



**METRO-LINK EXPRESS FOR GANDHINAGAR
AND AHMEDABAD (MEGA) COMPANY LIMITED**
(A SPV of Govt. of India & Govt. of Gujarat)



6th Annual Report 2015-16

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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

Present Board of Directors:

- | | | |
|-----|------------------------------|--|
| 1. | Shri Rajiv Gauba, IAS | <i>Ex-officio</i> Chairman & Secretary, Urban Development, Govt. of India |
| 2. | Smt. Jhanja Tripathy, IRAS | Nominee Director (Govt. of India) |
| 3. | Shri Mukund Kumar Sinha | Nominee Director (Govt. of India) |
| 4. | Shri Shailendra Singh | Nominee Director (Govt. of India) |
| 5. | Shri S.S. Rathore | Nominee Director (Govt. of Gujarat) |
| 6. | Shri Anil Mukim, IAS | Nominee Director(Govt. of Gujarat) |
| 7. | Shri Punamchand Parmar, IAS | Nominee Director(Govt. of Gujarat) |
| 8. | Shri Ajay Bhadoo, IAS | Nominee Director(Govt. of Gujarat) |
| 9. | Shri I. P. Gautam, IAS(Retd) | Managing Director |
| 10. | Shri Biren Parmar, IAAS | Whole Time & Functional Director(Finance) |
| 11. | 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
Bank of India

Chief Financial Officer

Shri Shabbir Sabuwala

Company Secretary

Shri Navin Varma

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,

CIN: U60200GJ2010SGC059407



CHAIRMAN'S MESSAGE

Dear Shareholders,

It gives me immense pleasure to present the 6th Annual Report of your Company (1st of SPV) for the financial year 2015-16. Your Company is committed to provide world class Metro-rail services in and around the Ahmedabad City. For timely implementation of the project, your Company has been taking significant steps during the last financial year.

As you are aware , for implementation of the Ahmedabad Metro Rail Project Phase 1, your Company was converted into a 50:50 SPV of Government of India and Government of Gujarat on 18th March,2015. A Memorandum of Understanding / Tripartite Agreement was signed between Government of India, Government of Gujarat and MEGA Company Limited on 21st July, 2015. As per approved financing plan, Loan agreement has been signed between Government of India and Government of Japan for ODA loan from Japanese International Cooperative Agency (JICA) to Ahmedabad Metro Rail project Phase 1 on 4th March,2016 for 82434 million Yen. It is also important to mention that Western Railway has approved use of Railway Land for construction work of Ahmedabad Metro on North South Corridor.

On the project front, the project implementation activities have commenced and efforts are being made to meet the project schedules within stipulated time. I would like to share with you that General Engineering Consultancy (GEC) work has been awarded and GEC has started the work from October,2015. Major construction and Design & Drawing Consultancy (DDC) work tenders have been finalized and awarded for the priority reach. Civil works for Viaduct and Station construction , are progressing on both the corridors. Tenders for Rolling stock, Traction, Signalling and Communication, Underground work, JICA funded Civil works, Traction & Power supply, & Rails are at different stages of evaluation and approvals from JICA as per loan guidelines. It gives me pleasure to inform you that efforts made in implementation of the project are yielding the results and project is progressing for a timely implementation.

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 Ahmeddabad.

Yours sincerely,

Sd/-
(Rajiv Gauba)
Chairman
DIN 06413989

Date: 20th September, 2016

Place: New Delhi

NOTICE

NOTICE IS HEREBY GIVEN THAT THE SIXTH ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF **METRO LINK EXPRESS FOR GANDHINAGAR AND AHMEDABAD (MEGA) COMPANY LIMITED** WILL BE HELD ON THURSDAY, THE 29th DAY OF SEPTEMBER, 2016 AT 12.00 P.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 31st March, 2016, Statement of Profit & Loss for the year ended on 31st March, 2016 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. 2016-17.

“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. 2016-17 vide letter no CA. V/COY/GUJARAT,GUJMET(1)/1062 dated 22/08/2016 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. 2016-17 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.7,50,000/- (Rupees Seven Lakhs Fifty Thousand Only) plus service tax as applicable, towards the statutory audit fees for financial year 2016-17 and agreed upon by M/s. Ramanlal G Shah & Co.”

SPECIAL BUSINESS

ITEM No. 03

EXTENTION OF TENURE OF SHRI I. P. GAUTAM, IAS (RETD) AS A MANAGING DIRECTOR OF THE COMPANY

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

“RESOLVED THAT pursuant to the provisions of sections 196 and other applicable provisions of the Companies Act 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any amendments thereto or re-enactment thereof for the time being in force) read with Schedule V to the Companies Act 2013 (“the Act”), the Company in general meeting hereby approves, confirms and ratifies the order no. MGA-122013-2642-DH dated 22/09/2016 of UD &UHD, Govt of Gujarat for extention of the tenure of appointment of Shri. I. P. Gautam, IAS (Retd) (DIN: 00260908) as a Managing Director of the Company upto 31.03.2018 commencing from the date of his joining on the terms and conditions as stipulated in the order no. MGA-122013-2642(2)-DH dated 31-03-2014 of UD &UHD, Govt of Gujarat. The terms and conditions of appointment of Shri. I.P. Gautam, IAS (Retd) is abstracted below:

1. The terms of his appointment as Managing Director shall be up to 31.03.2018.
2. His pay shall be fixed on the basis of the formula of “last pay drawn minus pension”.
3. He will get the Dearness Allowance on the Last Pay Drawn by him immediately before his retirement.
4. He will continue to retain the same Government accommodation as has been allotted to him in Gandhinagar as Principal Secretary.
5. He will get the Travelling Allowance, Daily Allowance on the same scale as that of a Principal Secretary to Government.
6. He will get medical facilities / medical reimbursements as available to an AIS pensioner under the standing orders of the Government.
7. He will be provided Government vehicle for coming to office and going back home. If he uses the Government Vehicle for private purpose, he will make payment as per G.R. GAD No. AIS/3185/4168/G dated 11.9.1985 as mentioned from time to time.
8. He will be provided office as well as residential telephone, fax machine etc on the same scale as available to a Principal Secretary.
9. He will be provided a mobile phone with same monthly and annual limit as applicable to an officer in the grade of principal secretary to Government.

10. He will be allowed 15 days paid leave on non-cumulative and non-encashable basis during every complete year of appointment but he will not be allowed to encash the accumulated leave on completion of the tenure as Managing Director;

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: 26/09/2016
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 Sixth 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

The Government of Gujarat has appointed Shri I.P. Gautam, IAS (Retd) as a Vice Chairman and Managing Directors of MEGA Company Limited (a wholly owned company of State Government) for a period of 3 years on 31/03/2014 and decided the terms and conditions vide order number MEGA/122013/2642(2)DH of UD&UHD dated 31/03/2014.

The MEGA Company was converted in to 50:50 SPV of Govt. of India and Govt. of Gujarat in March, 2015 as per the terms and conditions of Sanction Order No. K-14011/57/2011-MRTS-IV/UT-II dated 17/11/2014 of Ministry of Urban Development, Govt. of India. Shri I. P. Gautam was appointed as a first Managing Directors of the SPV – MEGA Company Limited by the shareholders of the Company in March, 2015.

Now, the Government of Gujarat has extended the tenure of appointment of Shri I.P. Gautam Managing Director of MEGA Company Limited (50:50 SPV of GoI and GoG) upto 31st March, 2018 on the same terms and conditions of the order no. MEGA/122013/2642(2)DH of UD&UHD dated 31/03/2014.

Accordingly, the Board recommends the resolution in relation to extension tenure of Shri. I. P. Gautam, IAS (Retd) as a Managing Director upto 31.08.2018 on the same terms and

conditions of the order no. MEGA/122013/2642(2)DH of UD&UHD dated 31/03/2014, for the approval by shareholders of the Company.

Except Shri. I.P. Gautam, IAS(Retd) being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 3.

**By order of the Board of Directors
MEGA Co. Ltd.**

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

**Date: 26/09/2016
Place: Gandhinagar**

**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 6th Annual General Meeting of the Company to be held on Thursday, 29th September, 2016 at 12.00 PM 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 _____, 2016

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 6th 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 Thursday, 29th September, 2016 at 12.00 PM.

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

NOTE: Persons attending the 6th Annual General Meeting are requested to bring their copies of Annual Report.

Form 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 6th Annual General Meeting on Thursday 29th September 2016 at a shorter
notice.

Signature: _____

Name: _____

(In Block Letters)

Date:

Place:

BOARD'S REPORT FOR THE FINANCIAL YEAR 2015-2016

Dear Shareholders,

Your Directors have immense pleasure in presenting the 6th 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 31st March, 2016.

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 the key financial highlights for the year under review:

| Particulars | (Rs. In Lakhs) | |
|--|-----------------|-----------|
| | 2015-16 | 2014-15 |
| Gross Income / Turnover | 3680.08 | 4221.18 |
| Profit / (Loss) Before Interest and Depreciation | 3680.08 | 4221.18 |
| Less: Tax Expense | 1273.59 | 1434.65 |
| Profit / Loss after Tax | 2404.12 | 2786.53 |
| Add: Balance brought forward from the previous year | (772.86) | (3559.39) |
| Balance Profit / (Loss) C/F to the next year | 1631.26 | (772.86) |

Additional Financial Information

| Particulars | (Rs. In Lakhs) | |
|---------------------------------|-----------------|----------|
| | 2015-16 | 2014-15 |
| Capital Work in Progress | 71861.27 | 52788.00 |
| Other Fixed Asset | 21673.89 | 17362.61 |

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 31st March, 2016.

III. AHMEDABAD METRO RAIL PROJECT PHASE-1

A. PROJECT OVERVIEW

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

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).

Ahmedabad Metro Rail Project Phase -1 will have Metro Rail network for the following routes:

| Corridor | Elevated (Route Length kms) | Underground (Route Length kms) | Total Route length Kms. | Completion Cost (Rs. Crore) |
|--|-----------------------------|--------------------------------|-------------------------|-----------------------------|
| East West Corridor (Thaltej Gam – Vastral Gam) | 14.20 | 6.34 | 20.54 | 4030.00 |
| North South Corridor (APMC – Motera Stadium) | 15.42 | 0.00 | 15.42 | 6743.00 |
| Total | 29.62 | 6.34 | 35.96 | 10773.00 |

- The Ahmedabad Metro Rail Project Phase-1 will cover a total distance of 35.96 kms ¹ along both the corridors at a completion cost of Rs. 10,773 crores ².

¹ 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.

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

B. PROJECT PROGRESS MILESTONES

- MEGA Company Limited has been converted in to a Joint Venture Company (50:50 basis) of Government of India and Government of Gujarat with effect from 18th March, 2015.
- A Memorandum of Understanding / Tripartite Agreement was signed between Government of India, Government of Gujarat and MEGA Company Limited on 21st July, 2015.
- The Foundation Stone laying ceremony of the Ahmedabad Metro Rail Project Phase-1 for North-South Corridor was done by the Honorable Chief Minister, Government of Gujarat on 17th January, 2016 at Jivraj Park, Ahmedabad.
- Western Railway approved use of Railway Land for construction work of Ahmedabad Metro on North South Corridor.

C. PROGRESS ON GROUND**General Engineering Consultant**

On the project front, General Engineering Consultancy work was awarded and the contract was signed on 5th October, 2015. GEC has commenced its work from 14th October, 2015.

Civil Work

The civil construction works have commenced and work is progressing at a brisk pace on both the corridors.

i. East-West Corridor (From Vastral Gam to Thaltej Gam)**Viaduct Work**

The East West Corridor route from Vastral Gam to Apparel Park is identified as Priority Reach. The Contract for Viaduct construction for Priority Reach was awarded on 4th February, 2015. As on date construction of 680 Piles, 117 Pile Caps, 98 Piers, 75 Pier Cap 731 segments and 44 spans erecting is completed on Reach 1 of East –West Corridor.

Station construction work

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 21st August, 2015.

- As on date, the construction progresses of the stations are:

| STATION NAME | PILE | PILE CAP | PIER |
|-------------------|---------|----------|-------|
| VASTRAL GAAM | 127/127 | 27/27 | 26/27 |
| NIRANT CROSS ROAD | 56/118 | 05/25 | 02/25 |
| VASTRAL | 70/70 | 01/10 | 00/10 |
| APPAREL PARK | 126/126 | 20/27 | 10/27 |
| RABARI COLONY | 60/70 | 00/10 | 00/10 |
| AMRAIWADI* | 00/70 | 00/10 | 00/10 |

Casting Yard

Work for viaduct casting yard has also commenced. Casting yard has been established in July 2015 and segment casting work has been started in September 2015. Out of 1776, 731 segments have been cast till the date of this report. Work being done at the rate of 3 segments/ day.

Depot work

17 Hectares of land for Apparel Park depot is allotted by GIDC to the Company and the possession was taken by MEGA on 21st October, 2015. The work started on 09th February 2016. The various activities i.e. construction of Embankment, excavation of Foundation, PCC and reinforcement work is in full swing.

ii . North – South Corridor (From APMC to Motera)

On the North-South Corridor the work has started from APMC to Shreyas (station and viaduct) and Motera to Ranip (viaduct only).

Viaduct Work

- Ranip to Motera, Package 4A

The company has awarded a contract for Construction of Elevated viaduct from Ranip to Motera (package 4A) on 12th January 2016. As on date, construction of 49 Piles and 05 segments have been completed on package 4A of NS Corridor.

- APMC to Shreyas, Package 1

The company has awarded a contract for the Construction of Elevated viaduct and Station from APMC to Shreyas (Package 1) on 11th December 2015. As on the date of this report construction of 128 Piles, 18 pile caps, and 06 segments have been completed on package 1 of North-South Corridor.

Station Progress of Package 1

The company has awarded a contract for construction of 4(four) elevated Metro Stations including the viaduct portion and transition spans on either sides of the stations (APMC, Jivraj, Rajivnagar and Shreyas) on Reach-1 of NS Corridor on 11th December, 2015. As on date, the construction of 91 Piles have completed on package 1 of North-South Corridor.

Casting Yard Progress

Work of segment casting for North-South Corridor has commenced. Out of 1354, 6 segments have been casted till the date of this report.

Depot Progress

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 has been awarded on 4th June, 2015. Earth work completed and about 2132 running meters length of boundary wall is completed. The work for construction of Gyaspur depot has been awarded on 26th October, 2015.

As on date, the work progress is as follows:

88% of boundary wall work is completed and 95% of Earth work completed

Pile work Progress:

| LOCATION | PILE | PILE CAP |
|-------------------------------|------|----------|
| ADM Block | 77 | 32 |
| BCC/DCC Building | 86 | 16 |
| Stabling shed | 184 | 28 |
| P way | 70 | 0 |
| Depot Store | 111 | 0 |
| Repair and Maintenance office | 74 | 0 |
| Repair Bay | 88 | 0 |
| Canteen Block | 74 | 0 |
| Inspection Bay | 129 | 0 |

D. FINANCIAL PROGRESS

As per approved financing planning, the Japan International Cooperation Agency (JICA) has sanctioned ODA loan of Rs. 5968 crore (1,12,816 million JPY) to be disbursed in two tranches. In first tranche the loan amounting to 82434 million JPY i.e. Rs. 4361 crore approx.(as per the exchange rate dated 27/7/2015) would be disbursed. The Government of Japan has signed a confirmation agreement with the Government of India on 27th November, 2015. The loan agreement between JICA & GOI is signed on 04/03/2016.

IV. CHANGES IN SHARE CAPITAL

During the Financial Year 2015-16, the Authorised share capital of the Company was Rs.4000 Crores.

The paid up share capital of the Company has been increased from Rs.1100 Crore to Rs.1325.21 Crore on account of infusion of additional equity by the Government of India.

Pursuant to G.R No. MIS-112014-1100-1-DH dated 4th July, 2016 of Government of Gujarat, Share application money pending allotment amounting Rs. 312 crores has been converted into additional subordinate debt from Government of Gujarat by the Board of Directors on 5th July, 2016.

V. INTERNAL CONTROL SYSTEM

The Company's internal control system comprises of 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 independently evaluate the adequacy of internal controls through 100% pre-audit process. 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 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 is 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.

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 under review:

Government of India Nominee Directors

- Shri Praveen Prakash, IAS - Joint Secretary (W), Ministry of Urban Development, Government of India ceased to be the Director of the Company with effect from 03/12/2015 pursuant to the O M No. K-14011/16/2014-UT. II of Ministry of Urban Development, Government of India dated 03/12/2015.
- Smt. Jhanja Tripathi, IRAS – Joint Secretary & Financial Advisor, Ministry of Urban Development, Government of India was appointed as a Nominee Director on the Board with effect from 09/12/2015 vice Shri Praveen Prakash, IAS.
- Shri R. Ramanathan, - Director (Projects), Chennai Metro Rail Limited has resigned from the Directorship of the Company with effect from 09/03/2016 pursuant to the completion of his tenure at Chennai Metro Rail Limited.

Government of Gujarat Nominee Directors

- Shri G.R. Aloria, IAS – Additional Chief Secretary, Urban Development and Urban Housing Department, Government of Gujarat has resigned from the Directorship of the Company with effect from 03/06/2015 pursuant to his appointment as a Chief Secretary to the Government of Gujarat.
- 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.
- Dr. Manjula Subramaniam, IAS (Retd) – Former Chief Secretary, Government of Gujarat and Nominee Director of Government of Gujarat has resigned from the Directorship of the Company with effect from 18/01/2016.

Functional Directors

- 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 (CAG) with effect from 19/10/2015.

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.

Pursuant to the provisions of section 203 of the Act, the Key Managerial Personnel of the Company are –

MANAGING DIRECTOR

- Shri I. P. Gautam, IAS (Retd)

CHIEF FINANCIAL OFFICER (CFO)

- Shri Shabbir Saifuddin Sabuwala

COMPANY SECRETARY

- 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 in compliance to the provisions of section 203 of the Companies Act, 2013.

The following changes among the Directors took place during the current financial year i.e 2016-17 (before the date of Annual General Meeting)

- Shri Madusudan Prasad, IAS *Ex-officio* Chairman, MEGA Company Limited & Secretary – Ministry of Urban Development, Government of India ceased to be the Director of the Company with effect from 05/04/2016, pursuant to his superannuation from the services of Government of India.
- Shri Rajiv Gauba, IAS *Ex-officio* Chairman, MEGA Company Limited & Secretary – Ministry of Urban Development, Government of India has joined the Board with effect from 05/04/2016 vice Shri Madhusudan Prasad, IAS(Retd)
- Shri S. S. Rathore - Managing Director, Sardar Sarovar Narmada Nigam Limited (SSNNL) has joined the Board with effect from 05/07/2016 as a Nominee Director of Government of Gujarat vice Dr. Manjula Subramaniam, IAS (Retd).
- Shri Punamchand Parmar, IAS – Additional Chief Secretary, Urban Development and Urban Housing Department has joined the Board of Directors of the Company with effect from 05/07/2016 as a Nominee Director of Government of Gujarat vice Dr. Rajiv Kumar Gupta, IAS.
- Dr. J.N. Singh, IAS – Additional Chief Secretary, Finance Department has resigned from the directorship of the Company with effect from 31/07/2016, pursuant to his elevation as a Chief Secretary to the Government of Gujarat.
- Shri Anil Mukim, IAS – Additional Chief Secretary, Finance Department has joined the Board of Directors of the Company with effect from 08/09/2016 as a Nominee Director of Government of Gujarat vice Dr. J. N. Singh, IAS

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 four (4) times during the financial year from 1st April, 2015 to 31st March, 2016. The dates on which the meetings were held are – 15th May 2015, 15th September 2015, 09th December 2015 and 10th March, 2016 during the period under review.

X. COMMITTEES OF THE BOARD

The following Committees have been constituted by the State Government for Ahmedabad-Gandhinagar Metro Rail Project:

(a) High Power Committee under the Chairmanship of the then Hon'ble Minister (Health, Family Welfare, Roads & Building), Government of Gujarat. (Reconstituted vide order no. Project/102011/S.F.22 (part)/GHA dated 12-01-2016).

(b) High Power Committee under the Chairmanship of Chief Secretary, Government of Gujarat. (constituted pursuant to clause 6(ii) of the Project Sanction Letter dated 17.11.2014)

The following Committees were constituted by the Board of Directors:

| Committee | Members as on 31/03/2016 | Members as on date | |
|--|--|--------------------------------|-------------|
| Audit Committee | Dr. J. N. Singh, IAS | Vacant | Chairman |
| | Shri Mukund Kumar Sinha | Shri Mukund Kumar Sinha | Member |
| | Shri Shailendra Singh | Shri Shailendra Singh | Member |
| | Shri Ajay Bhadoo, IAS | Shri Ajay Bhadoo, IAS | Member |
| Project Committee | Shri. I.P. Gautam, IAS (Retd.) | Shri. I.P. Gautam, IAS (Retd.) | Chairperson |
| | Dr. J.N. Singh, IAS | Vacant | Member |
| | Shri Ajay Bhadoo, IAS | Shri Ajay Bhadoo, IAS | Member |
| | Shri R. Ramanathan | Vacant | Member |
| Nomination and Remuneration Committee | Dr. Manjulasubramaniam, IAS (Retd) | Shri S. S. Rathore | Chairperson |
| | Shri. I.P. Gautam, IAS (Retd.) | Shri. I.P. Gautam, IAS (Retd.) | Member |
| | Shri R. Ramanathan | Vacant | Member |
| | Shri Ajay Bhadoo | Shri Ajay Bhadoo | Member |
| Corporate Social Responsibility (CSR) Committee | This committee is under reconstitution | | Chairman |
| | | | Member |
| | | | 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 and Shri Ajay Bhadoo, IAS as members

During the period under review, two (2) meeting of the Audit Committee were duly held on 31 August, 2015 and 9 December, 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 COMMITTEES

The High Power Committee (HPC) under the chairmanship of the then Hon'ble Minister (Health, Family Welfare, Roads & Building), Government of Gujarat has met during the year under review on 13th January, 2016 and has given various decisions / directions for smooth and speedy implementation of Ahmedabad Metro Rail Project Phase-1.

The High Power Committee under the chairmanship of Chief Secretary, Government of Gujarat has been constituted during the year, for review of the project. The aforesaid committee met during the year on 1st October, 2015 and 5th April, 2016.

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 31st March, 2016, 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 31st March, 2016, 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 2015-16.

The Independent Auditors' Report on the accounts of the company for the financial year ended March 31, 2016 and the comments of the Comptroller and Auditor General of India received vide their Letter No. ES-I/A/cs/MEGA/2015-16/OW 1045 dated 22.08.2016 under Section 143(6)(b) of the Companies Act, 2013 and the management reply thereon is provided as Annex-1 & Annex-2 respectively

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 financial year 2015-16 is placed at Annex-3 of this report.

The observations of Secretarial Auditors in their report are as follows:

- (a) Appointment of Independent Directors is pending as provided under Section 149(4) of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014;**
- (b) In the absence of Independent Directors on the Board, the Audit Committee do not consist any Independent Director as per Section 177 read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014.**

Your Directors wish to state that the Company, being a Government Company (50:50 SPV of Govt. of Gujarat & Govt. of India) the power to appoint Independent Director rests with State

Government & Central Government as per notification no: GSR 463 (E) dated 05/06/2015 of the Ministry of Corporate Affairs (MCA). Further, the Company has submitted a proposal to State Government as well as Central Government through their respective departments for appointment of Independent Directors.

Internal Auditor

M/s. Talati & Talati, Chartered Accountants, Ahmedabad have been appointed as Internal Auditors of the Company for the Financial Year 2015-16 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. 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 - 4.

XVI. 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. 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 for the period under review.

XVII. 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.

XVIII. 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.

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.

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)

| Particulars | 2015-16 (Rs. in Lacs) | 2014-15 (Rs. in Lacs) |
|---------------------------------|-----------------------|-----------------------|
| (a) Technical Advisory Services | 493.15 | - |
| (b) Travelling Expenses | - | - |
| TOTAL | 493.15 | |

XIX. 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.

XX. 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.

XXI. 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/-
MUKUND KUMAR SINHA
DIRECTOR**

**Sd/-
NAVIN VARMA
COMPANY SECRETARY**

**Sd/-
S. S. SABUWALA
CHIEF FINANCIAL OFFICER**

**DATE: 26/09/2016
PLACE: NEW DELHI**

**REPLIES TO STATUTORY AUDITORS QUALIFICATIONS IN THE AUDIT REPORT FOR THE YEAR ENDED
31ST MARCH 2016**

| | Auditors Comments | Management Reply |
|--|--|---|
| | <p>Basis of Qualification</p> <p>1. Note no. 4.3 to the financial statements wherein the Company has disclosed share application money received from the Government of Gujarat (GOG) to the tune of Rs. 150 crores as 'Share Application Money Pending Allotment' and that the same is not refundable to the GOG and thus no interest provision is considered thereon. Such treatment is not in accordance section 62 (1) (c) of the Companies Act, 2013 read with Rule 13 of Companies (Shares and Debentures) Rules, 2013 wherein share application money has to be deposited in a separate bank account till allotment is made and if allotment does not take place within 60 days of receipt of application money, the same stands refundable and attracts interest @ 12% p.a. from the expiry of 60 days of receipt thereof. In our opinion, as no</p> | <p>Company has received Rs. 150 crore Share Application money from Government of Gujarat on 31.03.2015. In the 25th Board meeting held on 15.05.2015 while deleberating the Agenda for allotment of Equity Shares against Rs. 150 crore Share application money, the Board has directed that MEGA Company Limited is a 50:50 SPV of GOI and GOG. Hence, the share capital ratio of the Company needs to be 1:1.</p> <p>Further we have relied on a letter No. F No. K-14011/13/2016-MRTS-Coord dated 20.05.2016 from Ministry of Urban Development, Government of India vide which it was communicated that the time limit of 60 days for the allotment of shares is not applicable on 50:50 JV Government Companies.</p> <p>In our Notes to accounts, under Note No. 4.1 it is mentioned that 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. Shares are issued in such manner that the proportion of equity holding of the shareholders are equal.</p> |

| | | |
|--|---|---|
| | <p>allotment has been made, the said application money should be transferred to current liabilities. Treatment of share application money by the Company has resulted into understatement of closing balance of Current Liabilities by Rs. 150 crores, overstatement of net worth by Rs.150 crores, overstatement of profit for the year by Rs. 15.05 crores (being the interest not provided for on such refundable share application money) and resultant overstatement of closing balance of Reserves & Surplus by Rs. 15.05 crores.</p> | <p>With reference to the Interest Accrued on Share Application money not allotted , under Note No. 4.3 Interest Accrued on amount due for refund it is mentioned that it is not applicable as there is no amount to be refundable to share applicant. Company is of the opinion based facts that application money received from the Government of Gujarat aggregating to 150 crore is not refundable to GOG thus no interest is considered necessary.</p> <p>Under point 4.4 it is also mentioned that the period is not fixed as there is no agreement or term sheet or share application form from or any conditions at the time of acceptance of the share application amount. Shares shall be issued on receipt of matching contribution from GOI/GOG.</p> |
| | <p>2. Disclosure of Diluted Earnings Per Share in the Statement of Profit & Loss for the year - Note no. 21 (v) to the financial statements. Treatment of share application money received from the GOG as non refundable as mentioned in note no. 4.3 to the financial statements and considering it as potentially dilutive has resulted into understatement of Diluted Earnings Per Share for the year by Rs.0.02.</p> | <p>Further pursuant to G.R No. MIS-112014-1100-1-DH dated 4th July, 2016 of Government of Gujarat, Share application money pending allotment amounting Rs. 312 crores has been converted into additional subordinate debt from Government of Gujarat by the Board of Directors on 5th July, 2016.</p> <p>This is a material fact.</p> |

ANNEX-2

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 31ST MARCH 2016.

| | Comments of the Comptroller & Auditor General of India | Management Reply |
|--|--|--|
| | <p>The preparation of financial statements of Metro Link Express for Gandhinagar and Ahmedabad (MEGA) Company Limited for the year ended 31 March 2016 in accordance with the financial reporting framework prescribed under the companies Act, 2013 (Act) is the responsibility of the Management of the Company. The Statutory Auditors appointed by the Comptroller and 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 Standard on Auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 7 July 2016</p> <p>I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) of the financial statements of Metro Link Express</p> | <p>We invite your attention to note no. 9 (c) to the financial statements wherein it has been mentioned that 'State Government has issued GR No. MIS-112014-1100 – DH dated 4th July, 2016 vide which additional subordinate debt of Rs. 467 crores is sanctioned for expenditure incurred on other than phase I of the project'.</p> <p>The above GR of the Government of Gujarat (GOG) implies that the entire CWIP expenditure (including Rs.115.84 crores on account of probable frauds) incurred by the Company till Balance Sheet date on Other than phase I of the project is to be funded by the Government of Gujarat in the form of additional subordinate debt. Since the entire expenditure is to be funded by the GOG, the said amount of Rs.115.84 crores on account of probable fraud is no longer a loss for the Company and thus, no provisioning was to be required. Further, since the said GR is dated 4th July, 2016, it is an event occurring after the Balance Sheet date pertaining to</p> |

for Gandhinagar and Ahmedabad (MEGA) Company Limited for the year ended 31 March 2016. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditor and Company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report:

COMMENTS ON PROFITABILITY

1. Balance Sheet

Capital work in progress (Rs.527.88 crore)

Other than phase-I (Rs.385.15 crore)

The above includes an amount of Rs.115.84 crore towards loss due to probable frauds, which is disclosed by way of note 20(iv). As neither qualifying assets were available nor any significant future economic benefit would be available to the company, therefore, the company should have made a

2015/16 in terms of paragraph 3.2 of AS 4 'Contingencies and Events Occurring After the Balance Sheet Date'.

Further this matter is under consideration in court of law. Considering this, it would be prudent that after verdict of the court law, the necessary adjustment entry will be made in the books of accounts if required any. Appropriate accounting treatment can be decided only on completion of final investigation/ legal case.

Thus, in our view, on an overall consideration of the above facts for the amount of Rs.115.84 crores no provision is required against the same in books of account at this juncture.

| | |
|--|--|
| <p>provision for loss of Rs.115.84 crore.</p> <p>Further, the above comment was issued in respect of accounts for the Financial Year 2014-15 that was not complied. The non-provision has resulted in overstatement of CWIP and Profit for the year by Rs.115.84 Crore.</p> <p>For and on behalf of the Comptroller and Auditor General of India</p> <p>Sd/- (Y. N. Thakare) Pr. Accountant General (E & R S A), Gujarat</p> <p>Place: Ahmedabad Date:22-08-2016</p> | |
|--|--|

Place: Gandhinagar
Date: 31.08.2016

For and behalf of the Board of Directors
Sd/-
(I.P. Gautam)
Managing Director

Annex-3SECRETARIAL 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 31/03/2016

[Pursuant to Section 204(1) of the Companies Act, 2013 and

Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

SECRETARIAL AUDIT REPORT

(FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016)

To,
The Members
Metro-Link Express for Gandhinagar and
Ahmedabad (MEGA) Company Limited
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'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the 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 representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

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



Inward No. : GR/2936

Date : 24/8/2016

- (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;

Provision of (ii) to (iv) above were not applicable to the Company during the audit period.

- (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;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 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;

Clause V (a) to (h) were not applicable to the Company during the audit period.

- (vi) Following are some other laws specifically to the Company:

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 the 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 Directors is pending as provided under Section 149(4) of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014;

(b) In the absence of Independent Directors on the Board, the Audit Committee do not consist any Independent Director as per Section 177 read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014.

The power to appoint Independent Director rests with State Government & Central Government as per notification no: GSR 463 (E) dated 05/06/2015 of the Ministry of Corporate Affairs (MCA). We are informed that the Company has submitted a proposal to State Government as well as Central Government through their respective departments for appointment of Independent Directors.

We further report that except as above, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors. The change in the composition of the Board of Directors took place during the audit period 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 the decisions were carried out unanimously and recorded as part of the minutes.

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





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

Annexure A

To,
The Members
Metro-Link Express for Gandhinagar And
Ahmedabad (MEGA) Company Limited
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 Limited (hereinafter called 'the company'). Our responsibility is to express an opinion on these Secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the 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 Company.
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 Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Ahmedabad
Date: 24/08/2016

For Arvind Gaudana & Company
(Company Secretaries)



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

Annex-4
**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN**
As on financial year ended on 31.03.2016
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 | U60200GJ2010SGC059407 |
| 2. | Registration Date | 04/02/2010 |
| 3. | Name of the Company | METRO-LINK EXPRESS FOR GANDHINAGAR AND AHMEDABAD (MEGA) COMPANY LIMITED |
| 4. | Category/Sub-category of the Company | METRO RAILWAY TRANSPORT SERVICES |
| 5. | Address of the Registered office & contact details | BLOCK NO.1, FIRST FLOOR, KARMAYOGI BHAVAN, BEHIND NIRMAN BHAVAN, SECTOR-10-A, GANDHINAGAR- 382010 |
| 6. | Whether listed company | NO |
| 7. | Name, Address & contact details of the Registrar & Transfer Agent, if any. | NOT APPLICABLE |

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-2015] | | | | No. of Shares held at the end of the year [As on 31-March-2016] | | | | % Change during the year |
|---|---|------------|------------|-------------------|---|---------------|---------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/HUF | - | - | - | - | - | - | - | - | - |
| b) Central Govt / President of India | - | - | - | - | - | 225.21 Crore | 225.21 Crore | 17.00% | 17% |
| c) State Govt(s) | - | 1100 Crore | 1100 Crore | 100% | - | 1100 Crore | 1100 Crore | 83.00% | (-17%) |
| d) Bodies Corp. | - | - | - | - | - | - | - | - | - |
| e) Banks / FI | - | - | - | - | - | - | - | - | - |
| f) Any other | - | - | - | - | - | - | - | - | - |
| Total shareholding of Promoter (A) | - | 1100 Crore | 1100 Crore | 100% | - | 1325.21 Crore | 1325.21 Crore | 100% | 20.47 % |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | - | - | - | - | - | - | - | - | - |
| b) Banks / FI | - | - | - | - | - | - | - | - | - |

| | | | | | | | | | |
|--|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| c) Central Govt | - | - | - | - | - | - | - | - | - |
| d) State Govt(s) | - | - | - | - | - | - | - | - | - |
| e) Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| f) Insurance Companies | - | - | - | - | - | - | - | - | - |
| g) FIIs | - | - | - | - | - | - | - | - | - |
| h) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| i) Others (specify) | - | - | - | - | - | - | - | - | - |
| Sub-total (B)(1):- | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | | | | | | | | | |
| 2. Non-Institutions | | | | | | | | | |
| a) Bodies Corp. | - | - | - | - | - | - | - | - | - |
| i) Indian | - | - | - | - | - | - | - | - | - |
| ii) Overseas | - | - | - | - | - | - | - | - | - |
| b) Individuals | - | - | - | - | - | - | - | - | - |
| i) Individual shareholders holding nominal share capital upto Rs. 1 lakh | - | - | - | - | - | - | - | - | - |
| ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh | - | - | - | - | - | - | - | - | - |

| | | | | | | | | | |
|--|------------|-------------------|-------------------|-------------|------------|----------------------|----------------------|-------------|----------------|
| c) Others (specify) | - | - | - | - | - | - | - | - | - |
| Non Resident Indians | - | - | - | - | - | - | - | - | - |
| Overseas Corporate Bodies | - | - | - | - | - | - | - | - | - |
| Foreign Nationals | - | - | - | - | - | - | - | - | - |
| Clearing Members | - | - | - | - | - | - | - | - | - |
| Trusts | - | - | - | - | - | - | - | - | - |
| Foreign Bodies - D R | - | - | - | - | - | - | - | - | - |
| Sub-total (B)(2):- | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Total Public Shareholding (B)=(B)(1)+(B)(2) | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| C. Shares held by Custodian for GDRs & ADRs | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Grand Total (A+B+C) | - | 1100 Crore | 1100 Crore | 100% | - | 1325.21 Crore | 1325.21 Crore | 100% | 20.47 % |

(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 | 110,00,00,000 | 100% | Nil | 110,00,00,000 | 83% | Nil | (-17%) |
| 2 | President of India | Nil | Nil | Nil | 22,52,10,000 | 17% | Nil | 17% |

(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 |
| I. | GOVERNMENT OF GUJARAT | | | | |
| | At the beginning of the year | 110 Crore | 100% | 110 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.): | Nil | Nil | Nil | Nil |
| A | At the end of the year | 110 Crore | 83% | 110 Crore | 83% |
| II. | PRESIDENT OF INDIA | | | | |
| | At the beginning of the year | 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.): | 10 Crore – AGM Resolution dated 9.12.2015 – Allotment pursuant to section 62(1) c. | 7.55% | 120 Crore | 90.55% |
| | | 12.521 Crore Resolution dated 10.03.2016 – Further allotment | 9.45% | 132.521 Crore | 100% |
| B | At the end of the year | 22.521 Crore | 17% | 22.521 Crore | 17% |
| Grand Total (A+B) | | 132.521 Crore | 100% | 132.521 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 | Dr. Manjula Subramaniam, IAS (Retd) Director [On behalf of Hon'ble Governor of Gujarat] | 10 | 0.00% | 10 | 0.00% |
| 2 | Shri I. P. Gautam, IAS(Retd) Managing Director [On behalf of Hon'ble Governor of Gujarat] | 10 | 0.00% | 10 | 0.00% |

| | | | | | |
|---|---|-----|-------|-----|-------|
| 3 | Shri Biren Parmar, IAAS – Director (Finance) – Whole Time Director | Nil | Nil | Nil | Nil |
| 4 | Shri Ajay Gupta, Director (Projects) Whole Time Director | Nil | Nil | Nil | Nil |
| 5 | Shri S. S. Sabuwala – Chief Financial Officer | Nil | Nil | Nil | Nil |
| 6 | Shri Navin Varma- 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 | Shri I. P. Gautam, IAS(Retd) Managing Director [On behalf of Hon'ble Governor of Gujarat] | 10 | 0.00% | 10 | 0.00% |
| 2 | Shri Biren Parmar, IAAS – Director (Finance) – Whole Time Director | Nil | Nil | Nil | Nil |
| 3 | Shri Ajay Gupta, Director (Projects) Whole Time Director | Nil | Nil | Nil | Nil |
| 4 | Shri S. S. Sabuwala – Chief Financial Officer | Nil | Nil | Nil | Nil |
| 5 | Shri Navin Varma- 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 |
|--|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | - | - | - | - |
| ii) Interest due but not paid | - | - | - | - |

| | | | | |
|---|-----|----------------|-----|--------------|
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | Nil | Nil | Nil | Nil |
| Change in Indebtedness during the financial year | | | | |
| * Addition (GoI + GoG) | - | 246.05 Crore** | - | 246.05 Crore |
| * Reduction | - | - | - | - |
| Net Change | Nil | 246.05 Crore | Nil | 246.05 Crore |
| Indebtedness at the end of the financial year | Nil | Nil | Nil | Nil |
| i) Principal Amount | - | 246.05 Crore | - | 246.05 Crore |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | Nil | 246.05** Crore | Nil | 246.05 Crore |

**** Interest Free Sub-ordinate Debt received from Government of India and Government of Gujarat amounting Rs. 141.05 Crore & Rs.105.00 Crore respectively, which is payable after payment of senior Debt from Japan International Cooperation Agency (JICA)**

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 Managing Director | Shri Biren Parmar, IAAS Whole Time Director (Finance) | Shri Ajay Kumar Gupta, Whole Time Director (Projects) | |
| 1 | Gross salary | Rs.15,27,102 | Rs.8,75,829 | Rs.16,60,980 | Rs.40,63,911 |
| | (a) Salary as per provisions contained in section 17(1) of the Income- | Nil | Nil | Nil | Nil |

| | | | | | |
|---|--|-----------|-------------|--------------|--------------|
| | tax Act, 1961 | | | | |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | Nil | Nil | Nil | Nil |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | Nil | Nil | Nil | Nil |
| 2 | Stock Option | Nil | Nil | Nil | Nil |
| 3 | Sweat Equity | Nil | Nil | Nil | Nil |
| 4 | Commission - as % of profit | Nil | Nil | Nil | Nil |
| 5 | Others, please | Nil | | | Nil |
| | Total (A) | 15,27,102 | Rs.8,75,829 | Rs.16,60,980 | Rs.40,63,911 |
| | Ceiling as per as per the Act | N.A | N.A | N.A | N.A |

B. Remuneration to other directors

| SN. | Particulars of Remuneration | Name of Directors | | | | | | | | | | | Total Amount |
|-----|---|-------------------------------------|-----------------------|----------------------|----------------------------|-----------------------|-----------------------------|-----------------------|-------------------------|---------------------|---------------------------|----------------------------|------------------|
| | | Dr. Manjula Subramaniam, IAS (Retd) | Shri G.R. Aloria, IAS | Dr. J. N. Singh, IAS | Dr. Rajiv Kumar Gupta, IAS | Shri Ajay Bhadoo, IAS | Shri Madhusudan Prasad, IAS | Shri Shailendra Singh | Shri Mukund kumar sinha | Shri R. Ramanaathan | Shri Praveen Prakash, IAS | Smt. Jhanja Tripathi, IRAS | Rs. |
| 1 | Independent Directors | - | - | - | - | - | - | - | - | - | - | - | - |
| | Fee for attending board committee meetings | - | - | - | - | - | - | - | - | - | - | - | - |
| | Commission | - | - | - | - | - | - | - | - | - | - | - | - |
| | Others, please specify | - | - | - | - | - | - | - | - | - | - | - | - |
| | Total (1) | - | - | - | - | - | - | - | - | - | - | - | - |
| 2 | Other Non-Executive Directors | | | | | | | | | | | | |
| | *Fee for attending board committee meetings | Rs.2000 | Rs. 2000 | Rs. 11000 | Rs. 2000 | Rs. 7000 | - | - | - | - | - | - | Rs. 24000 |
| | Commission | - | - | - | - | - | - | - | - | - | - | - | - |
| | Others, please specify | - | - | - | - | - | - | - | - | - | - | - | - |
| | Total (2) | | | | | | | | | | | | |
| | Total (B)=(1+2) | Rs. 2000 | Rs. 2000 | Rs. 11000 | Rs. 2000 | Rs. 7000 | - | - | - | - | - | - | Rs. 24000 |
| | Total Managerial Remuneration | | | | | | | | | | | | |
| | **Overall Ceiling as per the Act | N.A | N.A | N.A | N.A | N.A | N.A | 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.

**As per the notification dated 5th 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 S. S. Sabuwala, CFO | Shri Hitesh Bhamare, Secretary (01/04/2015 to 14/09/2015) | Shri Navin Varma Company Secretary (15/09/2015 to 31/03/2016) | Total |
| 1 | Gross salary | - | Rs. 10,33,671 | Rs. 4,01,003 | Rs.7,99,900 | Rs.22,34,574 |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | - | Nil | Nil | Nil | Nil |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - | Nil | Nil | Nil | Nil |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | - | Nil | Nil | Nil | Nil |
| 2 | Stock Option | - | Nil | Nil | Nil | Nil |
| 3 | Sweat Equity | - | Nil | Nil | Nil | Nil |
| 4 | Commission | - | Nil | Nil | Nil | Nil |
| | - as % of profit | - | Nil | Nil | Nil | Nil |
| | others, specify... | - | Nil | Nil | Nil | Nil |
| 5 | Others, please specify | - | Nil | Nil | Nil | Nil |
| | Total | - | Rs.10,33,671 | Rs. 4,01,003 | Rs.7,99,900 | Rs.22,34,574 |

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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 31st March, 2016, 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.

Basis of Qualification

We draw attention to the following:

1. Note no. 4.3 to the financial statements wherein the Company has disclosed share application money received from the Government of Gujarat (GOG) to the tune of Rs. 150 crores as 'Share Application Money Pending Allotment' and that the same is not refundable to the GOG and thus no interest provision is considered thereon. Such treatment is not in accordance section 62 (1) (c) of the Companies Act, 2013 read with Rule 13 of Companies (Shares and Debentures) Rules, 2013 wherein share application money has to be deposited in a separate bank account till allotment is made and if allotment does not take place within 60 days of receipt of application money, the same stands refundable and attracts interest @ 12% p.a. from the expiry of 60 days of receipt thereof. In our opinion, as no allotment has been made, the said application money should be transferred to current liabilities. Treatment of share application money by the Company has resulted into understatement of closing balance of Current Liabilities by Rs. 150 crores, overstatement of net worth by Rs. 150 crores, overstatement of profit for the year by Rs. 15.05 crores (being the interest not provided for on such refundable share application money) and resultant overstatement of closing balance of Reserves & Surplus by Rs. 15.05 crores.
2. Disclosure of Diluted Earnings Per Share in the Statement of Profit & Loss for the year - Note no. 21 (v) to the financial statements. Treatment of share application money received from the GOG as non refundable as mentioned in note no. 4.3 to the financial statements and considering it as potentially dilutive has resulted into understatement of Diluted Earnings Per Share for the year by Rs.0.02.

The overall impact of the above qualifications is – overstatement of profits for the year by Rs.15.05 crores, understatement of closing balance of Current Liabilities by Rs.150 crores, overstatement of Reserves & Surplus by Rs.15.05 crores and overstatement of net worth by Rs. 165.05 crores.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to

us, subject to matters stated in 'Basis of Qualification' paragraph above, 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 31,2016;
- 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 'A' to our report 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 Annexures 'C' & 'D' 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.
 - The Company being a Government Company, provisions of sub section (2) of section 164 of the Companies Act, 2013 are not applicable as per notification no. G.S.R. 463 (E) dated 5 June, 2015 of the Ministry of Corporate Affairs, Government of India.
 - With respect to the adequacy of the internal financial controls over financial reporting of the Company and operative effectiveness of such controls, refer to our separate report thereon in Annexure 'B' to our report.
- (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. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – refer note no. 20 (ii) to the financial statements.
- 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 31st March, 2016.

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

Date: 7th July 2016
Place: Ahmedabad

Sd/-
(Vivek S. Shah)
Partner
Membership No. 112269

ANNEXURE 'A' 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.

(c) The details of title deeds of immovable properties not held in the name of the Company are given in the sub annexure to Annexure 'C' to our report.

(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 on such verification.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, limited liability partnerships, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) According to the information and explanations given to us, the Company has not taken loans, made investments, given guarantees or security in terms of sections 185 and 186 of the Companies Act, 2013.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits, within the meaning of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder. No order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.

(vi) The Central Government has not specified maintenance of cost records under section 148(1) of the Companies Act, 2013.

(vii) (a) In our opinion and according to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities. There are no such arrears as at 31st March, 2016 for a period more than six months from the date they became payable.

(b) In our opinion and according to the information and explanations given to us, there are no dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have not been deposited as on 31st March, 2016 on account of any dispute.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowing to Government. Further, the Company does not have any loan or borrowings from a financial institution, bank or dues towards debenture holders.

(ix) During the year, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and has not borrowed and term loans.

(x) According to the information and explanations given to us, no fraud by the Company or on the Company by any of its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company by virtue of the provisions of notification no. G.S.R. 463 (E) dated 5 June, 2015 of the Ministry of Corporate Affairs, Government of India, is exempt from the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company. Consequently, requirements of clause (xii) of paragraph 3 of the Order are not applicable.

(xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the financial statements etc., as required by the applicable accounting standards.

(xiv) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them.

(xvi) In our opinion, considering the nature of operations of the Company at present, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Date: 7th July 2016
Place: Ahmedabad

Sd/-
(Vivek S. Shah)
Partner
Membership No. 112269

ANNEXURE 'B' TO AUDITORS' REPORT

Report on Internal Financial Controls under Clause (j) of sub section 3 of section 143 of the Companies Act, 2013

We have audited the internal financial controls over financial reporting of Metro Link Express for Gandhinagar and Ahmedabad (MEGA) Company Limited ('the Company') as at 31st March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on principles as codified under the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Date: 7th July 2016
Place: Ahmedabad

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

Sd./-
(Vivek S. Shah)
Partner
Membership No. 112269

ANNEXURE 'C' TO AUDITORS' REPORT**REPORT OF THE STATUTORY AUDITORS UNDER SECTION 143 (5) OF THE COMPANIES ACT, 2013 FOR FINANCIAL YEAR 2015/16****NAME & ADDRESS OF THE COMPANY –**

Metro Link Express for Gandhinagar and Ahmedabad (MEGA) Company Ltd., Block No. 1, 1stFloor, Karmayogi Bhavan, Sector 10A, Gandhinagar 382010

| SR. NO. | QUESTIONNAIRE | RESPONSE / REMEDIAL MEASURES |
|----------------|--|--|
| 1 | Whether the Company has clear title/lease deeds for freehold and leasehold respectively? If not please state the area of freehold and leasehold land for which title/ lease deeds are not available. | The Company generally has clear titles/ lease deeds for freehold & leasehold lands respectively, except for those detailed in the sub annexure to this Annexure 'C'. |
| 2 | 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 |

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

Date: 7th July 2016
Place: Ahmedabad

Sd/-
(Vivek S. Shah)
Partner
Membership No. 112269

SUB ANNEXURE TO ANNEXURE 'C' TO AUDITORS' REPORT
(Refer paragraph no. 1 of ANNEXURE 'C')

| Date of purchase/ deed | Name of Seller/ Lessor | Description of transaction | Consideration (Rs.) | Area (square meters) |
|-------------------------------|---------------------------------|--|----------------------------|-----------------------------|
| 30.03.2015 | City Mamlatdar, Sabarmati | Purchase from Revenue Department, GOG. Possession has been taken over by the company. Legal formalities for conveyancing are in progress. | 97,50,00,000 | 1,30,000 |
| 31.03.2015 | Ahmedabad Municipal Corporation | Possession has been taken over by the company. Legal formalities for conveyancing are in progress. | 34,00,00,000 | 2,00,000 |
| 31.03.2015 | City Mamlatdar, Sabarmati | Purchased from Revenue Department, GOG. Possession has been taken over by the company. Legal formalities for conveyancing are in progress. | 7,51,20,000 | 10,016 |
| 31.03.2015 | City Mamlatdar, Vatva | Purchased from Revenue Department, GOG. Possession has been taken over by the company. Legal formalities for conveyancing are in progress. | 16,82,50,000 | 23,000 |
| 14.09.2015 | City Mamlatdar, Sabarmati | Purchased from Revenue Department, GOG. Possession has been taken over by the company. Legal formalities for convincing are in progress. | 32,00,00,000 | 40,000 |

| | | | | |
|------------|--------------------------|--|--------------|--------|
| 14.09.2015 | City Mamlatdar,Dakroi | Purchased from Revenue Department, GOG.Possession has been taken over by the company. Legal formalities for conveyancing are in progress. | 14,25,00,000 | 30,000 |
|------------|--------------------------|--|--------------|--------|

Date:7th July 2016
Place:Ahmedabad

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

Sd/-
(Vivek S.Shah)
Partner
Membership No.112269

ANNEXURE 'D' TO AUDITORS' REPORT**SECTOR SPECIFIC SUB DIRECTIONS UNDER SECTION 143 (5) OF THE COMPANIES ACT, 2013 FOR FINANCIAL YEAR 2015/16****NAME & ADDRESS OF THE COMPANY –**

Metro Link Express for Gandhinagar and Ahmedabad (MEGA) Company Ltd., Block No. 1, 1st 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". |
| 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 st March, 2016. |
| 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 the party balances and for bank accounts/ deposits as on 31 st March, 2016. |

| | | |
|---|---|--|
| 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. |
|---|---|--|

Date: 7th July 2016
Place: Ahmedabad

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

Sd/-
(Vivek S. Shah)
Partner
Membership No. 112269

BALANCE SHEET AS AT 31.03.2016

| Sr. No. | Particulars | Note No. | | As At 31.03.2016 (` in Lacs) | As At 31.03.2015 (` in Lacs) |
|---------|--|----------|--|------------------------------------|------------------------------------|
| I | EQUITY AND LIABILITIES | | | | |
| (1) | Shareholders' Funds: | | | | |
| (a) | Share Capital | 2 | | 132521.00 | 110000.00 |
| (b) | Reserves & Surplus | 3 | | 1,631.26 | (772.86) |
| | Sub Total | | | 134152.26 | 109227.14 |
| (2) | Share Application Money Pending Allotment | 4 | | 31200.00 | 15000.00 |
| | Sub Total | | | 31200.00 | 15000.00 |
| (3) | Non Current liabilities | | | | |
| (a) | Long-term Borrowings | 5 | | 24605.00 | - |
| (b) | Long-term Provisions | 6 | | 40.23 | 31.71 |
| | Sub Total | | | 24645.23 | 31.71 |
| (4) | Current liabilities | | | | |
| (a) | Trade payables | 7 | | 345.22 | 191.85 |
| (b) | Other current liabilities | 8 | | 5735.90 | 1568.19 |
| (c) | Short-term provisions | 6 | | 1296.34 | 1437.15 |
| | Sub Total | | | 7377.46 | 3197.19 |
| | TOTAL | | | 197374.95 | 127456.04 |
| II | ASSETS | | | | |
| (1) | Non current assets | | | | |
| (a) | Fixed Assets : | 9 | | | |
| i) | Tangible Assets | | | 21137.46 | 16597.85 |
| ii) | Intangible Assets | | | 536.43 | 764.76 |
| iii) | Capital Work-In-Progress | | | 71861.27 | 52788.00 |
| iv) | Intangible Asset Under Development | | | - | - |
| | | | | 93535.16 | 70150.61 |
| (b) | Deferred tax assets(net) | 10 | | - | - |
| (c) | Long-term loans and advances | 11 | | 24147.84 | 4335.85 |
| | Sub Total | | | 117683.00 | 74486.46 |
| (2) | Current Assets | | | | |
| (a) | Cash & bank balances | 12 | | 26881.57 | 14889.97 |
| (b) | Short-term loans & advances | 11 | | 51318.27 | 36043.84 |
| (c) | Other current assets | 13 | | 1492.11 | 2035.77 |
| | Sub Total | | | 79691.95 | 52969.58 |
| | TOTAL | | | 197374.95 | 127456.04 |
| | 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/-
[Vivek S. Shah]
Partner
M.No. 112269

Place: Ahmedabad
Date: 07 July, 2016

For and on behalf of the Board of Directors

Sd/-
Managing Director
 I.P.Gautam

Sd/-
Chief Financial Officer
 S.S. Sabuwala

Place: Gandhinagar
Date: 05 July, 2016

Sd/-
Director
 Dr. J.N. Singh

Sd/-
Company Secretary
 Navin Varma.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31.03.2016

| Sr. No. | Particulars | Note No. | | Year Ended 31.03.2016 (` in Lacs) | Year Ended 31.03.2015 (` in Lacs) |
|---------|--|----------|------------------|---|---|
| I | Other Income | 14 | | 3680.08 | 4221.18 |
| | Total Revenue (I) | | Sub Total | 3680.08 | 4221.18 |
| II | Expenses : | | | | |
| | Employees benefits expenses | 15 | | 895.36 | 598.85 |
| | Finance Cost | 16 | | 1.37 | 2.58 |
| | Depreciation and amortization expense | 17 | | 629.48 | 731.16 |
| | Other Expenses | 18 | | 1389.84 | 1293.41 |
| | Total Expenses (II) | | Sub Total | 2916.05 | 2626.00 |
| | Less: Expenses capitalised and transferred to Incidental Expenses Pending Capitalisation | | | 2913.68 | 2,626.00 |
| III | Prior Period Expenditure | | | - | - |
| IV | Profit / Loss Before Tax(I-II-III) | | | 3677.71 | 4,221.18 |
| V | Tax Expenses | | | | |
| | (a) Current Tax -Current | | | 1273.59 | 1434.65 |
| | (b) Deferred Tax Charge / (Release) | | | - | - |
| | Total Tax (V) | | Sub Total | 1273.59 | 1434.65 |
| VI | Profit / (Loss) for the year (IV-V) | | TOTAL | 2,404.12 | 2,786.53 |
| VII | Earnings per equity share | | | | |
| | (1) Basic (Refer Note :- 21 (v)) | | | 0.21 | 0.26 |
| | (2) Diluted | | | 0.19 | 0.26 |
| | 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/-
[Vivek S. Shah]
Partner
M.No. 112269

Place: Ahmedabad
Date: 07 July, 2016

For and on behalf of the Board of Directors

Sd/-
Managing Director
 I.P.Gautam

Sd/-
Chief Financial Officer
 S.S. Sabuwala

Place: Gandhinagar
Date: 05 July, 2016

Sd/-
Director
 Dr. J.N. Singh

Sd/-
Company Secretary
 Navin Varma.

Notes to financial Statements for the year ended 31st March 2016

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 are attracted. This is the Sixth Accounting Period covering 12 Months ended on March 31st, 2016. 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 notified under Section 133 read with Rule 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions of the Companies Act, 2013. The Company has consistently applied the accounting principles and accounting policies not referred to otherwise, are in conformity with generally accepted accounting principles (Indian GAAP) in India.

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 like freight, duties, taxes and other incidental expenses to bring the asset to their present location and to its working condition.

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

- a) Capital Work-in-Progress includes all direct and indirect expenditure related to construction, incurred during the period of implementation of the Projects of the Company. 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.
- b) Income pertaining to Sale of Tender documents is netted-off adjusted against expenditure incurred during construction period.
- c) Liquidated damages (LD) recovered is adjusted netted-off against expenditure incurred during construction period. No income tax provision has been made on liquidated damages as the same has been considered as capital receipt.
- d) 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 projects of the company 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 recognized when the curtailment or settlement occurs. Past service cost is recognized 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.

- Company has made provision for earned leave, sick leave and gratuity based on the valuation report of the actuarial valuer.
- In respect of deputationists employees, leave salary contribution is payable to their parent departments @ 11% of pay drawn (Basic pay including grade pay & special pay and Deputation allowance) and is accounted for on accrual basis.

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 recognized 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 defined in Accounting Standard 29 on "Provisions, contingent liabilities and contingent Assets" 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 31.03.2016 (` in Lacs) | As At 31.03.2015 (` in Lacs) |
|---|------------------------------------|------------------------------------|
| Authorised Share capital | | |
| Authorised Share Capital 4,00,00,00,000 (31 March 2015: 4,00,00,00,000) equity shares of ` .10/ each | 400000.00 | 400000.00 |
| Issued, subscribed and fully paid up shares | | |
| Issued and Subscribed : 132,52,10,000 (31 March 2015: 110,00,00,000) equity shares of ` .10/ each | 132521.00 | 110000.00 |
| Total issued and subscribed and paid up share capital | 132521.00 | 110000.00 |

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

| Particulars | 31 March 2016 | | 31 March 2015 | |
|--|-------------------|------------------|-------------------|------------------|
| | Nos | ` in Lacs | Nos | ` in Lacs |
| Equity Shares of ` .10 each fully paid up | | | | |
| At the beginning of the period | 1100000000 | 110000.00 | 800000000 | 80000.00 |
| Add: Shares Issued during the year | 225210000 | 22521.00 | 300000000 | 30000.00 |
| Less: Shares bought back during the year | - | - | - | - |
| Outstanding at the end of the period | 1325210000 | 132521.00 | 1100000000 | 110000.00 |

(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 2016, 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 2016 | | 31 March 2015 | |
|---|---------------|--------------|---------------|--------------|
| | Nos | holding in % | Nos | holding in % |
| The Governor of Gujarat and its Nominees | 1,100,000,000 | 83% | 1,100,000,000 | 100% |
| The President of India & his nominees (Ministry of Urban Development) | 225,210,000 | 17% | - | - |

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 31.03.2016 (` in Lacs) | As At 31.03.2015 (` in Lacs) |
|--|------------------------------------|------------------------------------|
| Balance in the statement of Profit and Loss | | |
| Balance as per last Financial Statements | (772.86) | (3,559.39) |
| Surplus / (Deficit) for The Current Year | 2,404.12 | 2,786.53 |
| Net Balance in the statement of profit and loss | 1,631.26 | (772.86) |
| Total | 1,631.26 | (772.86) |

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 31.03.2016 (` in Lacs) | As At 31.03.2015 (` in Lacs) |
|---------------------------------------|------------------------------------|------------------------------------|
| -Governor Of Gujarat and its Nominees | 31200.00 | 15000.00 |
| Total | 31200.00 | 15000.00 |

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). Company is of the opinion based on above facts (Refer Point 4.1 above) that application money received from the Government of Gujarat (GOG) aggregating to Rs.15000 Lacs is not refundable to GOG thus no interest provision is considered necessary.

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. Shares shall be issued on receipt of matching contribution from GOI/GOG

Note:5 Long Term Borrowing

| Particular | As At | As At |
|--------------------------------------|---------------------------|---------------------------|
| | 31.03.2016 (` in Lacs) | 31.03.2015 (` in Lacs) |
| Interest free subordinate debts from | | |
| -Govt. of India | 14105.00 | - |
| -Govt. of Gujarat | 10500.00 | - |
| Total | 24605.00 | - |

5.1 Interest free subordinate debts from GoI and GoG for the Phase-I is repayable after the repayment of interest bearing senior debt for Phase-I from JICA through GoI. The tenure of JICA Loan is 30 years and rate of interest is @ 1.40% p.a. However, disbursement of senior debt is yet to be commenced.

Note:6 PROVISIONS

| Particulars | Current | | Non-Current | |
|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| | As At 31.03.2016 (` in Lacs) | As At 31.03.2015 (` in Lacs) | As At 31.03.2016 (` in Lacs) | As At 31.03.2015 (` in Lacs) |
| Provision For compensated absences | 22.05 | 2.41 | - | - |
| Provision For Gratuity | 0.60 | 0.09 | 40.23 | 31.71 |
| Provision For Taxation | 1273.69 | 1434.65 | - | - |
| Total | 1296.34 | 1437.15 | 40.23 | 31.71 |

Note:7 TRADE PAYABLES

| Particulars | Current | | Non-Current | |
|-----------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| | As At 31.03.2016 (` in Lacs) | As At 31.03.2015 (` in Lacs) | As At 31.03.2016 (` in Lacs) | As At 31.03.2015 (` in Lacs) |
| Trade Payables | | | | |
| -Administrative | 345.22 | 191.85 | - | - |
| Total | 345.22 | 191.85 | - | - |

Note:8 OTHER CURRENT LIABILITIES

| Particulars | As At 31.03.2016 (` in Lacs) | As At 31.03.2015 (` in Lacs) |
|---------------------------------|------------------------------------|------------------------------------|
| -Statutory Dues Payable (Taxes) | 510.57 | 117.41 |
| -Payable For Capital Goods | 5065.33 | 1367.48 |
| -Other Current Liabilities | 160.00 | 83.30 |
| Total | 5735.90 | 1568.19 |

FIXED ASSETS BLOCK AS AT 31.03.2016
Note : 9 Fixed Assets

(₹ in Lacs)

| Sr. | Particulars | GROSS BLOCK (AT COST) | | | DEPRECIATION | | | | NET BLOCK | | |
|---------------------------------------|--|-----------------------|-----------------|-------------|---------------------|--------------------|---------------|-------------|--------------------|---------------------|---------------------|
| | | As at 01-04-2015 | Additions | Deletions | As at 31-03-2016 | Upto 01-04-2015 | For the Year | Deletion | Upto 31-03-2016 | As at 31-03-2016 | As at 31-03-2015 |
| A. Tangible Assets | | | | | | | | | | | |
| 1 | Land # | 15583.70 | 4625.00 | - | 20208.70 | - | - | - | - | 20208.70 | 15,583.70 |
| 2 | Office Equipments | 225.67 | 41.94 | 0.39 | 267.22 | 48.70 | 33.03 | 0.22 | 81.51 | 185.71 | 176.97 |
| 3 | Furniture & Fixtures | 112.39 | 39.28 | - | 151.67 | 23.48 | 24.87 | - | 48.35 | 103.32 | 88.91 |
| 4 | Computers & Other Hardwares | 486.44 | 4.43 | - | 490.87 | 264.14 | 94.88 | - | 359.02 | 131.85 | 222.30 |
| 5 | Vehicles | 39.03 | 8.39 | - | 47.42 | 12.26 | 6.26 | - | 18.52 | 28.90 | 26.77 |
| 6 | Library Books & CD (Refer Note :- 1 (d) (vi)) | 6.41 | - | - | 6.41 | 6.41 | - | - | 6.41 | - | - |
| 7 | Other - Plant & Machinery (Refer Note :- 1 (d) (i)) | 565.51 | - | - | 565.51 | 282.46 | 106.16 | - | 388.62 | 176.89 | 283.05 |
| Leased Assets | | | | | | | | | | | |
| 1 | Leasehold Improvements (Refer Note :- 1 (d) (ii)) | 644.82 | 217.71 | - | 862.53 | 428.67 | 131.77 | - | 560.44 | 302.09 | 216.15 |
| Total (A) | | 17663.97 | 4936.75 | 0.39 | 22600.33 | 1066.12 | 396.97 | 0.22 | 1462.87 | 21137.46 | 16597.85 |
| B. Intangible assets | | | | | | | | | | | |
| 1 | Computer Software (Refer Note :- 1 (d) (iii)) | 1143.97 | 4.18 | - | 1148.15 | 379.21 | 232.51 | - | 611.72 | 536.43 | 764.76 |
| Total (B) | | 1143.97 | 4.18 | - | 1148.15 | 379.21 | 232.51 | - | 611.72 | 536.43 | 764.76 |
| Total:: >>> (A) + (B) | | 18807.94 | 4940.93 | 0.39 | 23748.48 | 1445.33 | 629.48 | 0.22 | 2074.59 | 21673.89 | 17362.61 |
| Previous Year | | 3152.68 | 15655.83 | 0.57 | 18807.94 | 714.56 | 731.16 | 0.39 | 1445.33 | 17362.61 | 2,438.12 |

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 | Phase-I | | | | |
|---|--------------------------------|--|-----------------|--------------------------------|--------------------------------|
| | Opening As At 01.04.2015 | Additions / Adjustment during the Year | Total | Capitalised During the Year | Balance As At 31.03.2016 |
| Construction Of Depot | 5283.55 | 1694.04 | 6977.59 | - | 6977.59 |
| Test Track of Motera Depot | 3241.07 | - | 3241.07 | - | 3241.07 |
| Utility Shifting | 3.27 | 9.85 | 13.12 | - | 13.12 |
| Civil (Sub. & Super Structure) | - | 7832.75 | 7832.75 | - | 7832.75 |
| System | - | 0.13 | 0.13 | - | 0.13 |
| Construction of Casting Yard | 2297.44 | - | 2297.44 | - | 2297.44 |
| Alignment & Planning Expense | 1041.33 | 3412.92 | 4454.25 | - | 4454.25 |
| Station | - | 1427.18 | 1427.18 | - | 1427.18 |
| Misc. Work including other consultancy | 9.60 | 521.45 | 531.05 | - | 531.05 |
| Survey Expenses | 0.59 | 2.05 | 2.64 | - | 2.64 |
| Detailed Design Consultancy | 152.60 | 1255.69 | 1408.29 | - | 1408.29 |
| Rehabilitation and Resettlement | - | 55.26 | 55.26 | - | 55.26 |
| Leasehold Improvement-PDPU | 100.18 | - | 100.18 | (100.18) | - |
| Sub-Total (A) | 12129.63 | 16211.32 | 28340.95 | (100.18) | 28240.77 |
| Incidental Expense Pending Capitalisation | 2263.30 | 2913.68 | - | - | 5176.98 |
| Less : Tender Fees (Refer Note:- 1(c) (iv) (b)) | (119.45) | (58.09) | - | - | (177.54) |
| Less : Liquidated Damages Recovered (Refer Note:- 1(c) (iv) (c)) | - | (1.77) | - | - | (1.77) |
| Sub-Total (B) | 2143.85 | 2853.82 | - | - | 4997.67 |
| Total | 14273.48 | 19065.14 | - | (100.18) | 33238.44 |

| Description | Opening As At 01.04.2015 | Additions / Adjustment during the Year | Total | Capitalised During the Year | Balance As At 31.03.2016 |
|---|--------------------------------|--|------------------|--------------------------------|--------------------------------|
| Other Than Phase-I (Refer Note:- 20 (iii) & (iv)) | 35478.9 | 108.31 | 35587.21 | - | 35587.21 |
| Incidental Expense Pending Capitalisation | 3035.62 | - | 3035.62 | - | 3035.62 |
| Sub-Total (C) | 38514.52 | 108.31 | 38,622.83 | - | 38622.83 |

| | | | | | |
|--------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Total | 52788.00 | 19173.45 | 71961.45 | (100.18) | 71861.27 |
|--------------|-----------------|-----------------|-----------------|-----------------|-----------------|

| | | | | | |
|----------------------|-----------------|----------------|------------------|----------|-----------------|
| Previous Year | 48713.83 | 4074.17 | 52,788.00 | - | 52788.00 |
|----------------------|-----------------|----------------|------------------|----------|-----------------|

Note: The Company was incorporated in February 2010 as a State owned company. Subsequently the Company was converted in to 50:50 Joint Venture (JV) of GOI & GOG in March 2015 for implementation of Ahmedabad Metro Rail Phase-I. For Better presentation, the expenses incurred before conversion of the company in to JV are grouped and shown separately under heading "Other Than Phase-I" on estimation basis. It may be noted that, before formation of JV, the Company was 100% State owned company and other than phase-I expenses were incurred out of equity funds provided by state government. To reflect the true and fair position of accounts for phase-I, the Company has requested to State Government to settle the expenses pertaining to other than phase I which were incurred before formation of SPV and to convert Rs.312 Crore share application money into additional subordinate debt and release additional funds for balance amount. State Government has issued GR No.MIS-112014-1100-1-DH Dated 4th July, 2016 vide which additional subordinate debt of Rs.467 Cr is sanctioned for expenditure incurred on other than phase-I of the project and this expenses are to be maintained in the Balance Sheet in CWIP. Accordingly expenses incurred for "other than phase-I" will be settled and necessary accounting treatment will be provided in the books of accounts. In view of these facts, company has not provided for CWIP pertaining to other than phase-I and are shown under CWIP.

Statement of Incidental Expenses Pending Capitalisation

(` in Lacs)

| Particulars | As At 31.03.2016 | As At 31.03.2015 |
|--|---------------------|---------------------|
| Opening Balance (As On 01.04.2015) (A) | 5298.92 | 2662.92 |
| Addition during the year | | |
| -Afforestation Expenses | - | 0.32 |
| -Testing & Other | - | 9.68 |
| -Expense incurred during the period (Brought forward from Statement of Profit & Loss) | 2913.68 | 2626.00 |
| Gross Addition During The Year (B) | 2913.68 | 2636.00 |
| Closing Balance (A) + (B) = (C) | 8212.60 | 5298.92 |

Note:10 DEFERRED TAX ASSETS (NET)

| Particulars | As At 31.03.2016 (` in Lacs) | As At 31.03.2015 (` in Lacs) |
|---|-------------------------------------|-------------------------------------|
| Deferred Tax Liability (Refer Note : 20 (v)) | | |
| -Fixed assets : Impact of difference between tax Depreciation and depreciation / amortisation charged for the financial reporting | - | - |
| | [a]... | - |
| Deferred Tax Assets (Refer Note : 20 (v)) | | |
| -Disallowance U/s 40a (ia) | - | - |
| -Disallowance U/s 43b | - | - |
| -Others | - | - |
| -Unabsorbed Depreciation | - | - |
| | [b]... | - |
| Deferred Tax Assets (Net) | [a] - [b] = [c] | - |

Note:11 LOANS AND ADVANCES

| Particulars | Current | | Non-Current | |
|---|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| | As At 31.03.2016 (` in Lacs) | As At 31.03.2015 (` in Lacs) | As At 31.03.2016 (` in Lacs) | As At 31.03.2015 (` in Lacs) |
| Unsecured, Considered good unless otherwise stated | | | | |
| Capital Advances | - | - | 24023.22 | 4263.05 |
| | [a]... | - | 24023.22 | 4263.05 |
| Other Loans and Advances | | | | |
| Prepaid Expenses | 201.23 | 43.84 | 1.95 | - |
| Security Deposits | - | - | 122.67 | 72.80 |
| Other Loans & Advances (GSFS Deposits) | 51117.04 | 36000.00 | - | - |
| | [b]... | 51318.27 | 124.62 | 72.80 |
| Total [a] + [b] = [c] | 51318.27 | 36043.84 | 24147.84 | 4335.85 |

Note:12 CASH AND BANK BALANCES

| Particulars | As At 31.03.2016 (` in Lacs) | As At 31.03.2015 (` in Lacs) |
|--|------------------------------------|------------------------------------|
| Cash and Cash Equivalents (Refer Note: 1 (l)) | | |
| Balances with Banks | | |
| -On Current Accounts | 0.53 | 10.69 |
| -On Auto Sweep FD | 181.04 | 379.28 |
| -Deposits with original maturity of less than three months | 26700.00 | 14500.00 |
| Cash Balance on hand | - | - |
| Total | 26881.57 | 14889.97 |

Note:13 OTHER ASSETS

| Particulars | Current | | Non-Current | |
|--|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| | As At 31.03.2016 (` in Lacs) | As At 31.03.2015 (` in Lacs) | As At 31.03.2016 (` in Lacs) | As At 31.03.2015 (` in Lacs) |
| Interest Accrued But Not Due on Fixed Deposits | 221.76 | 593.62 | - | - |
| Advance Income tax and TDS Receivable | 1270.35 | 1442.15 | - | - |
| Total | 1492.11 | 2035.77 | - | - |

Note:14 OTHER INCOME

| Particulars | Year Ended 31.03.2016 (` in Lacs) | Year Ended 31.03.2015 (` in Lacs) |
|--------------------------|--|--|
| Interest Income | 3679.76 | 4220.75 |
| Miscellaneous Income | 0.27 | 0.04 |
| Profit on Sale of Assets | 0.05 | 0.39 |
| Total | 3680.08 | 4221.18 |

Note:15 EMPLOYEES BENEFITS EXPENSES

| Particulars | Ended 31.03.2016 (` in Lacs) | Ended 31.03.2015 (` in Lacs) |
|--|------------------------------------|------------------------------------|
| (a) Salary, Wages, Allowances & Bonus, etc (Refer Note :-21 (i) & (iii)) | 889.8 | 593.74 |
| (b) Contribution to Provident & other Funds | 5.56 | 5.11 |
| Total | 895.36 | 598.85 |

Note:16 FINANCE COST

| Particulars | Ended 31.03.2016 (` in Lacs) | Ended 31.03.2015 (` in Lacs) |
|------------------------------|------------------------------------|------------------------------------|
| Interest Expense | - | - |
| Interest on Income tax | 1.37 | 2.02 |
| Interest on TDS | - | 0.55 |
| Interest on Professional Tax | - | 0.01 |
| Total | 1.37 | 2.58 |

Note:17 DEPRECIATION AND AMORTIZATION EXPENSE

| Particulars | Ended 31.03.2016 (` in Lacs) | Ended 31.03.2015 (` in Lacs) |
|---|------------------------------------|------------------------------------|
| DEPRECIATION | | |
| Depreciation for the Current Period (Refer Note 9 Fixed Assets) | 629.48 | 731.16 |
| Total | 629.48 | 731.16 |

Note:18 OTHER EXPENSE

| Particulars | Ended 31.03.2016 (` in Lacs) | Ended 31.03.2015 (` in Lacs) |
|--|------------------------------------|------------------------------------|
| OTHER EXPENSES | | |
| -Electricity | 48.68 | 44.37 |
| -Rent (Refer Note:-21 (iv)) | 290.90 | 188.59 |
| -Repairs & Maintenance expenses - others | 1.09 | 1.10 |
| -Insurance | 3.22 | 5.42 |
| -Rates And Taxes (Excluding Taxes On Income) | 5.33 | 8.24 |
| -Advertisement & Publicity | 99.49 | 66.40 |
| -Professional Fees | 41.91 | 23.66 |
| -House Keeping & Other Expenses | 20.02 | 23.78 |
| -Vehicle Hiring And Running Expense | 144.34 | 86.92 |
| -Project Development & Promotion Exp. | 60.61 | 179.12 |
| -Security Service Expense | 262.24 | 216.94 |
| -Office Expenses | 31.29 | 11.97 |
| -Computer & Peripheral Expenses | 15.10 | 19.80 |
| -Internet & Telephone Exp. | 24.56 | 21.13 |
| -Printing & Stationary | 17.16 | 11.40 |
| -Recruitment Expense | 37.67 | 33.43 |
| -Local Conveyance & Transportation Exp. | 1.32 | 1.11 |
| -Payment to Auditors(Refer Note:-19 below) | 8.12 | 7.42 |
| -Sitting Fee-Director | 0.33 | 0.49 |
| - Meeting Expenses | 0.63 | 0.64 |
| -Miscellaneous Expense | 1.91 | 1.80 |
| -Software Maintenance & Support | 221.15 | 296.24 |
| -Stamp Duty on issue of Share | 23.66 | 30.17 |
| -Other Misc. Project Expe | 3.44 | 0.14 |
| -Tour & Travells Exp | 24.67 | 13.13 |
| - Donation | 1.00 | - |
| Total | 1389.84 | 1293.41 |

Note:19 PAYMENT TO AUDITORS

| Particulars | Ended 31.03.2016 (` in Lacs) | Ended 31.03.2015 (` in Lacs) |
|--------------------------------------|------------------------------------|------------------------------------|
| PAYMENT TO STATUTORY AUDITORS | | |
| As Statutory Auditor | | |
| -Audit Fees (Including Service Tax) | 8.12 | 7.42 |
| Total | 8.12 | 7.42 |

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. Classification between current and non-current assets and liabilities has been done on the basis of expected realization/liquidation with in twelve months from the reporting date. However, Capital advances have been classified as non-current asset.

ii) Capital and Other Commitments

| (` .in Lacs) | | |
|--|-----------------------------|-----------------------------|
| Contingent Liabilities and Commitments (To the extent not provided for) | As At 31.03.2016 | As At 31.03.2015 |
| Estimated amount of Contracts including foreign currency contracts remaining to be executed on capital account and not provided for (Net of Capital Advance) | 185025.89 | 32563.55 |
| Claims against the company not acknowledged as debt towards: | | |
| - Capital Works | 4292.67 | 146.00 |
| - Land* | 11300.20 | |
| Total Amount | 200618.76 | 32709.55 |

- * The said land is under possession of MEGA, construction work is in progress. The payment made to AMC is as per the jantri rates and as per the AMC letter they have demanded as per AUDA rates, which is not admissible, MEGA being Govt. PSU.

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 and at Indroda is ` .1330.36/- Lac. 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 previous financial year (i.e.2014-15)

During the year 2014-15 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 investigating authorities have filed the charge sheets during the current financial year and criminal proceedings have been initiated against the accused before the Hon'ble Sessions Court.

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 of other than phase-I.

- v) Pending capitalization of the projects of the company 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 31st March, 2016, 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 | 2015-16 (` .in Lacs) | 2014-15 (` .in Lacs) |
|---------------------------------|-------------------------|-------------------------|
| (c) Technical Advisory Services | 493.15 | - |
| (d) Travelling Expenses | - | - |
| Total | 493.15 | - |

viii) Balances of the parties including old balances are subject to confirmation and necessary adjustments of old balances 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 | 31.03.16 | 31.03.15 |
|--------------------------------|----------|----------|
| Discounted Rate | 7.86% | 7.94% |
| Annual Increase in Salary Cost | 7.00% | 7.00% |
| Attrition Rate | 5.00% | 2.00% |

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

| Particulars | (` In Lacs) | |
|---|--------------|--------------|
| | 31.03.16 | 31.03.15 |
| Present Value of Benefit obligation as at the beginning of the current period | 31.80 | 33.79 |
| Interest Cost | 2.52 | 3.14 |
| Current Service Cost | 17.91 | 21.79 |
| Actuarial (Gain) / Losses On Obligations | (11.40) | (26.92) |
| Present Value Of Benefit As At The Current Period | 40.83 | 31.80 |

c. Table of recognition of Actuarial Gain/Losses

| Particulars | (` .In Lacs) | |
|---|----------------|----------------|
| | 31.03.2016 | 31.03.15 |
| Actuarial (Gains) / Losses On Obligation For The Period | (11.40) | (26.92) |
| Total Actuarial (Gains) / Losses Recognized In Income &Expense Statement | (11.40) | (26.92) |

d. Amount Recognized in the Balance Sheet

(` In Lacs)

| Particulars | 31.03.2016 | 31.03.15 |
|--|----------------|----------------|
| Fair Value Of Plan Assets At The End Of The Period | | - |
| (Present Value Of Benefit Obligation As At End Of The Year | (40.83) | (31.80) |
| Amount to be recognized as liability | (40.83) | (31.80) |
| Unrecognized Past Service Cost At The End Of The Period | | |
| Unrecognized Transitional Liability At The End Of The Period | | |
| Net (Liability) / Asset Recognized In The Balance Sheet | (40.83) | (31.80) |

e. Expense Recognized In the Income Statement

(` .In Lacs)

| Particulars | 31.03.2016 | 31.03.15 |
|--|---------------|---------------|
| Current Service Cost | 17.91 | 21.79 |
| Interest Cost | 2.52 | 3.14 |
| Actuarial (Gain) / Losses | (11.40) | (26.92) |
| Expense Recognized in Profit & Loss Account | (9.03) | (1.99) |

f. Balance Sheet Reconciliation

(` .In Lacs)

| Particulars | 31.03.2016 | 31.03.15 |
|--|--------------|--------------|
| Opening Net Liability | 31.80 | 33.79 |
| Expense As Above | 9.03 | (1.99) |
| Net Liability / (Asset) Recognized in The Balance Sheet | 40.83 | 31.80 |

- Company has made provision for payment of Gratuity, leave salary and sick leave based on Actuarial Valuation using the Projected Unit Credit Method of ` 40.83 Lac (P.Y. ` 31.80 Lac) for the Year Ended 31st March, 2016 for the contractual employees.
- Retirement benefits to eligible government employees on deputation will be paid by their respective principal organizations/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) Key Management Personnel

| Sr. No. | Name of the Related Parties | Relationship |
|---------|-----------------------------|---|
| 1 | Shri I P Gautam | Managing Director |
| 2 | Shri Biren Parmar | Director-Finance (From 19.10.2015) |
| 3 | Shri Ajay Gupta | Director-P&P (From 28.09.2015) |
| 4 | Shri.S. S. Sabuwala | Chief Financial Officer |
| 5 | Shri. Hiteshkumar Bhamare | Company Secretary (From 01.04.2015 to 14.09.2015) |
| 6 | Shri.Navin Varma | Company Secretary (From 15.09.2015) |

b) Transactions with Key Management Personnel
i. Salary paid to Key Management Personnel

(` .In Lacs)

| Particulars | Year Ended 31.03.16 | Year Ended 31.03.15 |
|---------------------|------------------------|------------------------|
| Salary | 62.58 | 29.63 |
| Contribution to P.F | 0.41 | Nil |
| Total Amount | 62.99 | 29.63 |

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 31.03.2016 | As at 31.03.2015 |
| (a) Payable not later than 1 Year | 37.15 | 7.47 |
| (b) Payable later than 1 year and not later than 5 years | 111.46 | - |
| (c) Payable later than 5 Years | - | - |
| TOTAL | 148.61 | 7.47 |

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

| Particulars | | Year Ended 31.03.2016 | Year Ended 31.03.2015 |
|--|-------------|--------------------------|--------------------------|
| Profit attributable to equity share holder | (` In Lacs) | 2404.12 | 2786.53 |
| Weighted Average No. of Ordinary equity shares for Basic EPS | Nos. | 1135395136 | 1053972603 |
| Nominal Value of Equity Shares | ` | 10.00 | 10.00 |
| Basic EPS | ` | 0.21 | 0.26 |
| Diluted EPS | ` | 0.19 | 0.26 |

For, **RAMANLAL G SHAH & CO.**
CHARTERED ACCOUNTANTS
 Firm Reg. No.108517W

For and on behalf of the Board of Director

Sd/-
(Vivek S. Shah)
Partner
M. No.112269

Sd/-
Managing Director
 I.P.Gautam

Sd/-
Director
 Dr.J.N.Singh

Sd/-
Chief Financial Officer
 S.S.Sabuwala

Sd/-
Company Secretary
 Navin Varma

Place: Ahmedabad
Date: 07 July 2016

Place: Gandhinagar
Date: 05 July 2016

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31.03.2016

| | | (₹ in Lacs) | |
|-------------|--|----------------------------------|----------------------------------|
| Particulars | | For the year ended 31-03-2016 | For the year ended 31-03-2015 |
| (A) | Cash Flow From Operating Activities | | |
| | Net Profit / (Loss) From Operating Activity | 3677.71 | 4,221.18 |
| | Adjustments For: | | |
| | -Depreciation | - | - |
| | -Interest On Income Tax | 1.37 | 2.02 |
| | -Interest & Other Income | (3,679.76) | (4,220.75) |
| | -Profit on Sale of Assets | (0.05) | (0.39) |
| | Operating Profit / (Loss) Before Working Capital Changes | (0.73) | 2.06 |
| | Net Cash Flow From Operating Activity (Total A) | (0.73) | 2.06 |
| (B) | Cash Flow From Investing Activities | | |
| | Purchase of Fixed Assets including Capital W. I. P. Fixed Assets | (54,113.79) | (33,299.27) |
| | Disposal of assets | 0.22 | 0.57 |
| | Interest Received | 4051.62 | 3713.95 |
| | Direct taxes paid (net of refund) | (1,271.72) | (1,460.64) |
| | Net Cash Flow From Investing Activity (Total B) | (51,333.67) | (31,045.39) |
| (C) | Cash Flow From Financing Activities | | |
| | Proceeds from Share Capital | 22521.00 | - |
| | Proceeds from Share Application Money | 16200.00 | 15000.00 |
| | Sub-ordinate Debt | 24605.00 | - |
| | Net Cash Flow From Financing Activity (Total C) | 63326.00 | 15000.00 |
| (D) | Net Changes in Cash & Cash Equivalents (A) + (B) + (C) | 11991.60 | (16,043.33) |
| (E) | Cash & Cash Equivalents at the beginning of the year | 14889.97 | 30933.30 |
| (F) | Cash & Cash Equivalents at the end of the year (D) + (E) | 26881.57 | 14889.97 |
| | Components of Cash & Cash Equivalents comprise (Ref. Note - 12) | | |
| | Balances with Banks | | |
| | -On Current Accounts | 0.53 | 10.69 |
| | -On Auto Sweep FD | 181.04 | 379.28 |
| | -Deposits with original maturity of less than three months | 26700.00 | 14500.00 |
| | Cash Balance on hand | - | - |
| | Total Cash & Cash Equivalents | 26881.57 | 14889.97 |

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) Purchase of Fixed Assets including Capital W.I.P. Fixed Assets is Rs. 54743.44 Lac (PY Rs.34028.41 Lac) out of that non cash is Rs 629.48 lacs (PY Rs.731.16 Lacs) and cash is Rs. 23377.28 Lac (PY Rs.18996.82.16 Lacs) and impact of working capital change thereon is Rs.30736.68 Lac (PY 14300.43 Lac) (as below)

| Particulars | Current Year | Previous Year |
|--|--------------|---------------|
| Impact of Change in working capital related to CWIP | (30,736.68) | (14,300.43) |
| - (Increase)/Decrease in Long Term Provisions | 8.52 | (1.96) |
| - (Increase)/Decrease in Trade Payables | 153.37 | 17.28 |
| - (Increase)/Decrease in Short Term Provisions | 20.15 | (1.55) |
| - (Increase)/Decrease in Other Current Liabilities | 4,167.70 | (1,543.41) |
| - (Increase)/Decrease in Long Loans & Advances | (19,812.96) | (1,074.67) |
| - (Increase)/Decrease in Short Term Loans & Advances | (15,273.46) | (11,696.12) |

As per our report of even date attached

For, RAMANLAL G SHAH & CO.
CHARTERED ACCOUNTANTS
Firm Reg. No.108517W

For and on behalf of the Board of Director

Sd/-
(Vivek S. Shah)
Partner
M. No.112269

Sd/-
Managing Director
I.P.Gautam

Sd/-
Director
Dr.J.N.Singh

Sd/-
Chief Financial Officer
S.S.Sabuwala

Sd/-
Company Secretary
Navin Varma

Place: Ahmedabad
Date: 07 July 2016

Place: Gandhinagar
Date: 05 July 2016