subscribed capital by issue of further shares, and such shares are offered to the persons other than the existing shareholders, then the same shall be offered if it is authorized by a Special Resolution by the existing shareholders of the company. The price of such shares shall be determined by the valuation report of the Registered Valuer as per the process laid down in section 42 of the Act read with the relevant rules thereto.

The Company has appointed M/s. Ashok Chhajed & Associates Chartered Accountants (valuer) for valuation of shares of the Company in compliance with the provisions of the Act. The valuation certificate received from the valuer is placed at **Annex-2** for kind perusal of shareholders. The valuation certificate forms basis for determining the value per share.

The Board of Directors at their meeting held on 9/12/ 2015 have approved the offer allotment and issue 10,00,00,000 (Ten Crore) equity shares of Rs. 10/-(ten) each for cash at par aggregating to Rs.100,00,00,000 (Rupees One Hundred Crore only), ranking pari-passu with the existing shares of the company to the Ministry of Urban Development, Government of India towards its equity share contribution (on preferential basis), in the name of 'His Excellency the President of India' along with other individual shareholders (representatives of the H.E the President of India) as may be nominated by the MoUD, GoI subject to the approval of Shareholders at the ensuing Annual General Meeting.

Accordingly, the Board recommends the resolution in relation to offer allotment and issue 10,00,00,000 (Ten Crore) equity shares of Rs. 10/-(ten) each for cash at par aggregating to Rs.100,00,00,000 (Rupees One Hundred Crore only), ranking pari-passu with the existing shares of the company to the Ministry of Urban Development, Government of India towards its equity share contribution (on preferential basis), in the name of 'His Excellency the President of India' along with other individual shareholders (representatives of the H.E the President of India) as may be nominated by the MoUD, GoI, for the approval by shareholders of the Company.

**DISCLOSURE PURSUANT TO SUB-RULE 2(d) OF RULE 13 OF THE COMPANIES (SHARE CAPITAL AND DEBENTURE) RULES, 2014 AND ANY AMENDMENTS THEREOF.**

(i)	Objects of Issue:	Allotment of Shares on preferential basis to Ministry of Urban Development, Government of India in the name of His Excellency the President of India (along with other nominees / representatives) – JV Partner (Promoter) towards the equity capital contribution received.
(ii)	The total number of shares or other securities to be issued:	10,00,00,000 (ten crore )Equity Shares
(iii)	The price / price band at / within which the allotment is proposed:	Rs. 10 Per Share (Face Value)
(iv)	Basis on which the price has been arrived at and along with the report of the registered valuer:	Copy of the valuation report is annexed herewith..
(v)	Relevant date with reference to which the price has been arrived at:	1 <sup>st</sup> December, 2015
(vi)	The class or classes of person to whom the allotment is proposed to be made:	Allotment of Equity shares to MoUD, Government of India (Promoters)
(vii)	Intention of the promoters, directors or key managerial personnel to subscribe to the offer:	MoUD, GoI is a Joint Venture (JV) Partner in the Company and contribution as per the JV agreement has to be 1:1 among both the JV Partners. Hence this contribution is against the equity share contribution of Government of India in MEGA Company Limited as mentioned in the project sanction letter dated 17 <sup>th</sup> November, 2014.
(viii)	The proposed time within which the allotment shall be completed:	Before 31 <sup>st</sup> March, 2016.
(ix)	The names of the proposed allottees and the percentage of post preferential offer capital that may be held by	His Excellency the President of India along with the other representatives as may be nominated by the MoUD, GoI

	them:	
(x)	The change in control, if any, in the company that would occur consequent to the preferential offer:	With the aforesaid preferential allotment, the Government of India will hold the 8.33% shareholding in the Company. Since the Company is a 50:50 SPV of GoI and GoG, Both the JV Partners share the same control on the Company, irrespective of their shareholding in the Company.
(xi)	The number of persons to whom allotment on preferential basis have already been made during the year in terms of number of securities as well as price:	<b>Nil</b>
(xii)	The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer:	<b>Not Applicable</b>

(xiii) The pre-issue and post issue shareholding pattern of the company:

Sr. No.	Category	Pre Issue		Post Issue	
		No. of Shares held	% of shareholding	No. of Shares held	% of shareholding
<b>A</b>	<b>Promoters' holding</b>				
1	Indian:				
	- Government of Gujarat	110 Crore	100	110 Crore	91.67
	- Government of India	-	-	10 Crore	8.33
	Individual	-	-	-	-
	<b>Bodies Corporate</b>	-	-	-	-
	<b>Sub-Total</b>	-	-	-	-
2	Foreign Promoters	-	-	-	-
	<b>Sub-Total(A)</b>	-	-	-	-
<b>B</b>	<b>Non-Promoters' holding:</b>	-	-	-	-
1	Institutional Investors	-	-	-	-



2	Non-Institution:	-	-	-	-
	Private Corporate Bodies	-	-	-	-
	Directors and Relatives	-	-	-	-
	Indian Public	-	-	-	-
	Other (Including NRIs)	-	-	-	-
	<b>Sub-Total (B)</b>	-	-	-	-
	<b>GRAND TOTAL</b>	<i>110 Crore</i>	100	<i>120 Crore</i>	100

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 5.

### **ITEM No.06**

Company has been converted into 50:50 SPV of Government of India and Government of Gujarat w.e.f. 18<sup>th</sup> March, 2015 for implementation of phase 1 of Ahmedabad Metro rail project.

The project cost of Rs. 10773 crore for phase-1 will be funded by Equity contribution of Rs. 2824 crore from both the JV partners in 1:1 ratio. Loan funds of Rs. 7949 crore will consist of Rs. 6066 crore loan from Japan International Cooperation Agency (JICA) and Rs. 1883 in the form of sub ordinate debts from Government of India and Government of Gujarat.

The shareholders of the Company at their meeting held on held on 21<sup>st</sup> January, 2013, Shareholders of the company have authorized the board of directors to borrow upto Rs. 2000 crore (Rupees Two Thousand Crore) for the purpose of project implementation from any one or more banks or financial institutions.

The total borrowings of Rs. 7949 crore for phase 1 is in excess of the existing borrowing limit of Rs. 2000 crore, as approved by shareholders of the Company in 2<sup>nd</sup> Annual General Meeting dated 21<sup>st</sup> January, 2013. Hence, there is a requirement of shareholders approval in compliance to section 180 (1) (c) of the Companies Act ,2013.

Considering sanction of the ODA loan from JICA and Keeping in view a long term perspective, the amount of maximum borrowing limit is rounded off to Rs. 8000 crore.

The Board of Directors at their meeting held on 9/12/2015 have approved to increase the Borrowing limit of the Company in excess of paid up capital and free

reserves of the Company within the maximum limit of Rs. 8000 crores subject to the approval of shareholders at the ensuing Annual General Meeting.

Accordingly, the Board recommends the resolution in relation to increase in the borrowing powers of the Company, over and above the aggregate of the paid up capital and free reserves, up to a maximum limit of Rs. 8000 crore at any point of time.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 6.

**By order of the Board of Directors**

**Metro-Link Express for Gandhinagar and  
Ahmedabad (MEGA) Company Limited.**

Sd/-  
**Navin Varma**  
**Asst. Gen. Manager (F&A) &  
Company Secretary**

**Date: 14/12/2015**  
**Place: Gandhinagar**

**Annex-1**

No K-14011/57/2011/MRTS-IV/UT.II(Vol I)  
Government of India  
Ministry of Urban Development  
(Urban Transport-II)  
\*\*\*\*\*

Nirman Bhawan, New Delhi  
Dated the 19<sup>th</sup> August, 2015.

To  
The Pay & Accounts Officer (Sectt.),  
Ministry of Urban Development,  
Nirman Bhawan,  
New Delhi – 110011.

Subject: Release of funds towards Equity Share Capital in respect of the Metro Link Express for Gandhinagar and Ahmedabad (MEGA) Company Ltd. during FY 2015-16.

Sir,

With reference to the letter No.MEGA/MD/SPV/Gol Fund/July-15/141 dated 28-7-2015 and email dated 30-7-2015 from Managing Director, Metro Link Express for Gandhinagar and Ahmedabad (MEGA) Company Ltd., I am directed to convey the sanction of the President for the release of an amount of Rs.100 crore (Rupees one hundred crore only) to MEGA Company Ltd. as Government of India's share towards equity capital to meet the condition under section 11 (I) of the Companies Act, 2013.

2. The amount is sanctioned subject to the following terms and conditions:-
  - i) The amount of Rs.100 crore shall be immediately credited in the account of MEGA Company Limited;
  - ii) The MEGA Company Limited would allot 10,00,00,000 equity shares of face value of Rs.10/- each in favour of President of India.
  - iii) A certificate of having credited the amount of Rs.100 crore towards the equity capital of MEGA Company Ltd. and the date on which it is credited shall be furnished to the Ministry of Urban Development (MoUD) immediately.
  - iv) The audited statement of accounts relating to transfer of this amount of Rs.100 crore to the equity of MEGA shall be furnished to this Ministry after the close of the financial year together with a certificate that the amount has been utilized for the purpose for which it was sanctioned.
  - v) Government of Gujarat shall release their share of equity contribution to MEGA Company Ltd. immediately.
3. This is the first time release towards equity share capital for MEGA Company Ltd. by this Ministry.
4. The expenditure for release of Rs.100 crore to MEGA Company Ltd. for Ahmedabad Metro Rail Project Phase-1 is proposed to be met from the Plan Budget of the Ministry of UD under Major Head 4217 – Capital Outlay on Urban Development (Plan), Sub-Major Head 60 – Other Urban Development Schemes, Minor Head 60.190 – Investment in Public Sector and Other Undertakings, Sub-Head 08 – Other Metro Projects, Object Head 08.06 – Ahmedabad Metro Rail Corporation, Detailed Head 08 06.54 – Investment against Demand No 104 in the Demand for Grants of Ministry of Urban Development for the year 2015-16.

contd.....2/-

-2-

5. The payment will be made to Metro Link Express for Gandhinagar and Ahmedabad (MEGA) Company Ltd. as per the details mentioned below.

Bank Name : State Bank of India  
Branch : 1<sup>st</sup> Floor, Zonal office, Sector 10B, Gandhinagar  
IFSC Code : SBIN0001355  
Account Number : 31750803151  
Nature of Account : Current Account  
MICR CODE : 380002075

6. This issues with the concurrence of Integrated Finance Division of Ministry of Urban Development vide their Dy. No. 972/US (D-II)/FD/15 dated 12-08-2015.

Yours faithfully,



(Smt. S. V. R. Ramana)

Under Secretary to the Govt. of India

Telefax: 011-23062479

Copy to:-

1. Director of Audit, CW&M, AG&CR Bldg., I.P. Estate, New Delhi.
2. Controller of Aid Accounts & Audit, Janpath Bhawan, New Delhi.
3. Chief Controller of Accounts, MoUD, Nirman Bhawan, New Delhi.
4. Chief Secretary, Government of Gujarat, Sachivalaya, Gandhinagar-382010(Gujarat).
5. Principal Secretary, Urban Development & Urban Housing Department, Government of Gujarat, Sachivalaya, Sardar Patel Bhawan, Gandhinagar-382010.
6. Managing Director, Metro Link Express for Gandhinagar and Ahmedabad (MEGA) Company Ltd., Block No.1, 1<sup>st</sup> Floor, Karmayogi Bhawan, Gandhinagar-382010.
7. SO (Admn.II), M/o Urban Development, New Delhi with a request to release the sanctioned amount as per the ECS details mentioned in para 5 above.
8. PSO to Secretary (UD) /PPS to AS(UD)/PPS to OSD(UT) & EO JS/ Adviser to OSD(UT), Ministry of Urban Development, Nirman Bhawan, New Delhi.
9. Finance Division, M/o Urban Development, New Delhi.
10. Budget Division, M/o Urban Development, New Delhi.
11. Sanction folder.



(Smt. S. V. R. Ramana)

Under Secretary to the Govt. of India



**Annex-2**

**ASHOK CHHAJED  
& ASSOCIATES**  
 CHARTERED ACCOUNTANTS  
 22, CITY CENTRE, C.G. ROAD,  
 NR. SWASTIK CHAR RASTA,  
 AHMEDABAD - 380 009. (INDIA)  
 TEL. (OFFICE) : 26402929-30  
 TEL. (RESI.) : 27492929-30  
 e-mail : ashok\_chhajed@yahoo.co.in  
 ashokchhajedandassociates@gmail.com

**Valuation Report of shares of  
 METRO-LINK EXPRESS FOR GANDHINAGAR AND  
 AHMEDABAD (MEGA) COMPANY LIMITED  
 30<sup>th</sup> September, 2015**

**Contents**

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## 1. Background:

Metro-Link Express for Gandhinagar and Ahmedabad [MEGA] Company Limited is a company incorporated under the provisions of the Companies Act 1956. As per the Memorandum of Association of the Company, the main object of the company to carry on the business to set up, manage, operate and maintain a rail based Mass Rapid Transport System in, around and between Ahmedabad and Gandhinagar to provide the general public with a fast reliable, convenient, efficient, modern and economical mode of public transport along with the other objects.

**The Government of India**, Ministry of Urban Development [Urban Transport – II] has decided vide GR No K-14011/57/2011-MRTS-IV/UT-II dated 17.11.2014 that Metro link Express for Gandhinagar and Ahmedabad [MEGA] Company Ltd **shall function as a Special Purpose Vehicle [SPV] for the implementation of the project Phase – I having the total project cost of Rs. 10,773 Crs.** which shall be jointly and equally owned by Government of India and Government of Gujarat with 50:50 percentage contribution. Ahmedabad Metro Rail Phase I will cover 37.76 km along with two Corridors as tabulated below:

Description		North-South Corridor	East-West Corridor	Total
From	To	APMC to Motera Stadium	Thaltej Gam to Vastral Gam	
Route length [in km]	Elevated	17.23	14.20	31.43
	Underground	Nil	6.34	6.34
	<b>Total</b>	<b>17.23</b>	<b>20.54</b>	<b>37.76</b>

The total length of the route is 37.76 kms of the phase I of the project and will include following corridors viz

[i] North South Corridor starting from Motera stadium to APMC via Sabarmati, AEC, Sabarmati Railway Station, Ranip, Vadaj, Usmanpura, Ashram Road, Rajiv Nagar, Shreyas, Jivraj Park, APMC, Nava Gandhigram, Madalpur, Paldi, Anjali and Vasna

[ii] East West Corridor starting from Thaltej Gam to Vastral Gam via Thaltej, Doordarshan Kendra, Gurukul Road, Commerce Six Road, Stadium, Ashram Road, Shahpur, Gheekanta, Kalupur Railway Station, Kankaria East, Apparel Park, Amraiwadi, Rabari Colony and Nirat Cross Road.”

MEGA has issued all the below mentioned equity shares to the Government of Gujarat and as per the definition under The Companies Act 2013, it is a Government Company whose shares are not listed in the any Stock Exchange :



Particulars	No of Shares	Fv	Amount	Folio No	Designation
Shri. I P Gautam (On Behalf of Governor of Gujarat)	10	10	100	14	Managing Director
Shri. Shivshankar Ganpatram Bhatt (On Behalf of Governor of Gujarat)	10	10	100	15	Deputy Secretary (Project), UD & UHD
Dr. Manjula Subramaniam, IAS (Retd) (On Behalf of Governor of Gujarat)	10	10	100	16	Director - MEGA Co. Ltd
Shri Ashoksinh T Parmar (On Behalf of Governor of Gujarat)	10	10	100	17	Deputy Secretary, UD & UHD
Shri Yogeshkumar Balubhai Patel (On Behalf of Governor of Gujarat)	10	10	100	18	Deputy secretary (Budget). UD&UHD
Shri Yogesh P Raval (On Behalf of Governor of Gujarat)	10	10	100	19	Deputy Secretary (Municipalities), UD&UHD
Shri Ashok V Shah Shah (On Behalf of Governor of Gujarat)	10	10	100	20	Under Secretary (Budget)
Shri Ashvinkumar Kantilal Sharma (On Behalf of Governor of Gujarat)	10	10	100	12	Section C ffer, UD & UHD
Hon. Governor of Gujarat	9999920	10	99999200	12A	Represented by the representative of Hon'ble Governor of Gujarat i.e Deputy Secretary (project) UD&UHD-GoG
Hon. Governor of Gujarat	80000000	10	800000000	12A	
Hon. Governor of Gujarat	287500000	10	2875000000	12A	
Hon. Governor of Gujarat	172500000	10	1725000000	12A	
Hon. Governor of Gujarat	100000000	10	1000000000	12A	
Hon. Governor of Gujarat	150000000	10	1500000000	12A	
Hon. Governor of Gujarat	300000000	10	3000000000	12A	
<b>Total</b>	<b>1100000000</b>		<b>11000000000</b>		

## 2. Purpose:

As per the **Government of India**, Ministry of Urban Development [Urban Transport – II] GR No K-14011/57/2011-MRTS-IV/UT-II dated 17.11.2014 the Government of India and Government of Gujarat will have equal i.e 1:1 equity participation in MEGA Company Limited.

MoUD, Govt. of India vide its letter no.K-14011/57/2011/MRTS-IV/U.T.II (Vol.I) dated 19<sup>th</sup> August, 2015 has sanctioned the release of an amount of Rs. 100 Crore (Rupees one hundred crore only) to MEGA Company Limited as Government of India's share towards equity capital. The said amount has been received by the Company on 19<sup>th</sup> September, 2015 and the same is kept as share application money pending for allotment.

In view of the above, the Management of MEGA Company Limited is proposing to offer, issue and allot equity shares to the Ministry of Urban Development, Government of India in the name of 'His Excellency the President of India' on preferential basis

As per section 62(1) (c) of the Companies Act, 2013 ('the act'), Where at any time, a company proposes to increase its subscribed capital by issue of further shares, and such shares are offered to the persons other than the existing shareholders, then the same shall be offered if it is authorized by a Special Resolution by the existing shareholders of the company. The price of such shares shall be determined by the valuation report of the Registered Valuer as per the process laid down in section 42 of the Act read with the relevant rules thereto.

In view of that, we have been requested to arrive at the fair value of the equity shares to be issued on preferential basis.

## 3. Source of Information:

- a. Memorandum and Articles of Association.
- b. The write up denoting activities and background of Metro link Express for Gandhinagar and Ahmedabad [MEGA] Company Ltd
- c. Audited Financial Statements for Financial Year 2014-15.
- d. Provisional Trial Balance as on 30.09.2015.
- e. General information regarding the Company gathered from Management and discussion thereof.

## 4. Method considered for valuation:

### a. Net Asset Value:

The Net Assets Value as on 30.09.2015, is to be calculated starting from the total assets of the company and deducting there from all debts, dues, borrowings and liabilities including current and likely contingent liabilities and preference capital, if any in other words, it should represent the true net worth of the business after providing for all outside present as



well as potential liabilities. This can be cross checked with equity share capital plus free reserves and surplus, less the likely contingent liabilities.

**b. Profit Earning Capacity Value:**

Under this method, estimates / projections of average future maintainable profits are made. The estimated average future maintainable profits are capitalised at an appropriately selected rate and the resultant figure is divided by the number of equity share.

**c. Market value for quoted shares:**

The value of the shares is computed on the basis of market price / traded price of the shares recognised by the Stock Exchanges.

**d. Fair value method:**

The pricing of shares is based on the fair value of the shares which is worked out on the basis of the following:

- Net Assets Value
- Profit Earning Capacity Value
- Market value for Quoted Shares

**5. Selection of Method for valuation of shares:**

After considering the above methods and in view of the fact that shares of the company are not traded in any of the stock exchanges as well as company is under construction phase, valuation of shares shall be made on the basis of **Net Asset Value**.

Net Asset Value (NAV) can be arrived at by calculating the equity shareholders' funds invested in the business as at 30.09.2015. Thus, the value is calculated by adding paid up capital plus free reserves. According to this method, value of equity share is determined as under:

Net Assets available to equity shareholders

No of equity shares

	Particulars	Amount in Rs.	Amount in Rs.
A	Paid up capital		1100000000
B	Reserve & Surplus as per Audited Balance Sheet as on 31.03.2015		-77285103
C	Income for the period from 01.04.2015 to 30.09.2015 as per Books	193142512	
	Less : Income Tax thereon at the rate of 33.99%	65649140	
	Profit for the half year ended on 30.09.2015		127493372

<b>D</b>	Reserves and Surplus as on 30.09.2015 [B + C]		50208269
<b>E</b>	Networth of the Company as on 30.09.2015 [A + D]		11050208269
<b>F</b>	No of equity shares as on 30.09.2015		1100000000
<b>G</b>	Value per share [E / F]		10.05
	<b>Say</b>		<b>10</b>

- Contingent liabilities are not considered by us as liabilities in above calculation as it has been conveyed to us that either probability of occurrence is negligible or amount is not determinable at this point of time.
- It is conveyed that the investigation for misappropriation on account of steel procurement of Rs 2.62 Crs and for other misappropriations of Rs. 113.22 Crs is under progress, necessary adjustment / write off will be done after determination of final outcome. In view of that, the impact of such contingency has not been considered
- Since project is under construction, it is assumed that current cost and book value must not be substantially different.

#### 6. Valuation of shares:

Since only one method of valuation is appropriate in current scenario, fair value is considered same as Net Assets Value which is Rs. 10/- per fully paid up equity share of Rs. 10/- each.

For Ashok Chhajed & Associates

[Chartered Accountants]

FRN: 100641W

Partner

Naresh Bahroo

Membership No: 117743



Date: 02.12.2015

Place: Ahmedabad

**Form No. MGT – 11**  
**PROXY FORM**

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

Name of the Member (s):	
Registered Address :	
Email ID :	
Folio No / Client ID	
DP ID: (N.A. for held in physical Mode)	

I / We, being the Member(s) of \_\_\_\_\_ shares of the above named Company, hereby appoint

Name	Address	E-mail ID	Signature

Or failing him

Name	Address	E-mail ID	Signature

As my / our proxy to attend and vote (on poll) for me / us and on my/our behalf at the 5<sup>th</sup> Annual General Meeting of the Company to be held on Monday, 21<sup>st</sup> December, 2015 at 11.00 AM at the Registered Office of the Company at Block No.1, First Floor Karmayogi Bhavan, Sector 10/A, Gandhinagar – 382010 and at any adjournment thereof in respect of such resolutions as given in the notice of Annual General Meeting of the Company.

\_\_\_ day of \_\_\_\_\_, 2015

\_\_\_\_\_  
Signature of Shareholder

\_\_\_\_\_  
Signature of Proxy Holder(s)

Affix Revenue Stamp
---------------------------

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



**ATTENDANCE SLIP**

This attendance slip duly filled in is to be handed over at the entrance of the meeting venue.

Regd. Folio No. \_\_\_\_\_

No. of shares held : \_\_\_\_\_

Full Name of the member attending: \_\_\_\_\_

Full name of the first joint-holder: \_\_\_\_\_  
(To be filled in if first named joint-holder does not attend the meeting.)

Name of Proxy: \_\_\_\_\_  
(To be filled in if Proxy Form has been duly deposited with the Company.)

I hereby record my presence at 5<sup>th</sup> Annual General Meeting being held at "THE REGISTERED OFFICE OF THE COMPANY AT BLOCK NO.1, FIRST FLOOR KARMAYOGI BHAVAN, SECTOR 10/A, GANDHINAGAR – 382010" on Monday, 21<sup>st</sup> December, 2015 at 11.00 AM.

\_\_\_\_\_  
Member's/Proxy's Signature  
(To be signed at the time of handing over of this slip)

NOTE: Persons attending the 5<sup>th</sup> Annual General Meeting are requested to bring their copies of Annual Report.

**FORM NO. 22-A**  
THE COMPANIES ACT, 2013

**Consent of Shareholder for shorter notice**  
[Pursuant to section 101(1)]

To,  
The Board of Directors,  
**Metro-Link Express for Gandhinagar and  
Ahmedabad (MEGA) Company Limited**  
Block No.1, First Floor,  
Karmayogi Bhavan,  
Sector 10/A,Gandhinagar,  
Gujarat-382010.

I, \_\_\_\_\_ son / daughter of  
\_\_\_\_\_ resident of \_\_\_\_\_ holding  
\_\_\_\_\_ Equity Share(s) of Rs.10/- each in the Company in my own name/joint  
name, hereby give consent, pursuant to section 101(1) of the Companies Act, 2013, to hold  
the Annual General Meeting on 21<sup>st</sup> December 2015 at a shorter notice.

Signature:\_\_\_\_\_

Name:\_\_\_\_\_

**(In Block Letters)**

Date:

Place:

## BOARD'S REPORT FOR THE FINANCIAL YEAR 2014-2015

Dear Shareholders,

Your Directors have immense pleasure in presenting the 5<sup>th</sup> Annual Report on performance of **Metro-Link Express for Gandhinagar and Ahmedabad (MEGA) Company Limited (50:50 SPV of Government of India & Government of Gujarat)** together with the Audited Statement of Accounts, the Auditors' Report for the year ended on 31<sup>st</sup> March, 2015.

### I. SUMMARISED FINANCIAL HIGHLIGHTS

The project is at the pre-operative / construction stage. Your Company has made substantial progress towards the effective implementation of the Project. The following are some financial highlights for the year under review:

Particulars	(Rs. In Lakhs)	
	2014-15	2013-14
<b>Gross Income / Turnover</b>	<b>4221.18</b>	0.68
<b>Profit / (Loss) Before Interest and Depreciation</b>	<b>4221.18</b>	(1437.14)
<b>Less: Tax Expense</b>	<b>1434.65</b>	877.49
<b>Profit / Loss after Tax</b>	<b>2786.53</b>	(2314.63)
<b>Add: Balance brought forward from the previous year</b>	<b>(3559.39)</b>	(1244.76)
<b>Balance Profit / (Loss) C/F to the next year</b>	<b>(772.86)</b>	(3559.39)

### Additional Financial Information

Particulars	(Rs. In Lakhs)	
	2014-15	2013-14
<b>Capital Work in Progress</b>	<b>52788.00</b>	<b>48713.83</b>
<b>Other Fixed Asset</b>	<b>17362.61</b>	<b>2438.12</b>

### II. DIVIDEND

The Ahmedabad Metro Rail Project Phase - I is in a pre-operative / construction stage and no operational profit were generated during the year. Hence your Board of Directors is not in a position to recommend any dividend for the year ended 31<sup>st</sup> March, 2015.

### III. AHMEDABAD METRO RAIL PROJECT PHASE-1

#### A. PROJECT OVERVIEW

Your Company is committed for providing world class metro-rail services in and around the Ahmedabad City, and in consonance to its commitment; MEGA has initiated the work of implementation of ‘Ahmedabad Metro Rail Project Phase-1’ (hereinafter referred as ‘the Project’) under the aegis of proactive State Government and progressive Central Government.

As you are aware, the Government of India has approved implementation of the Ahmedabad Metro Rail Project Phase-1 through MEGA Company Limited as a 50:50 basis jointly owned Special Purpose Vehicle (SPV) of Government of India (GoI) and Government of Gujarat (GoG).

The management of MEGA has taken required steps for effective implementation of Ahmedabad Metro Rail Project Phase-1, as envisaged in Detailed Project Report (‘DPR’).

During the implementation of Ahmedabad Metro Rail Project Phase -1 it is proposed to lay down the Metro Rail Network for the following routes:

#### East – West Corridor

<b>Thaltej Gam to Vastral Gam</b>	
Elevated:	14.20 Kms
Under Ground	6.34 Kms
<b>Total</b>	<b>20.54 Kms</b>

#### North – South Corridor

<b>APMC to Motera</b>	
Elevated:	15.42 Kms
Under Ground	-
<b>Total</b>	<b>15.42 Kms</b>

- The Ahmedabad Metro Rail Project Phase-1 will cover a distance of 35.96 kms<sup>1</sup> along both the corridors.
- The project is proposed with an estimated completion cost Rs. 10,773 crores<sup>2</sup> for both the corridors.

<sup>1</sup> The total distance mentioned above is likely to increase by 2.2 kms due to shifting of existing N-S corridor to the eastern side of Sabarmati – Botad Railway Line.

<sup>2</sup> The estimated completion cost may increase by approx Rs. 900 Crores due to modification in alignment on N-S corridor.

**B. PROJECT PROGRESS MILESTONES**

- The DPR of Ahmedabad Metro Rail Project Phase-1 was approved by the Board of Directors of MEGA Company Ltd on 24<sup>th</sup> February, 2014.
- The Government of Gujarat approved the DPR on 4<sup>th</sup> April, 2014 and the same was forwarded to the Central Ministries and Departments of Government of India for appraisal.
- A Pre-PIB (Public Investment Board) meeting for appraisal of the project was held on 17 July, 2014. Pursuant to the recommendations of the Central Ministries and clarifications from the State Government, the Public Investment Board approved the DPR on 19<sup>th</sup> August, 2014
- The Union Cabinet approved Ahmedabad Metro Rail Project Phase-1 on 18<sup>th</sup> October, 2014.
- The Ministry of Urban Development (MoUD), Government of India (GoI) vide its letter no. K-14011/57/2011-MRTS-IV/UT-II dated 17<sup>th</sup> November, 2014 has conveyed about the sanction of 'Ahmedabad Metro Rail Project Phase-1' covering the length of 35.96 kms at an estimated completion cost of Rs. 10,773 crore by MEGA Company Ltd with the contribution of GoI in the form of Equity, Sub-ordinate Debt by the Promoters and ODA loan from Japan International Cooperation Agency (JICA).
- The State Cabinet approved the conditionality's of the GoI sanction order on 31<sup>st</sup> December, 2014.
- The Foundation Stone laying ceremony of the Ahmedabad Metro Rail Project Phase-1 was done by the Honorable Chief Minister, Government of Gujarat on 14<sup>th</sup> March, 2015 at Vastral, Ahmedabad.
- As per the sanction letter MEGA Company Limited shall function as a Special Purpose Vehicle (herein after referred as 'SPV') jointly and equally held by Government of India and Government of Gujarat. Accordingly MEGA Company Limited has been converted to Joint Venture Company (50:50 basis) of Government of India and Government of Gujarat with effect from 18<sup>th</sup> March, 2015.
- A Memorandum of Understanding / Tripartite Agreement was signed between Government of India, Government of Gujarat and MEGA Company Limited on 21<sup>st</sup> July, 2015.



## C. PROGRESS ON GROUND

### GENERAL (PHASE-1)

General Engineering Consultancy work has been awarded and the contract was signed on 5<sup>th</sup> October, 2015 and the work of GEC commenced from 14<sup>th</sup> October, 2015.

#### East-West Corridor

- The construction of Ahmedabad Metro Rail Project Phase-1 has commenced with the award of contract for Construction of Elevated viaduct from Vastral Gam to Apparel Park on 4<sup>th</sup> February, 2015.
- As on the date of the report the construction of 287 Piles, 31 Pile Caps has been completed, 15 Piers and 1 Pier Cap are erected and 18 segments completed on Reach. 1 of East –West Corridor.
- The company has awarded a contract for construction of Six elevated Metro Stations including the viaduct portion and transition spans on either sides of the stations(Vastral Gam, Nirant Cross Roads, Vastral, Rabari Colony, Amraiwadi and Apparel Park) on Reach-1 of East-West Corridor on 21<sup>st</sup> August, 2015.
- As on the date of the report the construction of 14 Piles has been completed on Reach. 1 of East –West Corridor for construction of Six elevated Metro Stations.
- The ground work for station casting yard has commenced. Construction works of 1(one) stations i.e Vastral Gam has commenced and casting yard for viaduct has been established.
- 17 Hectares of land for Apparel Park depot allotted by GIDC to the Company and the possession was taken by MEGA on 21<sup>st</sup> October, 2015.

#### North – South Corridor

- The Indian Railways has given its in-principle approval for using the vacant land along the Sabarmati – Botad line for construction of North – South Corridor.
- Geo technical investigations (soil testing) have commenced and likely to be completed by December, 2015.
- The possession of 20 hectares of land for Gyaspur Depot has been taken by MEGA.

- The work for construction of boundary wall, earth work and land/area grading works for Gyaspur depot has been awarded on 4<sup>th</sup> June, 2015. Approximately 1 lac cubic meters of earth work completed and 200 running meters length of raft for boundary wall completed.
- The work for construction of Gyaspur depot has been awarded on 26<sup>th</sup> October, 2015. Mobilisation for site office, batching plant and site laboratory is under progress and preparatory work for test piles have commenced.
- Tender for construction of viaduct and station from APMC to Shreyas station has already been finalized and work is expected to commence from January, 2016

#### **D. FINANCIAL PROGRESS**

As per approved financing planning, the Japan International Cooperation Agency (JICA) has sanctioned ODA loan as a Pass Through Assistance of Rs. 5968 crore.

The Government of Japan has signed a confirmation agreement with the Government of India on 27<sup>th</sup> November, 2015. The first installment of Rs. 4,456 crore (approx) will be released in 2016-17.

#### **IV. CHANGES IN SHARE CAPITAL**

During the Financial Year 2014-15, the Authorised share capital of the Company has been increased from Rs.2000 Crore to Rs.4000 Crores.

The paid up share capital of the Company has been increased from Rs.800 Crore to Rs.1100 Crore on account of infusion of additional equity by the Government of Gujarat.

#### **V. INTERNAL CONTROL SYSTEM**

The Company's internal control system comprises audit and compliance by in-house team from Finance & Accounts department supplemented by independent internal audit checks from M/s. Talati & Talati. (Chartered Accountants), the Internal Auditors. The internal auditors independently evaluate the adequacy of internal controls through pre-audit process and concurrently audit the majority of the transactions in value terms. Independence of the audit and compliance is ensured by the direct reporting to the Audit Committee of the Board.

#### **VI. RISK MANAGEMENT / FRAUD PREVENTION**

Your Company is at present in a preoperative stage and it is in a process of formulating a Risk Management Policy applicable to it. As far as risk to assets and certain liabilities are concerned, these are mitigated by obtaining insurance cover for adequate value for the assets from Public

Sector Insurance Company. As regard financial risks, adequate internal control measures are adopted by the Company by engaging the external firm of Chartered Accountants as internal auditors on concurrent basis apart from regular audit by Statutory Auditors as well as C&AG of India from time to time. In order to implement internal financial control, all the invoices are pre-audited by the team of internal auditor and cleared after their authorization. The Company has not availed any Foreign Currency denominated loans at present; hence there is no foreign currency risk.

## VII. GENERAL INFORMATION

### ORGANIZATIONAL SET-UP

As you are aware your Company has been converted in to a 50:50 basis jointly owned Special Purpose Vehicle (SPV) of Government of India and Government of Gujarat.

Government of India and Government of Gujarat appoint Five (5) Directors each with Secretary, Ministry of Urban Development (MoUD), Government of India appointed as Chairman of the Company. The Managing Director is the nominee of Government of Gujarat with prior concurrence of Government of India and appointed by the Board of Directors. Managing Director is the Chief Executive Officer of the Company and assisted by Functional Directors, Chief Financial Officer, General Managers, Company Secretary and other officers on deputation / contract basis. The tasks are periodically monitored by the Managing Director and the Functional Director assisted by a team of competent and dedicated officers drawn from the Central and State Government. Progress made in implementation of the project is reported to the Board of Directors from time to time and corrective steps are taken wherever necessary.

During the year under review, Shri Madhusudan Prasad, Secretary – Ministry of Urban Development, Government of India took over as Chairman of the Company with effect from 18<sup>th</sup> March, 2015.

Shri I. P. Gautam, IAS (Retd) has been nominated as Managing Director of the Company by Government of Gujarat.

## VIII. DIRECTORS & KEY MANAGERIAL PERSONNEL (KMP)

The Board of Directors of MEGA is comprised of twelve (12) Directors out of maximum fifteen (15) as provided in the Articles of Association of the Company.

The following changes among the other Directors took place during the year:

- Shri Anil Mukim, IAS – Principal Secretary, Revenue Department, Government of Gujarat has resigned from the Directorship of the Company with effect from 12/09/2014

pursuant to his transfer as Principal Secretary to Government of Gujarat, Health and Family Welfare Department (Medical Education and Medical Services) vide notification no.AIS/35.2014/31/G.

- Dr. S. Murali Krishna, IAS – Managing Director, Gujarat Urban Development Company Limited was appointed as a nominee Director on the Board of the Company with effect from 08/12/2014 vice Shri Ashwini Kumar, IAS (resigned with effect from 15/09/2014).

Pursuant to the conversion of MEGA Company Limited in to Joint Venture Company between Government of India and Government of Gujarat, the Board of Directors has been reconstituted and following Directors have joined the Board with effect from 18<sup>th</sup> March, 2015.

#### **Nominee Directors of Government of India**

1. Shri Madhusudan Prasad, IAS – *Ex-officio* Chairman, MEGA Company Limited & Secretary – Ministry of Urban Development, Government of India.
2. Shri Shailendra Singh, Executive Director / ME (CHG), Railway Board, Ministry of Railway, Government of India.
3. Shri Mukund Kumar Sinha, OSD (UT) & EO, Joint Secretary, Ministry of Urban Development, Government of India.
4. Shri Praveen Prakash, IAS – Joint Secretary (W), Ministry of Urban Development, Government of India.
5. Shri R. Ramanathan, Director (Projects), Chennai Metro Rail Limited.

#### **Nominee Directors of Government of Gujarat**

1. Dr. J. N. Singh, IAS – Additional Chief Secretary, Finance Department, Government of Gujarat.
  2. Shri Ajay Bhadoo, IAS – Secretary to Hon'ble Chief Minister, Government of Gujarat.
- Following Directors had resigned from the Directorship of the Company with effect from 20<sup>th</sup> March, 2015 pursuant to reconstitution of the Board of Directors.
    1. Ms. S. Aparna, IAS – Principal Secretary, Finance Department (Economic Affairs), Government of Gujarat.

2. Dr. S. Murali Krishna, IAS – Managing Director, Gujarat Urban Development Company Limited
- Dr. Manjula Subramaniam, IAS (Retd) resigned as a Whole Time Chairperson of the Company with effect from 25<sup>th</sup> March, 2015 and continue to be a Nominee Director of Government of Gujarat on the Board of the Company.

The Board welcomes the new Directors and places on record its deep sense of appreciation for the valuable contribution made by all the outgoing Directors during their tenure on the Board of the Company.

### **Chief Financial Officer & Company Secretary**

- Shri Shabbir S. Sabuwala, an officer on deputation from Finance Department, Government of Gujarat has been appointed as a Chief Financial Officer of the Company in compliance with the provisions of section 203 of the Companies Act, 2013 with effect from 21/07/2014.

Shri Hitesh Bhamare, Assistant Company Secretary had been appointed as secretary to the Board of Directors in Compliance with the provisions of section 203 of the Companies Act, 2013 with effect from 21/07/2014.

- ***The following change among the Directors took place during the current financial year 2014-15 (before the date of Annual General Meeting)***
  - Dr. Rajiv Kumar Gupta - Principal Secretary, Urban Development and Urban Housing Department, Government of Gujarat has joined the Board as a Nominee Director, Govt of Gujarat with effect from 15/09/2015 vice Shri G. R. Aloria, IAS (resigned with effect from 03/06/2015).
  - Shri Ajay Kumar Gupta has been appointed as a Whole Time Director (Project & Planning) on the Board of the Company with effect from 28/09/2015.
  - Shri Biren Parmar, IAAS has been appointed as a Whole Time Director (Finance) on the Board of the Company on deputation basis from the Comptroller & Auditor General of India (CA&AG) with effect from 19/10/2015.
  - Shri Navin Varma has been appointed as Assistant General Manager, Finance & Accounts cum Company Secretary with effect from 1/08/2015 and subsequently appointed as Secretary to the Board of Directors with effect from 15/09/2015 vice Shri Hitesh Bhamare, Assistant Company Secretary.

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors. The Company has at present a Woman Director on the Board in compliance of the requirements of Section 149(1) of the Companies Act, 2013. However, your Company has initiated action for appointment of Independent Directors on the Board as required under Section 149(6) of the Act. Upon appointment of Independent Directors, further steps will be taken to reconstitute the Board Committees as per the requirement of the Act.

#### **IX. NUMBER OF BOARD MEETINGS HELD DURING THE YEAR**

The Board of Directors met six (6) times during the financial year from 1<sup>st</sup> April, 2014 to 31<sup>st</sup> March, 2015. The dates on which the meetings were held are – 27<sup>th</sup> May 2014, 21<sup>st</sup> July 2014, 23<sup>rd</sup> September 2014, 08<sup>th</sup> December, 2014, 31<sup>st</sup> January, 2015 and 17<sup>th</sup> March, 2015 during the period under review.

#### **X. COMMITTEES OF THE BOARD**

The following Committee has been re-constituted by the State Government for Ahmedabad-Gandhinagar Metro Rail Project:

- (a) High Power Committee under the Chairmanship of Hon'ble Chief Minister, Government of Gujarat. (Reconstituted vide order no. Project/102011/S.F.22 (part)/GHA dated 04-06-2014).

The following Committees were constituted by the Board of Directors':

<b>Committee</b>	<b>Members as on 31.03.2015</b>	<b>Members as on 1/12/2015 (Present date)</b>	
<b>Audit Committee</b>	Ms. S. Aparna, IAS	Dr. J. N. Singh, IAS	Chairman
	Shri. I.P. Gautam, IAS (Retd)	Shri Mukund Kumar Sinha	Member
	Dr. S. Murali Krishna, IAS	Shri Shailendra Singh	Member
	-	Shri Ajay Bhadoo, IAS	Member
<b>Corporate Social Responsibility (CSR) Committee</b>	Dr. Manjula Subramaniam, IAS (Retd)	This Committee is under reconstitution	Chairman
	Shri. I.P. Gautam, IAS (Retd)		Member
	Ms. S. Aparna, IAS		Member
	Shri. Ashwini Kumar, IAS		Member
<b>Committee of Approvals (COA)</b>	Dr. Manjula Subramaniam, IAS	Dr. Manjula Subramaniam, IAS	Chairperson

	(Retd.)	(Retd.)	
	Dr. J.N. Singh, IAS	Dr. J.N. Singh, IAS	Member
	Shri. I.P. Gautam, IAS (Retd.)	Shri. I.P. Gautam, IAS (Retd.)	Member
<b>Project Committee</b>	Dr. Manjula Subramaniam, IAS (Retd.)	Shri. I.P. Gautam, IAS (Retd.)	Chairperson
	Shri. I.P. Gautam, IAS (Retd.)	Dr. J.N. Singh, IAS	Member
	Dr. S. Murali Krishna, IAS	Shri Ajay Bhadoo, IAS	Member
	-	Shri R. Ramnathan	Member
<b>Personnel Committee</b>	Shri. I.P. Gautam IAS (Retd.)	This Committee is under reconstitution.	Chairman
	Dr. S. Murali Krishna		Member
	-		Member

## **XI. MEETINGS OF THE AUDIT COMMITTEE**

Pursuant to the requirements of the Companies Act, 2013, your Board of Directors have constituted an Audit Committee. The Audit Committee presently comprises of four nominee Directors of Government of India and Government of Gujarat namely. Dr. J. N. Singh, IAS, Shri Mukund Kumar Sinha, Shri Shailendra Singh, Shri Ajay Bhadoo, IAS as members

During the period under review, two (2) meeting of the Audit Committee were duly held on 19 July, 2014 and 27 February, 2015. There were no instances of any recommendations of the Audit Committee which have not been accepted by the Board.

## **XII. MEETING OF THE HIGH POWER COMMITTEE**

The High Power Committee (HPC) under the chairmanship of Hon'ble Chief Minister, Government of Gujarat has met during the year under review on 8<sup>th</sup> August, 2014 and has given various decisions / directions resulting in the smooth and speedy implementation of Ahmedabad Metro Rail Project Phase-1.

## **XIII. DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (a) That in the preparation of the annual accounts for the period ended 31<sup>st</sup> March, 2015, the applicable accounting standards, read with the requirements set out under schedule III to 'the Act' have been followed along with proper explanation relating to material departures;

- (b) That the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for the year;
- (c) That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) That the directors have prepared the accounts for the financial year ending 31<sup>st</sup> March, 2015, on a going concern basis;
- (e) That the directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### XIV. AUDITORS

##### **Statutory Auditors**

Your Company being a Government Company, the Statutory Auditors are appointed by the Comptroller and Auditor General of India as per the provisions of Section 139(5) of the Companies Act, 2013. Accordingly, M/s Ramanlal G. Shah & Company (FRN: 108517W), Chartered Accountants, having their office at Ahmedabad were appointed as Statutory Auditors of the Company for the financial year 2014-15. Their report is placed with the Annual Report of the Company. Further, the report from the office of the Comptroller and Auditor General of India, Ahmedabad on the Annual Accounts of the Company for the F.Y. 2014-15 is received vide their Letter No. ES-I/A/cs/MEGA/2014-15/ 1767 dated 27.11.2015. The comments of C&AG and the managements reply thereto, is annexed herewith at **Annex-1**.

##### **Secretarial Auditor**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Arvind Gaudana & Company, Practicing Company Secretaries, Ahmedabad (CP No.2183) to undertake the secretarial audit of the Company. The Secretarial Audit Report issued by the Secretarial Auditor for the year 2014-15 is placed at **Annex-2** of this report.

*The Secretarial Auditors in their Report have observed that the Company is yet to appoint Independent Directors on the Board of the Company as provided under Section 149(6) of the Companies Act, 2013. Your Directors wish to state that the Company, being a Government Company is taking action to comply with this requirement based on the advise/instructions of the Ministry of Urban Development, Government of India as the Notification issued by the Central*



*Government under section 462 of the Act, exempting certain provisions of the Act for Government Companies, does not include the exemption regarding appointment of Independent Directors by Government Companies.*

### **Internal Auditor**

M/s. Talati & Talati, Chartered Accountants, Ahmedabad have been appointed as Internal Auditors of the Company for the Financial Year 2014-15 to conduct the internal audit. The scope of the internal audit and the reports of the auditors is reviewed by the Audit Committee from time to time.

### **XV. FRAUDS IDENTIFIED DURING THE YEAR**

During the year two cases of frauds to the tune of Rs.11584.21 Lacs were identified and reported against which FIRs have been lodged with the C.I.D Crime, Gandhinagar Zone by the company in July / August, 2014.

- One such incident pertains to quantitative difference observed by the management in connection with land development & earth filling works at Motera Area. Estimated value of such difference as per the FIR lodged is Rs.11322 Lacs.
- It has been observed by the management that 603 MT of TMT Steel is not traceable and verifiable in the stock during the detailed scrutiny of the quantity procured by the company. The total estimated cost of the non-traceable material as per the FIR lodged is Rs.262.21 Lac.

The aggregate estimated amount of the above incidents as per FIRs lodged is Rs.11584.21 lacs. The same has been included in the Capital Work-In-Progress.

### **XVI. EXTRACT OF ANNUAL RETURN**

Pursuant to section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the extract of Annual Return is attached herewith as Annexure - 3.

### **XVII. CORPORATE SOCIAL RESPONSIBILITY**

As per the requirements of section 135 of the Companies Act, 2013, your Board of Directors has constituted a Corporate Social Responsibility (CSR) Committee during the period under review. Since the Company has not earned profits in the preceding three years, there is no statutory requirement of expending any amounts on account of Corporate Social Responsibility.

Pursuant to the conversion of the Company in to a 50:50 SPV of Government of India and Government of Gujarat, the CSR Committee is under reconstitution.

#### **XVIII. PUBLIC DEPOSITS:**

During the year under review, your Company has not accepted any deposits from the public within the meaning of Section 73 of the Companies Act, 2013.

#### **XIX. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE:**

The particulars as required under section 134(3) (m) of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, are as below:-

##### **1. Conservation of energy-**

The Company has not undertaken any activity wherein any specific measures of conservation of energy, technology absorption are involved. Hence the particulars are not applicable for the period under review. However, the planning of Ahmedabad Metro Rail Project is being done taking into account various aspects of energy conservation.

The Detailed Project Report (DPR) of Ahmedabad Metro-Rail Project Phase -1 envisages following energy conservation measures.

- Rain Water Harvesting

- Use of Solar Energy for illuminating the Metro Stations(auxiliary power supply) by installing roof-top solar panels at Metro Stations.

- Use of Wind energy

##### **2. Technology Absorption**

The Ahmedabad Metro-Rail Project Phase-1 is in a pre-operative / construction stage and there was no technology absorption during the period under review.

However your company has been encouraging the contractors involved in the project to use the Equipments, sub-assemblies and materials manufactured in India without compromising in the quality and reliability.

##### **3. Foreign Exchange earnings or outgo in Foreign Exchange during the period:**

The particulars relating to Foreign Exchange Earnings or out go in foreign exchange incurred during the period are as under:

- i) There were no foreign exchange earnings (inflows) during the period.
- ii) Expenditure in Foreign Currency (On Accrual basis)

<b>Particulars</b>	<b>2014-15 (Rs. in Lacs)</b>	<b>2013-14 (Rs. in Lacs)</b>
(a) Technical Advisory Services	-	58.90
(b) Travelling Expenses	-	-
<b>TOTAL</b>	-	<b>58.90</b>

**XX. DISCLOSURES UNDER SECTION 134 (3) (I) OF THE COMPANIES ACT, 2013:**

Except as disclosed elsewhere in this report, there have been no material changes and commitments which can affect the financial position of the Company between the end of the financial year of the Company and date of this report.

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

Your Directors further states that, during the year under review, there were no cases reported pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**XXII. ACKNOWLEDGEMENTS:**

Your Directors place on records its gratitude for the valuable co-operation, advice and support received from the various Ministries of Government of India especially the Ministry of Urban Development, Ministry of Railways and the various Ministries / Departments of Government of Gujarat including the Urban Development and Urban Housing Department, Finance Department etc, the Multi-lateral lending agencies viz. JICA & other Financial Institutions & Commercial Banks and Ahmedabad Municipal Corporation.

Your Directors wish to acknowledge their deep sense of appreciation and sincere thanks to all Government Agencies, Departments, Bankers, Comptroller & Auditor General of India, Statutory Auditors, Internal Auditors, Secretarial Auditors and each and every stakeholder for their wholehearted and continued support, guidance, advice, assistance and co-operation from time to time during the year and hope to receive the same kind of co-operation in the future as well.

Your Directors thank Company's Consultants, Advisors, Contractors for their valuable advice and guidance and all others who are associated with the implementation of the Project.

Your Board of Directors wish to place on record their sincere appreciation for the valuable services, advise, Co-operation and support given by Members of the Board during their respective tenure as Directors.

Your Directors place on record their appreciation for the co-operation extended by all the Officers and Employees of the Company in the progress of the project and for the smooth conduct of the operations by the Company during the Year

**For and on behalf of the Board of Directors of Metro-Link Express for Gandhinagar and Ahmedabad (MEGA) Company Limited.**

**Sd/-  
I.P. GAUTAM  
MANAGING DIRECTOR**

**Sd/-  
AJAY BHADOO  
DIRECTOR**

**Sd/-  
NAVIN VARMA  
COMPANY SECRETARY**

**Sd/-  
S. S. SABUWALA  
C.F.O**

**DATE: 14/12/2015**

**PLACE: GANDHINAGAR**

**ANNEX-1**

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF METRO-LINK EXPRESS FOR GANDHINAGAR AND AHMEDABAD (MEGA) COMPANY LIMITED FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH 2015.**

	<b>Comments of the Comptroller &amp; Auditor General of India</b>	<b>Management Reply</b>
	<p>The preparation of financial statements of Metro-Link Express for Gandhinagar and Ahmedabad (MEGA) Company Limited for the year ended 31 March, 2015 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the Management of the Company. The Statutory Auditors appointed by the Comptroller &amp; Auditor General of India under section 139(5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 24 September, 2015.</p> <p>I, on the 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 Metro-Link Express for Gandhinagar and Ahmedabad</p>	<p>The amount of Rs. 115.84 crore is an estimation of the management based on the findings of the technical unit. Company has filed FIR and investigation for both the cases is in progress with the investigating authority. The matter is under consideration in court of law. Considering this, it would be prudent that after verdict of the court of law, the necessary adjustment will be made in the books of accounts. Appropriate accounting treatment can be decided only on completion of final investigation/ legal case.</p> <p>As the matter is adequately disclosed at point No. 20(iv) under the heading "Additional Information to Financial Statements" in the Financial Statements, the reader of the financial statement would be able to understand the financial impact of the disclosure made in the additional information. Considering this, financial statements reflect the true &amp; fair position and the matter has been properly dealt with by disclosing the facts.</p>

(MEGA) Company Limited for the year ended 31 March, 2015. 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 statutory auditors and company personnel and a selective examination of some of the highlight the following significant matter under Section 143(6)(b) of the Act which has come to my attention and which in my view is necessary for enabling better understanding of the financial statements and the related Audit report:

**1. Balance Sheet**

**Assets**

**Fixed Assets**

**Capital Work in Progress(CWIP) – Rs. 527.88  
crores**

The above includes expenditure of Rs. 113.22 crore incurred towards earth filling materials at Motera Site and short quantity of reinforcement bars of Rs. 2.62 crore for which no details were available. The above materials were neither utilized nor available in stock with the Company. Therefore, the Company had filed FIR.

As the Company is aware that no qualifying assets were created by, incurring the above expenditure therefore in accordance with paragraph 14 of Accounting Standard

<p>29 of the Company should have accounted a provision for loss of Rs. 115.84 crore.</p> <p>The non-provison has resulted in over statement of profit and understatement of current liabilities by Rs. 115.84 crore.</p> <p>For and behalf of the Comptroller and Auditor General of India</p> <p><b>Sd/-</b> (Y. N. Thakare) Pr. Accountant General (E&amp;RSA), Gujarat</p> <p>Place: Ahmedabad Date: 27.11.2015</p>	
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For and behalf of the Board of Directors

**Sd/-**

(I.P. Gautam)

**Managing Director**

Place: Gandhinagar

Date: 01.12.2015

Annex-2**SECRETARIAL AUDITORS REPORT***Arvind Gaudana & Company*

(Company Secretaries)

#307, Ashirwad Paras, Near Prahladnagar Garden, Corporate Road,

Prahladnagar, Satellite, Ahmedabad-380 015.

Ph. : +91 79 - 40324567 / 40324568

Email: arvindg\_cs@yahoo.com

FORM No.MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31/03/2015

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

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31/03/2015

To,  
The Members  
Metro-Link Express for Gandhinagar And  
Ahmedabad(MEGA) Company Ltd  
Block No.1,First Floor,  
Karmayogi Bhavan,  
Sector-10/A, Gandhinagar: 382010.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Metro-Link Express for Gandhinagar And Ahmedabad(MEGA) Company Ltd.(hereinafter called 'the company') for the audit period covering the financial year ended on March 31, 2015. Secretarial Audit was concluded in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes 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 representative 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 31<sup>st</sup> March, 2015 ('Audit Period') complied with the statutory provisions listed hereunder and also 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 the Company for the financial year ended on 31<sup>st</sup> March, 2015 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;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent to foreign direct investment, overseas direct investment and external commercial borrowings;
- (v) The following Regulations and Guidelines prescribed under 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;





- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- f) The Securities and Exchange Board of India ( Registrar to an Issue and Share transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g) The Securities and Exchange Board of India(Delisting of Equity Shares) Regulation, 2009;
- h) The Securities and Exchange Board of India (Buy Back of Securities ) Regulations, 1998.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India **(Not notified hence not applicable to the Company during the audit period).**
- (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. mentioned above.

#### **We further report that-**

Based on the guidelines issued by the ICSI, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records provided or shown to us in pursuance thereof, on test-check basis, the Company has, in our opinion, generally complied with the following laws applicable specifically to the Company vide Central Government notification No.S.O.2625(E) dated 16<sup>th</sup> October,2009:

1. The Sexual Harassment of women at workplace Act, 2013;
2. The Industrial Dispute Act, 1947;
3. The Environmental (Protection) Act, 1986& The Environmental (Protection) Rules, 1986, amended up to 2008;
4. The Indian Railways Act, 1989;
5. The Metro Railways (Construction of Works) Act, 1978;
6. The Metro Railways (Operation & Maintenance) Act, 2002;
7. The Right to Information Act, 2005;

Moreover, we are informed that company has commenced its business on 12/12/2011 and hence certain Labour laws are not applicable for a period of five years since its inception.



During the year under report the company has complied with the provision of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except;

a) Appointment of Independent Director/s as provided under section 149(6) of the Act.

**We further report that-**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors. Except as mentioned in para (a) above and the composition of audit committee. The changes in Board of Directors took place during the period under review were carried out in compliance with provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions of the Board are carried through unanimously. As per the records provided by the Company, none of the member of the Board dissented on any resolution passed at the meeting.

**We further report that-**

There are adequate systems and processes in the company commensurate with the size and operation of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period,

- i. Ownership of the Company was changed in view of Government of India agreeing to Purchase 50% of the holding and hence, Company became Joint Venture between Government of Gujarat and Government of India. As a result the Board of Director is reconstituted.
- ii. The Company has issued 30 crores equity shares of Rs. 10 each at par aggregating to Rs. 300 crores to Government of Gujarat in the name of Honorable Governor of Gujarat. Thus, Equal Number of Equity Shares will be issued to Government of India in the name of Honorable President of India, at par as per Joint venture arrangement upon receipt of funds from Government of India.

Place: Ahmedabad

Date: / /2015

14 OCT 2015



For Arvind Gaudana & Company  
(Company Secretaries)

CS Arvind Gaudana  
FCS No: 2838  
C.P No: 2183

**Note:** 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.

**Annexure A**

To,  
The Members  
Metro-Link Express for Gandhinagar And  
Ahmedabad(MEGA) Company Ltd  
Block No.1,First Floor,  
Karmayogi Bhavan,  
Sector-10/A, Gandhinagar: 382010.

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 **Metro-Link Express for Gandhinagar and Ahmedabad (MEGA) Company Ltd.** for Gandhinagar And Ahmedabad (MEGA) Company Ltd. 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 process 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 MEGA.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of corporate and other applicable laws, rules, regulation, standards is the responsibility of management. Our examination was limited to the verification of records and procedure on test basis.
6. The Secretarial audit report is neither an assurance to the future viability of MEGA nor of the efficacy or effectiveness with which the management has conducted the affairs of the MEGA.
7. A letter dated 06<sup>th</sup> August, 2015 was received from Company regarding non appointment of Independent Director.

Place: Ahmedabad  
Date: / /2015

14 OCT 2015

For Arvind Gaudana & Company  
(Company Secretaries)



CS ArvindGaudana  
FCS No: 2838  
C.P No: 2183

**Annex-3**
**FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN**
**As on financial year ended on 31.03.2015**
**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company  
(Management & Administration) Rules, 2014.**
**I. REGISTRATION & OTHER DETAILS:**

1.	CIN	<b>U60200GJ2010SGC059407</b>
2.	Registration Date	<b>04/02/2010</b>
3.	Name of the Company	<b>METRO-LINK EXPRESS FOR GANDHINAGAR AND AHMEDABAD (MEGA) COMPANY LIMITED</b>
4.	Category/Sub-category of the Company	<b>METRO RAILWAY TRANSPORT SERVICES</b>
5.	Address of the Registered office & contact details	<b>BLOCK NO.1, FIRST FLOOR, KARMAYOGI BHAVAN, BEHIND NIRMAN BHAVAN, SECTOR-10-A, GANDHINAGAR- 382010</b>
6.	Whether listed company	<b>NO</b>
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	<b>NOT APPLICABLE</b>

**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)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Urban & suburban Metro Railway Transport Services	99641112	100

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-**

S. NO.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/SUBSIDIARY /ASSOCIATE	% of Shares Held	Applicable Section
1	Nil	Nil	Nil	Nil	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[As on 31-March-2014]				No. of Shares held at the end of the year[As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	<b>800 Crore</b>	<b>800 Crore</b>	<b>100%</b>	-	<b>1100 Crore</b>	<b>1100 Crore</b>	<b>100%</b>	<b>No Change</b>
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A)</b>	-	<b>800 Crore</b>	<b>800 Crore</b>	<b>100%</b>	-	<b>1100 Crore</b>	<b>1100 Crore</b>	<b>100%</b>	<b>No Change</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
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)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>2. Non- Institutions</b>									
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)	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

Total Public Shareholding (B)=(B)(1)+(B)(2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Grand Total (A+B+C)</b>	-	<b>800 Crore</b>	<b>800 Crore</b>	<b>100%</b>	-	<b>1100 Crore</b>	<b>1100 Crore</b>	<b>100%</b>	<b>No Change</b>

**(ii) Shareholding of Promoters-**

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding 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 Gujarat	80,00,00,000	100%	Nil	110,00,00,000	100%	Nil	No Change

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

SN	Particulars	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				
-	<i>Government of Gujarat</i>	800 Crore	100%	800 Crore	100%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	300 Crore (allotment of 30 crore equity shares of Rs. 10 each on 27.05.2014)	-	1100 Crore	100%
	At the end of the year				
-	<i>Government of Gujarat</i>	1100 Crore	100%	1100 Crore	100%



**(iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs): - Not Applicable**

SN	For Each of the Top 10 Shareholders	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	N.A	N.A	N.A	N.A
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	N.A	N.A	N.A	N.A
	At the end of the year	N.A	N.A	N.A	N.A

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

SN	Shareholding of each Directors and each Key Managerial Personnel	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				
1	Shri I. P. Gautam, IAS(Retd) Managing Director [On behalf of Hon'ble Governor of Gujarat]	10	0.00%	10	0.00%
2	Shri S. S. Sabuwala – Chief Financial Officer	Nil	Nil	Nil	Nil
3	Shri Hitesh Bhamare – Assistant Company Secretary	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	N.A	N.A	N.A	N.A
	At the end of the year				
1	Dr. Manjula Subramaniam, IAS(Retd)	10	0.00%	10	0.00%

2	Director [On behalf of Hon'ble Governor of Gujarat] Shri I. P. Gautam, IAS(Retd) Managing Director	10	0.00%	10	0.00%
3	[On behalf of Hon'ble Governor of Gujarat] Shri S. S. Sabuwala – Chief Financial Officer	Nil	Nil	Nil	Nil
4	Shri Hitesh Bhamare – Assistant Company Secretary	Nil	Nil	Nil	Nil

## V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	Nil	Nil	Nil	Nil
<b>Change in Indebtedness during the financial year</b>				
* Addition	-	-	-	-
* Reduction	-	-	-	-
<b>Net Change</b>	Nil	Nil	Nil	Nil
<b>Indebtedness at the end of the financial year</b>	Nil	Nil	Nil	Nil
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	Nil	Nil	Nil	Nil

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Shri Indrajeet Prasad Gautam <b>Managing Director</b>	
1	Gross salary	Rs.14,46,049	Rs.14,46,049

	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	Nil
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil	Nil
2	Stock Option	Nil	Nil
3	Sweat Equity	Nil	Nil
4	Commission - as % of profit - others, specify...	Nil	Nil
5	Others, please specify	Nil	Nil
	<b>Total (A)</b>	<b>14,46,049</b>	<b>14,46,049</b>
	Ceiling as per the Act		

#### B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors						Total Amount
		Dr. Manjula Subramaniam, IAS (Retd)	Shri G.R. Aloria, IAS	Shri Anil Mukim, IAS	Ms. S. Aparna, IAS	Shri Ashwini Kumar, IAS	Dr. S. Muralikrishna, IAS	
1	Independent Directors	-	-	-	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-	-	-	-
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	<b>Total (1)</b>	-	-	-	-	-	-	-
2	Other Non-Executive Directors							
	*Fee for attending board committee meetings	Rs.4000	Rs.12000	Rs.4000	Rs.12000	Rs.11000	Rs.12000	Rs. 55000
	Commission	-	-	-	-	-	-	-
	Others, please specify	** Rs.15,17,280	-	-	-	-	-	Rs.15,17,280
	<b>Total (2)</b>	Rs.1521280	Rs.12000	Rs.4000	Rs.12000	Rs.11000	Rs.12000	Rs. 1572280
	<b>Total (B)=(1+2)</b>	<b>Rs.1521280</b>	<b>Rs.12000</b>	<b>Rs.4000</b>	<b>Rs.12000</b>	<b>Rs.11000</b>	<b>Rs.12000</b>	<b>Rs.1572280</b>
	Total Managerial Remuneration							
	***Overall Ceiling as per the Act	N.A	N.A	N.A	N.A	N.A	N.A	

\*The sitting fees payable to the Non-Executive Directors (Nominee of Government of Guajrat) has been paid in the Account of Bureau of Public Enterprises, Government of Guajrat.

\*\* Salary paid as per the G.R No.MGA-122013-2642-DH dated 31.03.2014 of Urban Development & Urban Housing Department, Government of Gujarat.

\*\*\*As per the notification dated 5<sup>th</sup> June, 2015 of Ministry of Corporate Affairs, Government of India, Section 197 of the Companies Act, 2013 is not applicable to Government Companies. In view of the same the overall ceiling of managerial remuneration is not applicable to MEGA Company Limited.

*C. Remuneration to key managerial personnel other than MD/MANAGER/WTD*

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Shri Hitesh Bhamare, Secretary	Shri S. S. Sabuwala, CFO	Total
1	Gross salary	-	Rs. 6,66,670	Rs. 9,34,749	Rs.16,01,419
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	Nil	Nil	Nil
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	Nil	Nil	Nil
2	Stock Option	-	Nil	Nil	Nil
3	Sweat Equity	-	Nil	Nil	Nil
4	Commission	-	Nil	Nil	Nil
	- as % of profit	-	Nil	Nil	Nil
	others, specify...	-	Nil	Nil	Nil
5	Others, please specify	-	Nil	Nil	Nil
	Total	-	Rs. 6,66,670	Rs.9,34,749	Rs.16,01,419

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

## INDEPENDENT AUDITOR'S REPORT

### To the Members of Metro Link Express for Gandhinagar and Ahmedabad (MEGA) Company Limited

#### Report on the Financial Statements

1. We have audited the accompanying financial statements of Metro Link Express for Gandhinagar and Ahmedabad (MEGA) Company Limited ('the Company'), which comprises the Balance Sheet as at 31<sup>st</sup> March, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

The Company's management is responsible for the 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 thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the 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, 2015;
- b. in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### **Emphasis of matters**

Without qualifying our opinion, we draw attention to the following notes to the financial statements –

1. Note no. 1 c) iv (c) with regard to construction material being treated as fully consumed and included in Capital Work in Progress.
2. Note no. 20 iv) regarding frauds identified and reported during the year aggregating to an estimated of Rs. 11584.21 lacs being included in Capital Work in Progress.
3. Note no. 20 ix) i) regarding change in accounting policy with respect to treatment of interest on investment of unspent equity funds which has led to increase in profit for

the year and balances of reserves and Capital Work in Progress as on 31<sup>st</sup> March, 2015 by Rs. 4220.75 lacs.

4. Note no. 20 ix) ii) regarding change in accounting policy with respect to accounting of incidental expenses fully as part of Capital Work in Progress on belief of the management that such expenses incurred during the year are related to project implementation on the grounds stated therein which has led to increase in profit for the year and balances of reserves and Capital Work in Progress as on 31<sup>st</sup> March, 2015 by Rs. 1725.81 lacs.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required under section 143(5) of the Act and in accordance with the directions and sub directions issued by the Comptroller & Auditor General of India, under section 143(5) of the Act, we have complied with all the directions issued and our comments thereon is as per Annexure I to this report.
3. As required by Section 143 (3) of the Act, we report that:
  - 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.
  - 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.
  - The Balance Sheet, the Statement of Profit & Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - 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.
  - On the basis of the written representations received from the Board of Directors as on 31<sup>st</sup> March, 2015 taken on record by the Board, none of the directors is disqualified as on 31<sup>st</sup> March, 2015 from being appointed as a member of the Board in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in



our opinion and to the best of our information and according to the explanations given to us:

- i. According to the explanations and information given to us, there are no pending litigations which may impact financial as on 31<sup>st</sup> March, 2015.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There are no amounts required to be transferred to the Investor Education and Protection Fund by the Company as on 31<sup>st</sup> March, 2015.

For **RAMANLAL G. SHAH & CO.**

Chartered Accountants

Firm Reg. No. 108517W

**Sd/-**

(Sandeep R. Sutaria)

Partner

Membership No.10228

Date: 24<sup>th</sup> September, 2015

Place: Ahmedabad

## ANNEXURE TO AUDITORS' REPORT

(Referred to in paragraph under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the management. The discrepancies noticed on such verification, which were not significant, have been properly dealt with in the books of account.
- (ii) According to the accounting policy of the Company, all construction material is fully treated as consumed and included in the Capital Work in Progress. Further, as informed, physical verification of such inventories maintained at site has been carried out during the year by the management and there have been no material discrepancies noticed except for the quantitative difference in TMT steel as mentioned in note no. 20) iv) of the notes to the financial statements.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act.
- (iv) In our opinion and according to the information and explanations given to us there are adequate internal control systems commensurate with the size of the Company and the nature of its activities for purchase of inventory and fixed assets. During the course of our audit we have not observed any continuing failure to correct major weaknesses in internal control system.
- (v) The Company has not accepted deposits from the public.
- (vi) The Central Government has not prescribed maintenance of records under section 148(1) of the Act.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues applicable to it. There were no arrears as at 31<sup>st</sup> March, 2015 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us there are no dues of sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited as on 31<sup>st</sup> March, 2015 on account of any dispute.
- (c) There are no amounts required to be transferred to the Investor Education and Protection Fund by the Company as on 31<sup>st</sup> March.
- (viii) Since the Company is in existence for less than five years since its registration, the clause regarding accumulated net worth and cash losses is not applicable.
- (ix) During the year, the Company has not taken any loans from Banks and financial institutions.
- (x) According to the information and explanations given to us the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) There were no term loans during the year.
- (xii) There have been cases of identified and reported frauds against the Company aggregating to an estimated Rs. 11584.21 lacs being included in Capital Work in Progress. (Refer Note no. 20 iv) to the financial statements).

For **RAMANLAL G. SHAH & CO.**  
Chartered Accountants  
Firm Reg. No. 108517W

Date: 24<sup>th</sup> September, 2015  
Place: Ahmedabad

**Sd/-**  
(Sandeep R. Sutaria)  
Partner  
Membership No.10228

**ANNEXURE I**
**REPORT OF THE STATUTORY AUDITORS UNDER SECTION 143 (5) OF THE COMPANIES ACT, 2013 FOR FINANCIAL YEAR 2014/15**
**NAME & ADDRESS OF THE COMPANY -**

Metro Link Express for Gandhinagar and Ahmedabad (MEGA) Company Ltd., Block No. 1, 1<sup>st</sup> Floor, Karmayogi Bhavan, Sector 10A, Gandhinagar 382010

SR. NO.	QUESTIONNAIRE	RESPONSE / REMEDIAL MEASURES
	<b>Corporate Governance and Audit Committee</b>	
1	If the Company has been selected for disinvestments, a complete status report in terms of valuation (including intangible assets and land) and liabilities (including committed and general reserves) may be examined including the mode and present stage of disinvestment process.	Not applicable
2	Please report whether there are any cases of waiver/write off of debt/ loan/ interest, etc., if yes the reasons there for and amounts involved.	Not applicable
3	Whether proper records are maintained for inventories lying with third parties and assets received as gifts from government or other authorities.	Not applicable
4	A report on age wise analysis of pending legal/ arbitration cases including reasons for pendency and existence/ effectiveness of a monitoring mechanism for expenditure on all legal cases (foreign and local) may be given.	We have been informed that there are no pending legal/ arbitration cases during the year.

**SECTOR SPECIFIC SUB DIRECTIONS UNDER SECTION 143 (5) OF THE COMPANIES ACT, 2013 FOR FINANCIAL YEAR 2014/15**
**NAME & ADDRESS OF THE COMPANY -**

Metro Link Express for Gandhinagar and Ahmedabad (MEGA) Company Ltd., Block No. 1, 1<sup>st</sup> Floor, Karmayogi Bhavan, Sector 10A, Gandhinagar 382010

1	Whether the Company has taken adequate measures to prevent encroachment of idle land owned by it. Whether any land of the Company is encroached, under litigation, not put to use or declared surplus? Details may be provided.	We are informed that proper security arrangements have been made by the Company to prevent encroachments on land owned by it. Further, we are informed that there is no land declared surplus or under litigation.
2	Whether the system in vogue for identification of projects to be taken up under Public Private Partnership is in line with the guidelines/ policies of the Government? Comment on deviation, if any.	The Company is a SPV set up as a joint venture with the Central and State Governments as equal joint venture partners.
3	Whether the system of monitoring the execution of works vis-à-vis the milestones stipulated in the agreement is in existence and the impact of cost escalation, if any, revenues/ losses from contracts, etc., have been properly accounted for in the books.	We are informed that execution of all major contracts having impact on the overall time line of project implementation is monitored on periodic basis by the top management of the Company. Further we are informed that there is a High level Empowered Committee of Ministers consisting of senior Ministers, CS and Senior Secretary/PS/ACS to decide on the co-ordination and inter departmental issues which "stimulates the progress of execution of the project". (Refer paragraph 2 of 'Emphasis of Matters' of our Audit Report for details of estimated losses in connection with frauds identified and reported during the year).
4	Whether funds received/ receivable for specific schemes from Central/ State agencies were properly accounted for/ utilized? List the cases of deviations.	We are informed that there are no specific funding schemes of Central/ State Governments under which funds are sanctioned/ received by the Company. Further, means of finance of the Company is fixed in accordance with the DPR of the Company.



5	Whether the bank guarantees have been revalidated in time.	According to the information and explanations given to us, bank guarantees in favour of the Company are valid as on 31 <sup>st</sup> March, 2015.
6	Comment on the confirmation of balances of trade receivables, trade payables, term deposits, bank accounts and cash obtained.	There are no trade receivables/ payables as such since the project of the Company is under implementation phase and the business has not commenced. Further, balance confirmations are received for majority of party balances and for bank accounts/ deposits as on 31 <sup>st</sup> March, 2015.
7	The cost incurred on abandoned projects may be quantified and the amount actually written off shall be mentioned.	As per the Memorandum of Association, the Central and State Governments are equal joint venture partners and the METRO project is under execution stage.
<p>If test checking was applied by statutory auditors, the manner in which areas of checking have been identified may be specified. Extent of sample selected and methodology of sampling adopted may also be specified.</p> <p>Relying on pre-payment audit, Internal Audit and internal checks &amp; controls, we have carried out statutory audit in various areas of operations.</p>		

For **RAMANLAL G. SHAH & CO.**  
Chartered Accountants  
Firm Reg. No. 108517W

**Sd/-**  
(Sandeep R. Sutaria)  
Partner  
Membership No.10228

Date: 24<sup>th</sup> September, 2015  
Place: Ahmedabad

**BALANCE SHEET AS AT 31.03.2015**

Sr. No.	Particulars	Note No.		As At 31.03.2015 (` in Lacs)	As At 31.03.2014 (` in Lacs)
I	<b>EQUITY AND LIABILITIES</b>				
(1)	<b>Shareholders' Funds:</b>				
(a)	Share Capital	2		110000.00	80000.00
(b)	Reserves & Surplus	3		(772.86)	(3,559.39)
	<b>Sub Total</b>			<b>109227.14</b>	<b>76440.61</b>
(2)	<b>Share Application Money Pending Allotment</b>	4		15000.00	30000.00
	<b>Sub Total</b>			<b>15000.00</b>	<b>30000.00</b>
(3)	<b>Non Current liabilities</b>				
(a)	Long-term provisions	5		31.71	33.67
	<b>Sub Total</b>			<b>31.71</b>	<b>33.67</b>
(4)	<b>Current liabilities</b>				
(a)	Trade payables	6		191.85	174.57
(b)	Other current liabilities	7		1568.19	3111.60
(c)	Short-term provisions	5		1437.15	891.02
	<b>Sub Total</b>			<b>3197.19</b>	<b>4177.19</b>
	<b>TOTAL</b>			<b>127456.04</b>	<b>110651.47</b>
II	<b>ASSETS</b>				
(1)	<b>Non current assets</b>				
(a)	<b>Fixed Assets :</b>	8			
i)	Tangible Assets			16597.85	1467.96
ii)	Intangible Assets			764.76	970.16
iii)	Capital Work-In-Progress			52788.00	48713.83
iv)	Intangible Asset Under Development			-	-
				<b>70150.61</b>	<b>51151.95</b>
(b)	Deferred tax assets(net)	9		-	-
(c)	Long-term loans and advances	10		4335.85	3261.18
	<b>Sub Total</b>			<b>74486.46</b>	<b>54413.13</b>
(2)	<b>Current Assets</b>				
(a)	Cash & bank balances	11		14889.97	30933.30
(b)	Short-term loans & advances	10		36043.84	24347.72
(c)	Other current assets	12		2035.77	957.32
	<b>Sub Total</b>			<b>52969.58</b>	<b>56238.34</b>
	<b>TOTAL</b>			<b>127456.04</b>	<b>110651.47</b>
	Summary of significant accounting policies	1			

The Accompanying Notes are an integral part of the financial statements.

As per our report of even date attached  
**For RAMANLAL G SHAH & CO.**  
**CHARTERED ACCOUNTANTS & CO.**  
 Firm Regn No. 108517W

**Sd/-**  
**[Sandeep R. Sutaria]**  
**Partner**  
**M.No. 10228**

**Place: Ahmedabad**  
**Date: 24-09-2015**

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

**Sd/-**  
**Managing Director**  
 I.P.Gautam

**Sd/-**  
**Chief Financial Officer**  
 S.S. Sabuwala

**Place: Ahmedabad**  
**Date: 23-09-2015**

**Sd/-**  
**Director**  
 Dr. J.N. Singh

**Sd/-**  
**Asst. Company Secretary**  
 Hitesh Bhamare.

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31.03.2015**

Sr. No.	Particulars	Note No.		Year Ended 31.03.2015 (` in Lacs)	Year Ended 31.03.2014 (` in Lacs)
I	Other Income	13		4221.18	0.68
	<b>Total Revenue (I)</b>		<b>Sub Total</b>	<b>4221.18</b>	<b>0.68</b>
II	<b>Expenses :</b>				
	Employees benefits expenses	14		598.85	236.27
	Finance Cost	15		2.58	13.67
	Depreciation and amortization expense	16		731.16	378.24
	Other Expenses	17		1293.41	799.08
	<b>Total Expenses (II)</b>		<b>Sub Total</b>	<b>2626.00</b>	<b>1427.26</b>
	Less: Expenses capitalised and transferred to Incidental Expenses Pending Capitalisation			2626.00	-
III	Prior Period Expenditure	19		-	10.56
IV	<b>Profit / Loss Before Tax(I-II-III)</b>			<b>4221.18</b>	<b>(1,437.14)</b>
V	Tax Expenses				
	(a) Current Tax				
	-Current			1434.65	877.49
	(b) Deferred Tax Charge / (Release)			-	-
	<b>Total Tax (V)</b>		<b>Sub Total</b>	<b>1434.65</b>	<b>877.49</b>
VI	<b>Profit / (Loss) for the year (IV-V)</b>		<b>TOTAL</b>	<b>2,786.53</b>	<b>(2,314.63)</b>
VII	<b>Earnings per equity share</b>				
	(1) Basic (Refer Note :- 21 (v))			0.26	(0.46)
	(2) Diluted			0.26	(0.46)
	Summary of significant accounting policies	1			

The Accompanying Notes are an integral part of the financial statements.

As per our report of even date attached  
**For RAMANLAL G SHAH & CO.**  
**CHARTERED ACCOUNTANTS & CO.**  
 Firm Regn No. 108517W

**Sd/-**  
**[Sandeep R. Sutaria]**  
**Partner**  
**M.No. 10228**

**Place: Ahmedabad**  
**Date: 24-09-2015**

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

**Sd/-**  
**Managing Director**  
 I.P. Gautam

**Sd/-**  
**Chief Financial Officer**  
 S.S. Sabuwala

**Place: Ahmedabad**  
**Date: 23-09-2015**

**Sd/-**  
**Director**  
 Dr. J.N. Singh

**Sd/-**  
**Asst. Company Secretary**  
 Hitesh Bhamare.

## Notes to financial Statements for the year ended 31<sup>st</sup> March 2015

### Corporate Information

Metro-Link Express For Gandhinagar And Ahmedabad (MEGA) Company Limited (CIN: U60200GJ2010SGC059407) is domiciled in India and incorporated under the provisions of the Companies Act 1956. The Company is 50:50 Joint Venture between Government of India (GOI) and Government of Gujarat (GOG). The Company's main object is to carry on the business to set up, manage, operate and maintain a Rail Based Mass Rapid Transport System around and between Ahmedabad and Gandhinagar to provide the general public with a fast, reliable, convenient, efficient, modern and economical mode of public transport.

It has an independent board nominated equally by the joint venture partners having a non-executive chairman and a whole time managing director. The Company is a Special Purpose Vehicle (SPV) of the Government and accordingly provisions of Section 139(5) and 139(7) of the Companies Act, 2013 (Section 619B of Companies Act, 1956) are attracted. This is the Fifth Accounting Period covering 12 Months ended on March 31<sup>st</sup>, 2015. During the period, the Company was in pre-operative/construction stage.

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### a) Basis for Preparation of Financial Statements

The Financial Statements have been prepared under historical cost convention on accrual and going concern basis of accounting. The Financial Statements have been prepared and presented to comply all material aspects with the Generally Accepted Accounting Principles (Indian GAAP) in India and Accounting Standards issued by The Institute of Chartered Accountants of India, as notified by the Companies (Accounting Standards) Rules, 2006 to the extent applicable and the relevant provisions of the Companies Act, 2013. The Company has consistently applied the accounting principles and accounting policies not referred to otherwise, are in conformity with generally accepted accounting principles (Indian GAAP) in India.

#### b) Use of Estimates

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

#### c) Fixed Assets And Capital Work in Progress:

##### i. Tangible Fixed Assets

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

**ii. Intangible Fixed Assets**

As per Accounting Standard 26 “**Intangible Assets**” Computer Software has been considered as an asset after observing the below mentioned parameters:

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

**iii. Intangible Asset under development**

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

**iv. Capital Work in Progress**

- Capital Work-in-Progress includes all direct and indirect expenditure related to construction, incurred during the period of construction of Metro Project. The Expenditure will be kept as Capital Work-in-Progress (CWIP) till the defined project phase is completed after which the same will be transferred / allocated to the identifiable Fixed Assets.
- Income pertaining to Sale of Tender documents is netted-off adjusted against expenditure incurred during construction period.
- All construction material purchased is treated as fully consumed and included in Capital Work-in-Progress.

**d) Depreciation and Amortization**

Depreciation on Fixed Assets is charged on Straight Line basis over the useful life of assets as prescribed under Schedule II of the Companies Act, 2013, except for the assets mentioned below. The residual value of the assets has been considered as Nil.

- i) **Other Plant & Machinery:** In case of the below mentioned assets, depreciation has been calculated based on the estimated useful life of the assets:

Sr. No.	Nature of Assets	Estimated Useful Life
1	Other Plant & Machinery – Barricading	5 Years
2	Other Plant & Machinery – Containers And Security Cabins	5 Years
3	Other Plant & Machinery – Signage	3 Years
4	Other Plant & Machinery – Solar Systems, Power Generator Set, Motors & GPS Instrument	5 Years

**ii) Leased Assets:**

In case of below mentioned list of assets, depreciation has been calculated considering either the tenure of agreement or 5 Years whichever is less.

Nature of Assets	Estimated Useful Life
Leasehold Improvement	5 Years

In case the leasehold asset is vacated earlier than 5 years the total unamortized balance will be written off to the Statement of Profit & Loss in the year transferred to the Statement of Profit & Loss Statement in the year in which the premise is vacated.

- iii) Computer Software has been amortized over a period of five years considering the changes in the technology and future economic benefits.
- iv) Depreciation on assets acquired / disposed of during the year is provided on pro-rata basis with reference to the date of addition / disposal. Asset costing up to Rs.5000/- are depreciated fully in the year of purchase.
- v) Mobile Instruments have been depreciated over a period of two years and accordingly depreciation amount has been calculated.
- vi) Library Books & CD have been fully depreciated in the year of purchase.

**e) Foreign Currency**

- a. Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the time of transactions.
- b. Monetary items denominated in foreign currencies are restated at exchange rates as at the reporting date.
- c. Non-Monetary foreign currencies items are shown at the rate at which they are recorded.
- d. Foreign Exchange differences arising in respect of monetary item relating to acquisition of fixed asset are adjusted to the carrying cost of related fixed asset/Capital Work-in-Progress prior to capitalization. Other exchange differences are recognized as income or expense in the period in which they arise.

**f) Impairment of Assets**

In accordance with Accounting Standard 28 on "Impairment of Assets" an Asset is treated as impaired when carrying cost of assets exceeds its recoverable amount. An impaired loss is charged to "Statement of Incidental Expense Pending Capitalization" 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.



**g) Borrowing Cost**

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets till such time as the asset is ready for intended use or sale. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. All ancillary cost in connection with borrowing term loan are incurred to acquisition or construction of qualifying assets are capitalized in capital work in progress.

Costs that are considered as borrowing cost as per AS-16 are capitalized as part of Capital Work In Progress or as part of Statement of Incidental Expense Pending Capitalization, depending on the direct or indirect in nature of the borrowing cost.

**h) Revenue Recognition**

In accordance with the Accounting Standard 9 "Revenue Recognition" the Interest Income on Investments made from unspent funds of the project is recognized in Statement of Profit & Loss on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

**i) Employee Benefits**

The following are the accounting policies of the company with regard to the Employee Benefits:

**1) Short Term Employee Benefits**

All Employee benefits payable wholly within twelve months of rendering the services are classified as short term employee benefits. Benefits such as salaries, wages and short term compensated absences, etc. and the expected cost of bonus, ex- gratia are recognized in the period in which the employee renders the related service.

**2) Post- Employment Benefits:**

**i. Defined Contribution Plans**

State Governed Provident Fund scheme are defined contribution plans. The contribution paid/payable under the scheme is recognized during the period in which the employee renders the related services.

**ii. Defined Benefit Plans**

The employee's gratuity fund scheme and compensated absences which includes Earned Leave and Sick Leave is company's defined benefit plans.

• **Gratuity Fund Scheme**

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefits entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flow. The discounted rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on Government Securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations.

Actuarial gains and losses are recognized immediately in the statement of Profit and Loss.

Gains or losses on the curtailment or settlement of any defined benefits plans are recognised when the curtailment or settlement occurs. Past service cost is recognised as expense on straight line basis over the average period until the benefits becomes vested.

- **Compensated Absences**

The obligation for long term employee benefits such as long term compensated absences, is recognized in the same manner as in case of defined benefits as mentioned above.

**j) Taxes on Income**

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

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

**k) Leases**

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease payments are recognised on straight line basis over the lease term.

**l) Earning per Share**

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

**m) Cash & Cash Equivalents**

Cash and cash equivalents presented in the Balance Sheet consists of cash on hand, current account balances & Flexi account balances with banks, Short Term investments with an original maturity of three months or less.

**n) Provisions, Contingent Liabilities And Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is present obligation as a result of past events and it is probable that there will be an outflow of resources.

Provision for contractual obligation has been disclosed based on management's assessment of the probable outcome with reference to the available information supplemented by experience of similar transaction.

Contingent Liabilities as defined in Accounting Standard 29 on “Provisions, contingent liabilities and contingent Assets” ,if any, are those liabilities whose future outcome cannot be ascertained with reasonable certainty and hence not recognized but are disclosed in the Notes to Financial Statements.

Contingent Assets are neither recognized nor disclosed in the Financial Statements. Provisions, Contingent Liabilities and Contingent assets are reviewed at each balance sheet date.

**o) Preliminary Expenditure:**

Preliminary Expenditure is expensed out in the year in which the expenditure is incurred in line with the provisions of Accounting Standard – 26 on “Intangible Assets”

**p) Event occurring after Balance Sheet Date:**

Material adjusting events (that provides evidence of condition that existed at the balance sheet date) occurring after the balance sheet date are recognized in the financial statements. Non adjusting events (that are inductive of conditions that arose subsequent to the balance sheet date) occurring after the balance sheet date that represent material change and commitment affecting the financial position are disclosed in the reports of the board of directors.

## NOTES TO BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS

## Note-2 SHARE CAPITAL

Particulars	As At 31.03.2015 (` in Lacs)	As At 31.03.2014 (` in Lacs)
<b>Authorised Share capital</b>		
Authorised Share Capital 4,00,00,00,000 (31 March 2014: 2,00,00,00,000) equity shares of ` .10/ each	400000.00	200000.00
<b>Issued, subscribed and fully paid up shares</b>		
Issued and Subscribed : 1,10,00,00,000 (31 March 2014: 80,00,00,000) equity shares of ` .10/ each	110000.00	80000.00
<b>Total issued and subscribed and paid up share capital</b>	<b>110000.00</b>	<b>80000.00</b>

## (a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	31 March 2015		31 March 2014	
	Nos	` in Lacs	Nos	` in Lacs
<b>Equity Shares of ` .10 each fully paid up</b>				
<b>At the beginning of the period</b>	800000000	80000.00	377500000	37750.00
<b>Add: Shares Issued during the year</b>	300000000	30000.00	422500000	42250.00
<b>Less: Shares bought back during the year</b>	-	-	-	-
<b>Outstanding at the end of the period</b>	<b>1100000000</b>	<b>110000.00</b>	<b>800000000</b>	<b>80000.00</b>

## (b) Terms / rights attached to equity shares

-The company has only one class of equity shares having a par value of ` .10/- per share. Each holder of Equity Shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees.

-During the year ended 31 March 2015, the amount of per share dividend recognized as distributions to Equity Shareholders is Nil (P.Y.Nil)

-In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

## (C) Shares held by holding/ultimate holding company and/or their subsidiaries / associates

The Company does not have any holding company.

## (d) Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of Five Years immediately preceding the Reporting Date:

Nil

## (e) Details of shareholders holding more than 5% shares in the company

Particulars	31 March 2015		31 March 2014	
	Nos	holding in %	Nos	holding in %
Governor of Gujarat and its Nominees	1,100,000,000	100%	800,000,000	100%

As per records of the company, including its register of shareholders / members and other declarations received from the share holders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares

**Note:3 RESERVES & SURPLUS**

Particulars	As At 31.03.2015 (` in Lacs)	As At 31.03.2014 (` in Lacs)
<b>Balance in the statement of Profit and Loss</b>		
Balance as per last Financial Statements	(3,559.39)	(1,244.76)
Surplus / (Deficit) for The Current Year	2,786.53	(2,314.63)
Net Balance in the statement of profit and loss	<b>(772.86)</b>	<b>(3,559.39)</b>
<b>Total</b>	<b>(772.86)</b>	<b>(3,559.39)</b>

**Note:4 SHARE APPLICATION MONEY PENDING ALLOTMENT**

The company has received the share application money from the following applicant:

Name of the applicants	As At 31.03.2015 (` in Lacs)	As At 31.03.2014 (` in Lacs)
-Governor Of Gujarat and its Nominees	15000.00	30000.00
<b>Total</b>	<b>15000.00</b>	<b>30000.00</b>

**4.1 Terms and Conditions**

The Company does not have any share agreement or term sheet with share applicant. Metro-Link Express for Gandhinagar and Ahmedabad (MEGA) Company Limited is a special purpose vehicle formed as Joint Venture between the Government of India and Government of Gujarat. The equity contribution is being released in phases and in order to maintain equal share holding, the equity contribution is held as Share Application Money. Equity Shares of ` .10 Each at par shall be issued to share holders having all rights similar to existing shares, issued in such manner that the proportion of equity holding of the shareholders are equal.

**4.2 Authorised Share Capital**

The Authorised Share Capital of the company ` .4000,00,00,000/- divided into 400,00,00,000 Equity shares of ` .10/- each. In the opinion of the management of the company has sufficient Authorised Share Capital to cover the Share Capital amount on allotment of the shares out of the Share Application money received.

**4.3 Interest Accrued On amount due for refund**

Not applicable as there is no amount to be refundable to share applicant(s).

**4.4 Period for Allotment**

The period of allotment is not fixed as there is no agreement or term sheet or Share Application form or any conditions at the time of acceptance of the share application amount.

**Note:5 PROVISIONS**

Particulars	Short Term		Long Term	
	As At 31.03.2015 (` in Lacs)	As At 31.03.2014 (` in Lacs)	As At 31.03.2015 (` in Lacs)	As At 31.03.2014 (` in Lacs)
Provision For compensated absences	2.41	3.93	-	-
Provision For Gratuity	0.09	0.12	31.71	33.67
Provision For Taxation	1434.65	886.97	-	-
<b>Total</b>	<b>1437.15</b>	<b>891.02</b>	<b>31.71</b>	<b>33.67</b>

**Note:6 TRADE PAYABLES**

Particulars	Current		Non-Current	
	As At 31.03.2015 (` in Lacs)	As At 31.03.2014 (` in Lacs)	As At 31.03.2015 (` in Lacs)	As At 31.03.2014 (` in Lacs)
<b>Trade Payables</b>				
-Administrative	191.85	174.57	-	-
<b>Total</b>	<b>191.85</b>	<b>174.57</b>	<b>-</b>	<b>-</b>

**Note:7 OTHER CURRENT LIABILITIES**

Particulars	As At 31.03.2015 (` in Lacs)	As At 31.03.2014 (` in Lacs)
-Statutory Dues Payable (Taxes)	117.41	159.00
-Payable For Capital Goods	1367.48	2807.41
-Other Current Liabilities	83.30	145.19
<b>Total</b>	<b>1568.19</b>	<b>3111.60</b>



**FIXED ASSETS BLOCK AS AT 31.03.2015**

Note : 8 Fixed Assets

(` in Lacs)

Sr.	Particulars	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
		As at 01-04-2014	Additions	Deletions	As at 31-03-2015	Upto 01-04-2014	For the Year	Deletion	Upto 31-03-2015	As at 31-03-2015	As at 31-03-2014
<b>A. Tangible Assets</b>											
1	Land #	-	15583.70	-	15583.70	-	-	-	-	15583.70	-
2	Office Equipments	206.45	19.74	0.52	225.67	18.87	30.2	0.37	48.70	176.97	187.58
4	Furniture & Fixtures	110.76	1.63	-	112.39	11.60	11.88	-	23.48	88.91	99.16
5	Computers & Other Hardwares	473.38	13.11	0.05	486.44	104.07	160.09	0.02	264.14	222.30	369.31
6	Vehicles	39.03	-	-	39.03	7.00	5.26	-	12.26	26.77	32.03
7	Library Books & CD (Refer Note :- 1 (d) (vi))	6.41	-	-	6.41	6.41	-	-	6.41	-	-
8	Other - Plant & Machinery (Refer Note :- 1 (d) (i))	558.22	7.29	-	565.51	169.44	113.02	-	282.46	283.05	388.78
<b>Leased Assets</b>											
1	Leasehold Improvements (Refer Note :- 1 (d) (ii))	640.35	4.47	-	644.82	249.25	179.42	-	428.67	216.15	391.10
<b>Total (A)</b>		<b>2034.60</b>	<b>15629.94</b>	<b>0.57</b>	<b>17663.97</b>	<b>566.64</b>	<b>499.87</b>	<b>0.39</b>	<b>1066.12</b>	<b>16597.85</b>	<b>1467.96</b>
<b>B. Intangible assets</b>											
1	Computer Software (Refer Note :- 1 (d) (iii))	1118.08	25.89	-	1143.97	147.92	231.29	-	379.21	764.76	970.16
<b>Total (B)</b>		<b>1118.08</b>	<b>25.89</b>	<b>-</b>	<b>1143.97</b>	<b>147.92</b>	<b>231.29</b>	<b>-</b>	<b>379.21</b>	<b>764.76</b>	<b>970.16</b>
<b>Total:: &gt;&gt;&gt; (A) + (B)</b>		<b>3152.68</b>	<b>15655.83</b>	<b>0.57</b>	<b>18807.94</b>	<b>714.56</b>	<b>731.16</b>	<b>0.39</b>	<b>1445.33</b>	<b>17362.61</b>	<b>2438.12</b>
<b>Previous Year</b>		<b>1561.39</b>	<b>1592.62</b>	<b>1.33</b>	<b>3152.68</b>	<b>229.15</b>	<b>485.97</b>	<b>0.56</b>	<b>714.56</b>	<b>2438.12</b>	<b>1,332.24</b>

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

**C . Capital Work In Progress**

( ` in Lacs)

Description	Balance As At 01.04.2014	Additions / Adjustment during the Year	Total	Capitalised During the Year	Balance As At 31.03.2015
Construction Of Depot	13806.17	92.56	13898.73	-	13898.73
Test Track of Motera Depot	8490.91	13.25	8504.16	-	8504.16
Utility Shifting	1805.61	53.00	1858.61	-	1858.61
Civil (Sub. & Super Structure)	1089.04	0.97	1090.01	-	1090.01
System	653.19	0.44	653.63	-	653.63
Signaling & Telecommunication	113.59	-	113.59	-	113.59
Construction of Casting Yard	6282.57	3.21	6285.78	-	6285.78
Alignment & Planning Expense	2294.58	1069.10	3363.68	-	3363.68
Rolling Stock	237.44	-	237.44	-	237.44
Station	484.49	-	484.49	-	484.49
Construction of Bridges	258.38	-	258.38	-	258.38
Protection Wall	6849.75	(0.04)	6849.71	-	6849.71
Misc. Work including other consultancy	446.45	7.20	453.65	-	453.65
General Consultancy	108.40	1.50	109.90	-	109.90
Survey Expenses	1463.72	29.74	1493.46	-	1493.46
Warehousing Complex	1653.80	46.73	1700.53	-	1700.53
Detailed Design Consultancy	-	152.60	152.60	-	152.60
Lease hold Improvement - PDPU Office	100.18	-	100.18	-	100.18
<b>Sub-Total (A)</b>	<b>46138.27</b>	<b>1470.26</b>	<b>47608.53</b>	<b>-</b>	<b>47608.53</b>
Incidental Expense Pending Capitalisation	2662.92	2636.00	5298.92	-	5298.92
<b>Less : Tender Fees (Refer Note:- 1(c) (iv))</b>	<b>(87.36)</b>	<b>(32.09)</b>	<b>(119.45)</b>	<b>-</b>	<b>(119.45)</b>
<b>Sub-Total (B)</b>	<b>2,575.56</b>	<b>2,603.91</b>	<b>5179.47</b>	<b>-</b>	<b>5179.47</b>
<b>Total Current Year</b>	<b>48713.83</b>	<b>4074.17</b>	<b>52788.00</b>	<b>-</b>	<b>52788.00</b>
<b>Previous Year</b>	<b>21194.80</b>	<b>27519.03</b>	<b>48713.83</b>	<b>-</b>	<b>48713.83</b>

\*\*Refer Note no. 20(iv)

**Statement of Incidental Expenses Pending Capitalisation**

Particulars	( ₹ in Lacs)	
	As At 31.03.2015	As At 31.03.2014
<b>Opening Balance (As On 01.04.2014) (A)</b>	<b>2662.92</b>	<b>959.90</b>
<b>Addition during the year</b>		
-Electricity	-	27.81
-Rent	-	140.82
-Repairs & Maintenance - Others	-	-
-Rates And Taxes (Excl. Taxes On Income)	-	2.65
-House Keeping & Other Expenses	-	7.81
-Vehicle Hiring And Running Expense	-	101.34
-Tours & Travelling Exp.	-	54.00
-Security Service Expense	-	189.02
-Computer & Peripheral Expenses	-	47.87
-Internet & Telephone Exp.	-	19.85
-Printing & Stationary	-	16.18
-Other Project Exp.	-	6.92
-Salary Expense (Project)	-	680.29
-Depreciation (Project)	-	107.73
-Term Loan Processing Charges (Refer Note: 1 (g))	-	140.33
-Term Loan Interest (Refer Note: 1 (g))	-	2682.00
- Project Insurance	-	14.33
-Training Expense	-	0.50
-Professional Fee Enterprise Valuation	-	5.62
-Afforestation Expenses	0.32	38.64
-Testing & Other	9.68	0.79
-Expense incurred during the period	2626.00	-
<b>Gross Addition During The Year</b>	<b>2636.00</b>	<b>4284.50</b>
<b>Less: Interest Income Earned (Refer Note 20 (ix))</b>	-	(2,581.48)
<b>Net Addition During The Year (B)</b>	<b>2636.00</b>	<b>1703.02</b>
<b>Closing Balance (A) + (B) = (C)</b>	<b>5298.92</b>	<b>2662.92</b>

**Note:9 DEFERRED TAX ASSETS (NET)**

Particulars	( ₹ in Lacs)	
	As At 31.03.2015	As At 31.03.2014
<b>Deferred Tax Liability</b> (Refer Note : 20 (v))		
-Fixed assets : Impact of difference between tax Depreciation and depreciation / amortisation charged for the financial reporting	-	-
[a]...	-	-
<b>Deferred Tax Assets</b> (Refer Note : 20 (v))		
-Disallowance U/s 40a (ia)	-	-
-Disallowance U/s 43b	-	-
-Others	-	-
-Unabsorbed Depreciation	-	-
[b]...	-	-
<b>Deferred Tax Assets (Net) [a] - [b] = [c]</b>	<b>-</b>	<b>-</b>

**Note:10 LOANS AND ADVANCES**

Particulars	Current		Non-Current	
	As At 31.03.2015 (` in Lacs)	As At 31.03.2014 (` in Lacs)	As At 31.03.2015 (` in Lacs)	As At 31.03.2014 (` in Lacs)
<b>Unsecured, Considered good unless otherwise stated</b>				
Capital Advances	-	-	4263.05	3198.02
[a]...	-	-	<b>4263.05</b>	<b>3198.02</b>
<b>Other Loans and Advances</b>				
Prepaid Expenses	43.84	47.74	-	1.36
Security Deposits	-	-	72.80	61.80
Other Loans & Advances (GSFS Deposits)	36000.00	24299.98	-	-
[b]...	<b>36043.84</b>	<b>24347.72</b>	<b>72.80</b>	<b>63.16</b>
<b>Total [a] + [b] = [c]</b>	<b>36043.84</b>	<b>24347.72</b>	<b>4335.85</b>	<b>3261.18</b>

**Note:11 CASH AND BANK BALANCES**

Particulars	As At 31.03.2015 (` in Lacs)	As At 31.03.2014 (` in Lacs)
<b>Cash and Cash Equivalents (Refer Note: 1 (l))</b>		
<b>Balances with Banks</b>		
-On Current Accounts	10.69	7.37
-On Auto Sweep FD	379.28	925.68
-Deposits with original maturity of less than three months	14500.00	30000.00
<b>Cash Balance on hand</b>	-	0.25
<b>Total</b>	<b>14889.97</b>	<b>30933.30</b>

**Note:12 OTHER ASSETS**

Particulars	Current		Non-Current	
	As At 31.03.2015 (` in Lacs)	As At 31.03.2014 (` in Lacs)	As At 31.03.2015 (` in Lacs)	As At 31.03.2014 (` in Lacs)
Interest Accrued But Not Due on Fixed Deposits	593.62	86.82	-	-
Advance Income tax and TDS Receivable	1442.15	870.50	-	-
<b>Total</b>	<b>2035.77</b>	<b>957.32</b>	<b>-</b>	<b>-</b>

**Note:13 OTHER INCOME**

Particulars	Year Ended 31.03.2015 (` in Lacs)	Year Ended 31.03.2014 (` in Lacs)
Interest Income (Refer Note:20 (ix))	4220.75	-
Miscellaneous Income	0.04	0.12
Profit on Sale of Assets	0.39	0.56
<b>Total</b>	<b>4221.18</b>	<b>0.68</b>

**Note:14 EMPLOYEES BENEFITS EXPENSES**

Particulars	Ended 31.03.2015 (` in Lacs)	Ended 31.03.2014 (` in Lacs)
(a) Salary, Wages, Allowances & Bonus, etc (Refer Note :-21 (i) & (iii))	593.74	233.04
(b) Contribution to Provident & other Funds	5.11	3.23
<b>Total</b>	<b>598.85</b>	<b>236.27</b>

**Note:15 FINANCE COST**

Particulars	Ended 31.03.2015 (` in Lacs)	Ended 31.03.2014 (` in Lacs)
Interest Expense	-	-
Interest on Income tax	2.02	10.61
Interest on TDS	0.55	3.06
Interest on Professional Tax	0.01	-
<b>Total</b>	<b>2.58</b>	<b>13.67</b>

**Note:16 DEPRECIATION AND AMORTIZATION EXPENSE**

Particulars	Ended 31.03.2015 (` in Lacs)	Ended 31.03.2014 (` in Lacs)
<b>DEPRECIATION</b>		
Depreciation for the Current Period (Refer Note 9 Fixed Assets)	731.16	485.97
Less : Transferred to WIP (Dep. Pertaining to Other-Plant & Machinery) (Refer Note:-20 (ix))	-	107.73
<b>Total</b>	<b>731.16</b>	<b>378.24</b>

**Note:17 OTHER EXPENSE**

Particulars	Ended 31.03.2015 (` in Lacs)	Ended 31.03.2014 (` in Lacs)
<b>OTHER EXPENSES</b>		
-Electricity	44.37	11.99
-Rent (Refer Note:-21(iv))	188.59	93.88
-Repairs & Maintenance expenses - others	1.10	1.29
-Insurance	5.42	2.19
-Rates And Taxes (Excluding Taxes On Income)	8.24	1.77
-Advertisement & Publicity	66.40	56.45
-Professional Fees	23.66	107.49
-House Keeping & Other Expenses	23.78	5.21
-Vehicle Hiring And Running Expense	86.92	67.56
-Project Development & Promotion Exp.	179.12	38.30
-Security Service Expense	216.94	126.01
-Office Expenses	11.97	18.59
-Computer & Peripheral Expenses	19.80	31.92
-Internet & Telephone Exp.	21.13	13.23
-Printing & Stationary	11.40	10.79
-Recruitment Expense	33.43	21.82
-Local Conveyance & Transportation Exp.	1.11	8.60
-Payment to Auditors(Refer Note:-18 below)	7.42	6.86
-Sitting Fee-Director	0.49	0.19
- Meeting Expenses	0.64	0.34
-Miscellaneous Expense	1.80	1.71
-Software Maintenance & Support	296.24	93.59
-Stamp Duty on issue of Share	30.17	79.30
-Other Misc. Project Expe	0.14	-
-Tour & Travells Exp	13.13	-
<b>Total</b>	<b>1293.41</b>	<b>799.08</b>

**Note:18 PAYMENT TO AUDITORS**

Particulars	Ended 31.03.2015 (` in Lacs)	Ended 31.03.2014 (` in Lacs)
<b>PAYMENT TO STATUTORY AUDITORS</b>		
As Statutory Auditor		
-Audit Fees (Including Service Tax)	7.42	6.74
-Out of Pocket Expense Ex.Statutory Auditor	-	0.12
<b>Total</b>	<b>7.42</b>	<b>6.86</b>

**Note: 19 Prior Period Expenditure**

Particulars	Ended 31.03.2015 (` in Lacs)	Ended 31.03.2014 (` in Lacs)
Expense To Be Recognised As Prior Period Exp.	-	10.56
<b>Total</b>	<b>-</b>	<b>10.56</b>

**20) Additional Information to the Financial Statements**

i) Previous Year's figures have been regrouped or rearranged wherever necessary to make them comparable with Current year's figures.

**ii) Capital and Other Commitments**

Contingent Liabilities and Commitments (To the extent not provided for)	(` .in Lacs)	
	As At 31.03.2015	As At 31.03.2014
Estimated amount of Contracts remaining to be executed on capital account and not provided for (Net of Capital Advance)	32563.55	11375.59
Claims against the company not acknowledged as debts claim towards Capital Works	146.00	-
<b>Total Amount</b>	<b>32709.55</b>	<b>11375.59</b>

iii) The Company has incurred expenditure at Motera and Indroda area towards various support facilities for implementation of Metro Project such as Depot, Casting Yard, warehouse complex and protection wall. The Ownership of the land of Indroda area belongs to R & B Department, Government of Gujarat and 12.64 hectare of land at Motera area has been acquired by the Company. The allotment of land at Indroda Area is pending with the respective authorities. The total amount of expenditure incurred towards various support facilities at Motera is ` .35903.62/- Lac (P.Y.35751.42) and at Indroda is ` .1330.36/- Lac (P.Y.1327.29). Which have been disclosed as Capital Work in Progress under Note No. 9 (C) of the Financial Statement of the Company.

**iv) Frauds identified during the year**

During the year two cases of frauds to the tune of ` .11584.21 Lac were identified and reported against which FIRs have been lodged by the company.



- One such incident pertains to quantitative difference observed by the management in connection with land development & earth filling works at Motera Area. Estimated value of such difference as per the FIR lodged is ` .11322 Lacs.
  - It has been observed by the management that 603 MT of TMT Steel is not traceable and verifiable in the stock during the detailed scrutiny of the quantity procured by the company. The total estimated cost of the non-traceable material as per the FIR lodged is ` .262.21 Lac. The aggregate estimated amount of the above incidents as per FIRs lodged is ` .11584.21 lacs. The same has been included in the Capital Work-In-Progress.
- v) Pending capitalization of the project and uncertainty about the commencement of business under income-tax provisions, computation of deferred tax liability / assets cannot be ascertained for the purpose of accounts.

**vi) Information in respect of Micro, Small and Medium Enterprises Development Act 2006:**

Information regarding suppliers, who are registered under the Micro, Small and Medium Enterprise Development Act, 2006 as at 31<sup>st</sup> March, 2015, has not been maintained, Hence the information required under Micro, Small and Medium Enterprise Development Act, 2006, is not ascertainable.

**vii) Expenditure in Foreign Currency (On Accrual basis)**

Particulars	2014-15 (` .in Lacs)	2013-14 (` .in Lacs)
(c) Technical Advisory Services	-	58.90
(d) Travelling Expenses	-	-
<b>Total</b>	<b>-</b>	<b>58.90</b>

**viii) Change in accounting policies**

**i) Treatment of interest on investment of unspent equity funds**

Following an opinion of the Expert Advisory Committee of the Institute of Chartered Accountants of India in case of another company engaged in similar activity, interest earned on investment of unspent equity funds has been considered as other income in the Statement of Profit & Loss for the year. Hitherto, the same was being netted off against Incidental Expenditure Pending Capitalization. The impact of the above change in accounting policy is as under.

Sr. No.	Particulars	` (In Lacs)
1	Increase in Profit for the Year 2014-15 & Balance of Reserves & Surplus (Subject To Income Tax)	4220.75
2	Increase in Capital Work In Progress	4220.75

- ii) The company being SPV for implementation & operation of Metro Rail Project, the management believes that all incidental expense incurred during the year are related to project implementation only and thus, the same have been transferred to Statement of Incidental Expenditure Pending Capitalization. Hitherto, the management, based on an ad-hoc estimate considered only 60% of such expenses as related to the project implementation and transferred

the same to the Statement of Incidental Expenditure Pending Capitalization. Balance 40% of such expenditure was charged off to the Statement of Profit & Loss of the year. The impact of such change in accounting policy is as under.

Sr. No.	Particulars	(In Lacs)
1	Increase in Profit for the Year 2014-15 & Balance of Reserves & Surplus (Subject To Income Tax)	1725.81
2	Increase in Capital Work In Progress	1725.81

#### Summary of impact of changes in Accounting Policies

Sr. No.	Particulars	(In Lacs)
1	Increase in Profit for the Year 2014-15 & Balance of Reserves & Surplus (Subject To Income Tax)	5946.56
2	Increase in Capital Work In Progress	5946.56

ix) Balances of the parties including old balances are subject to confirmation and necessary adjustments if any.

#### 21) Disclosure as per the Accounting Standards

##### i. Disclosure as per Accounting Standard 15 (Revised) Employee Benefits:

##### a. Principal actuarial assumptions at the balance sheet date (Expressed as Weighted Averages)

Particulars	31.03.15	31.03.14
Discounted Rate	7.94%	9.31%
Annual Increase in Salary Cost	7.00%	7.00%
Attrition Rate	2.00%	2.00%

##### b. Statement showing change in the present value of defined benefit obligation

(` In Lacs)

Particulars	31.03.15	31.03.14
Present Value Of Benefit Obligation As At The Beginning of The Current Period	33.79	16.74
Interest Cost	3.14	1.38
Current Service Cost	21.79	17.99
Actuarial (Gain) / Losses On Obligations	(26.92)	(2.32)
<b>Present Value Of Benefit As At The Current Period</b>	<b>31.80</b>	<b>33.79</b>

##### c. Table of recognition of Actuarial Gain/Losses

(` In Lacs)

Particulars	31.03.2015	31.03.14
Actuarial (Gains) / Losses On Obligation For The Period	(26.92)	(2.32)
<b>Total Actuarial (Gains) / Losses Recognised In Income &amp; Expense Statement</b>	<b>(26.92)</b>	<b>(2.32)</b>

**d. Amount Recognised in the Balance Sheet**

Particulars	(` In Lacs)	
	31.03.2015	31.03.14
Fair Value Of Plan Assets At The End Of The Period		-
(Present Value Of Benefit Obligation As At End Of The Year	(31.80)	(33.79)
Amount to be recognised as liability	(31.80)	(33.79)
Unrecognised Past Service Cost At The End Of The Period		
Unrecognised Transitional Liability At The End Of The Period		
<b>Net (Liability) / Asset Recognised In The Balance Sheet</b>	<b>(31.80)</b>	<b>(33.79)</b>

**e. Expense Recognised In the Income Statement**

Particulars	(` .In Lacs)	
	31.03.2015	31.03.14
Current Service Cost	<b>21.79</b>	<b>17.99</b>
Interest Cost	3.14	1.38
Actuarial (Gain) / Losses	(26.92)	(2.32)
<b>Expense Recognised in Profit &amp; Loss Account</b>	<b>(1.99)</b>	<b>17.05</b>

**f. Balance Sheet Reconciliation**

Particulars	(` .In Lacs)	
	31.03.2015	31.03.14
Opening Net Liability	33.79	16.74
Expense As Above	(1.99)	17.05
<b>Net Liability / (Asset) Recognised in The Balance Sheet</b>	<b>31.80</b>	<b>33.79</b>

- Company has made provision for payment of Gratuity and leave salary based on Actuarial Valuation using the Projected Unit Credit Method of ` .31.80 Lac (P.Y. ` .33.79 Lac) for the Year Ended 31<sup>st</sup> March, 2015 for the contractual employees.
- Retirement benefits to eligible government employees on deputation will be paid by their respective principal organisations/departments, from where they have been deputed, hence provision to that extent has not been considered.
- The gratuity and the leave salary plans are unfunded, accordingly as per the provisions of accounting standard the related investment risk has been factored in the valuation.

**ii) Disclosure as per Accounting Standard 17 “Segment Reporting”**

Since the project is under implementation phase, there are no primary reportable segments, either business or geographical.

**iii) Disclosure as per Accounting Standard 18 “Related Party Disclosure”**

As per Accounting Standard 18 on “Related Party Disclosure”, disclosure with regard to:

**a) List of related party transactions**

Sr. No.	Related Party	Nature of Relation
1	Government of India	Joint Venture Promoter with 50% equity shares & voting right in the company.
2	Government of Gujarat	Joint Venture Promoter with 50% equity shares & voting right in the company.

- Transactions carried out with Government of India during the year- Nil
- Transactions carried out with Government of Gujarat during the year- Equity share application money received - ₹.150 Cr.

**b) Key Management Personnel**

Sr. No.	Name of the Related Parties	Relationship
1	Shri I P Gautam	Vice Chairman & Managing Director (From 31.03.2014 to 17.03.2015)
		Managing Director (From 18.03.2015)
2	Dr. Manjula Subramaniam	Chairman (From 19.09.2013 to 25.03.2015)
		Director (From 26.03.2015)

**c) Transactions with Key Management Personnel**

**i. Salary paid to Key Management Personnel**

( ₹. In Lacs)

Particulars	Year Ended 31.03.15	Year Ended 31.03.14
Salary	29.63	23.17
Contribution to P.F	Nil	Nil
<b>Total Amount</b>	<b>29.63</b>	<b>23.17</b>

**iv) Disclosure as per Accounting Standard 19 “Lease”**

**Operating Lease:**

The Company has taken office premises under operating lease on leave and License non-cancellable agreements. The Company has given refundable interest free security deposits as per lease agreement. The future minimum lease payment in respect of which is as follows:

( ₹ In Lacs)

Particulars	Minimum Lease Payment	
	As at 31.03.2015	As at 31.03.2014
(a) Payable not later than 1 Year	7.47	155.14
(b) Payable later than 1 year and	-	18.89

not later than 5 years		
(c) Payable later than 5 Years	-	-
<b>TOTAL</b>	<b>7.47</b>	<b>174.03</b>

**v) Disclosure as per Accounting Standard 20 “Earning Per Share”**

Particulars		Year Ended 31.03.2015	Year Ended 31.03.2014
Profit/(Loss) attributable to equity share holder	(` In Lacs)	(2786.53)	(2314.63)
Weighted Average No. of Ordinary equity shares for Basic EPS	Nos.	1053972603	508417808
Nominal Value of Equity Shares	`	10.00	10.00
Basic EPS	`	0.26	(0.46)
Diluted EPS	`	0.26	(0.46)

As per Para 41 of Accounting Standard 20 “Earning Per Share”, Potential Shares are anti-dilutive when their conversion to equity shares would decrease loss per share from continuing ordinary activities. Accordingly, the effects of anti-dilutive potential equity shares were ignored in previous year while calculating the Diluted Earnings Per Share.

**For, RAMANLAL G SHAH & CO.  
CHARTERED ACCOUNTANTS**

Sd/-  
**[Sandeep R. Sutaria]**  
Partner  
M. No.10228

**Place: Ahmedabad  
Date:24.09.2015**

For and on behalf of the Board of Director

Sd/-  
**Managing Director**  
I.P.Gautam

Sd/-  
**Chief Financial Officer**  
S.S.Sabuwala

**Place: Gandhinagar  
Date:23-09-2015**

Sd/-  
**Director**  
Dr. J.N.Singh

Sd/-  
**Asst. Company Secretary**  
Hitesh Bhamare

**CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31.03.2015**

(₹ in Lacs)

Particulars		For the year ended 31-03-2015	For the year ended 31-03-2014
<b>(A)</b>	<b>Cash Flow From Operating Activities</b>		
	Net Profit / (Loss) From Operating Activity	4221.18	(1,437.14)
	<b>Adjustments For:</b>		
	-Depreciation	-	378.24
	-Interest On Income Tax	-	10.61
	-Interest & Other Income	-	(2,581.48)
	-Profit on Sale of Assets	(0.39)	(0.56)
	<b>Operating Profit / (Loss) Before Working Capital Changes</b>	<b>4,220.79</b>	<b>(3,630.33)</b>
	<b>Adjustments for changes in Working Capital</b>		
	-(Increase)/Decrease in Long Term Provisions	-	16.97
	-(Increase)/Decrease in Trade Payables	-	39.75
	-(Increase)/Decrease in Short Term Provisions	-	1.78
	-(Increase)/Decrease in Other Current Liabilities	-	1240.54
	-(Increase)/Decrease in Long Loans & Advances	-	(1,909.65)
	-(Increase)/Decrease in Short Term Loans & Advances	-	(24,326.64)
	-(Increase)/Decrease in Other Current Assets	(506.80)	(1.45)
	<b>Cash Outflow from Operations</b>	<b>3,713.99</b>	<b>(28,569.03)</b>
	Direct taxes paid (net of refund)	(1,460.64)	(969.70)
	<b>Net Cash Flow From Operating Activity (Total A)</b>	<b>2,253.35</b>	<b>(29,538.73)</b>
<b>(B)</b>	<b>Cash Flow From Investing Activities</b>		
	Purchase of Fixed Assets including Capital W. I. P. Fixed Assets	(33,297.25)	(25,908.91)
	Disposal of assets	0.57	1.33
	Interest Received	-	2534.36
	<b>Net Cash Flow From Investing Activity (Total B)</b>	<b>(33,296.68)</b>	<b>(23,373.22)</b>
<b>(C)</b>	<b>Cash Flow From Financing Activities</b>		
	Proceeds from Share Capital	-	25000.00
	Proceeds from Share Application Money	15000.00	30000.00
	Loan From Nationalised Bank	-	21600.00
	Repayment Borrowings	-	(46,600.00)
	Finance Cost	-	(2,822.33)
	<b>Net Cash Flow From Financing Activity (Total C)</b>	<b>15000.00</b>	<b>27177.67</b>
<b>(D)</b>	<b>Net Changes in Cash &amp; Cash Equivalents (A) + (B) + (C)</b>	<b>(16,043.33)</b>	<b>(25,734.28)</b>
<b>(E)</b>	<b>Cash &amp; Cash Equivalents at the beginning of the year</b>	<b>30933.30</b>	<b>56667.58</b>
<b>(F)</b>	<b>Cash &amp; Cash Equivalents at the end of the year (D) + (E)</b>	<b>14889.97</b>	<b>30933.30</b>
	<b>Components of Cash &amp; Cash Equivalents comprise (Ref. Note - 11)</b>		
	<b>Balances with Banks</b>		
	-On Current Accounts	10.69	7.37
	-On Auto Sweep FD	379.28	925.68
	-Deposits with original maturity of less than three months	14500.00	30000.00
	<b>Cash Balance on hand</b>	-	0.25
	<b>Total Cash &amp; Cash Equivalents</b>	<b>14889.97</b>	<b>30933.30</b>



**Notes to Cash Flow Statement**

- (a) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.
- (b) Purchase of Fixed Assets are stated inclusive of movements of Capital Work in Progress, Assets under development.
- (c) Previous year figures have been regrouped and reclassified where-ever considered necessary to conform to the current year's figures.
- (d) Investments of surplus equity funds resulting in above interest of Rs.2253.31 Lacs (P.Y.Rs.1564.66 Lacs) has been considered as Cash Equivalents. Since this interest does not qualify for treatment as Cash Flow From Financing or Investing activities as per AS-3, the same has been considered as cash flow from operating activity as residuary category of cash flows.
- (e) Purchase of Fixed Assets including Capital W. I. P. Fixed Assets is Rs. 34028.41 out of that non cash is Rs 731.16 lacs and cash is Rs. 18996.82 lac and impact of working capital change thereon is Rs.14300.43 Lac (as per below)

Impact of Change in working capital related to CWIP	(14,300.43)
-(Increase)/Decrease in Long Term Provisions	(1.96)
-(Increase)/Decrease in Trade Payables	17.28
-(Increase)/Decrease in Short Term Provisions	(1.55)
-(Increase)/Decrease in Other Current Liabilities	(1,543.41)
-(Increase)/Decrease in Long Loans & Advances	(1,074.67)
-(Increase)/Decrease in Short Term Loans & Advances	(11,696.12)

As per our report of even date attached

**For, RAMANLAL G SHAH & CO.  
CHARTERED ACCOUNTANTS**

For and on behalf of the Board of Director

Sd/-  
**[Sandeep R. Sutaria]**  
Partner  
M. No.10228

Sd/-  
**Managing Director**  
I.P.Gautam

Sd/-  
**Director**  
Dr. J.N.Singh

Sd/-  
**Chief Financial Officer**  
S.S.Sabuwala

Sd/-  
**Asst. Company Secretary**  
Hitesh Bhamare

**Place: Ahmedabad  
Date:24.09.2015**

**Place: Gandhinagar  
Date:23-09-2015**