

Independent Auditor's Report

TO THE MEMBERS OF KOLKATA METRO RAIL CORPORATION LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **Kolkata Metro Rail Corporation Limited** ('the Company'), which comprise the Balance Sheet as at 31st March 2014, the Statement of Profit & 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

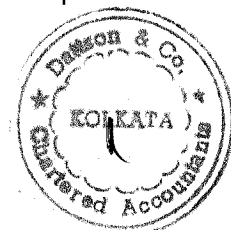
The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and in accordance with the Accounting Standards notified under the Companies Act, 1956 (the Act) read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 assessment, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by 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 opinion.



DATTSON & CO.

Chartered Accountants

A. K. Datta, M. Com., LLB., F.C.A

Chartered Accountant

Phone : Office : 2248 2804

Resi. : 2416 6643

E-mail : dattsonco@yahoo.co.in

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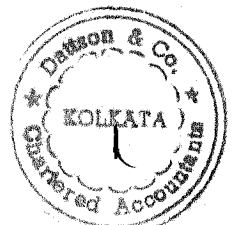
Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March 2014;
- (ii) In the case of Statement Profit & Loss, of the net expenditure for the year ended on that date.
- (iii) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2003 (the Order), issued by the Central Government of India in terms of Section 227 (4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. As required by Section 227(3) of the Act, we report that :
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. 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.
 - d. In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
 - e. In pursuance to the notification No. GSR 829(E) dated 17.07.2003, issued by the department of company affairs; clause (g) of sub-section (1) of section 274 of companies Act, 1956, pertaining to disqualification of Directors is not applicable to a Government Company.



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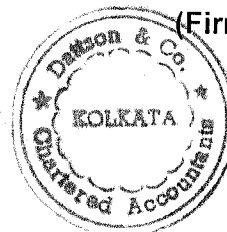
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f. In our opinion and to the best of our knowledge and according to information and explanations given to us, the said Financial statement, read together with the Note of Accounts give in Note-1 to 28, and Accounting policies annexed thereto in that note and in absence of confirmation of balances from parties to whom capital advances were given remain unadjusted vide note no. 11 as on the date of the balance sheet, give the information as required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the Accounting Principle generally accepted in India :

- (a) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March 2014;
- (b) In the case of Statement Profit & Loss, of the net expenditure for the year ended on that date.
- (c) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For DATTSON & CO.
Chartered Accountants

(Firm Registration No. 311061E)



Asit Kr. Datta
8/9/14

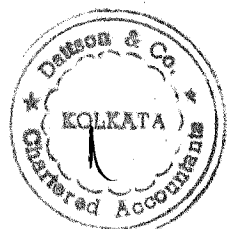
CA ASIT KR. DATTA
Proprietor
Membership No. 50146

Place : Kolkata

Date : 8.9.14

Re : Kolkata Metro Rail Corporation Limited**ANNEXURE TO AUDITOR'S REPORT**

- i) a) The company has maintained a Fixed Assets Register showing quantitative details, Identification number and situation of each fixed Assets.
- b) As explained to us, Fixed Assets have been physically verified by the management during the period under audit, which in our opinion is reasonable, having regards to the size of the company and the nature of its assets. As reported, no material discrepancies were noticed on such verification.
- c) In our opinion that the company has not disposed off any substantial part of its Fixed Assets during the period under audit.
- ii) The company during the period under audit did not have any trading and other commercial activities and so the question of maintenance inventories does not arise.
- iii) a) According to the information given to us, the company has not granted any loan secured or unsecured to companies, firm or other parties listed in the Register maintained under section 301 of the Companies Act. 1956.
b) According to the information given to us, the company has not taken any loans, secured or unsecured from companies, firm or other parties in the Register maintained under section 301 of the Companies Act. 1956
- iv) In our opinion, according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of Fixed Assets. Present activities of the company do not involve purchase of inventories and sale of goods. We have not noted any continuing failure to correct major weakness in the internal control during the course of the audit.
- v) According to the information and explanations given to us, during the period under audit, there are no contracts or arrangements referred to in section 301 of the companies Act 1956, to be entered in the Register maintained under that Section. Accordingly clause (v) of paragraph 4 of the Order is not applicable.
- vi) In our opinion, according to the information and explanations given to us, the company has not accepted any deposit from the Public during the period under audit and hence, the questions of complying with the Provisions of Section 58A, 58AA or any other relevant provision of the Companies Act. 1956 and the rules framed there under, does not arise.



DATTSON & CO.

Chartered Accountants

A. K. Datta, M. Com., LLB., F.C.A

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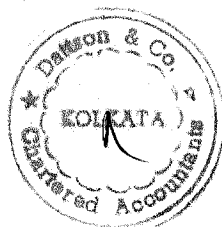
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- vii) The company has an internal audit system conducted by an independent auditor commensurate with the size and nature of its business.
- viii) According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records for the company under section 209(1)(d) of the companies Act. 1956
- ix) In respect of statutory dues :
- a) According to the information and explanations given to us, and according to the books and records as produced and examined by us, in our opinion, the company is depositing undisputed Statutory dues including Provident Fund, Income Tax, Sales Tax, Profession Tax, Cess and other statutory dues with the appropriated authorities and there were no arrears of such statutory dues as on 31.03.2014 for a period of more than 6 months from the date they become payable.
- b) The disputed statutory dues aggregating Rs. 21,16,040.00 that have not been deposited on account of disputed matters pending before appropriate authorities are as under :

Sl No.	Name of the Statute	Nature of the dues	Amount (In Rupees)	Period to which the amount relates	Forum where dispute is pending
1.	Income Tax Act,1961	Income Tax	2116040.00	F.Y. 2009-10	Commissioner of Income Tax(Appeal)-I,Kolkata

- x) The company does not have accumulated losses at the end of the year and still under project execution stage, the question of reporting on cash losses incurred does not arise and accordingly, comment thereon is not applicable.
- xi) According to the information and explanations given to us and the records examined by us, we are of the opinion that the company has not defaulted in repayment of dues to any financial institution, bank or debenture holders as at the Balance Sheet date.
- xii) According to the information and explanations given to us, the company has not given any loans and or advances on the basis of security by way of pledge of share, debentures and other securities.
- xiii) The company is not a Chit Fund or a Nidhi / Mutual Benefit Fund / Society. Therefore, the provisions of Clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable.



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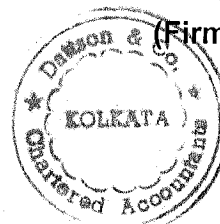
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- xiv) According to the information and explanations given to us, as the company has not dealing or trading in shares, securities, debentures and other investment, the requirement of clause 4(xiii) of the Order relating to the maintenance of proper records of the transactions and contracts and making of timely entries therein are not applicable.
- xv) According to the information and explanations given to us, the company has not given any Guarantee for loans taken by other from the bank or financial Institution, the requirement of clause 4(xv) of the Order to comment on whether the terms and conditions whereof are prejudicial to the interest of the company, is not applicable.
- xvi) According to the information and explanations given to us and to the best of our knowledge and belief, the term loans have been applied by the company for the purpose for which the loans were obtained.
- xvii) According to the information and explanations given to us and on an overall examination of Balance Sheet of the company, in our opinion, the company has not raised any short term funds, hence its uses for long term investment is not applicable.
- xviii) According to the information and explanations given to us, the company has not made any preferential allotment of shares during the financial year under audit.
- xix) According to the information and explanations given to us, the company had not issued any debentures during the financial year under audit.
- xx) The company has not raised any money by way of Public issue during the year.
- xxi) During the course of our examination of books and records of the company for the year, carried out in accordance with the generally accepted auditing practice in India, we have neither come across any instances of fraud on or by the company, nor have we been reported of such cases by the management.

For DATTSON & CO.

Chartered Accountants

(Firm Registration No. 311061E)



CA ASIT KR. DATTA
8/9/14
CA ASIT KR. DATTA
Proprietor

Membership No. 50146

Place : Kolkata

Date : 8.9.14

KOLKATA METRO RAIL CORPORATION LIMITED
BALANCE SHEET AS AT 31st MARCH, 2014

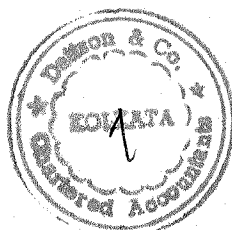
	Note	As at 31-03-14 Amount (RS)	As at 31-03-13 Amount (RS)
<u>EQUITY AND LIABILITIES</u>			
<u>SHARE HOLDERS' FUNDS</u>			
Share Capital	2	480,50,00,000	480,50,00,000
Share Application Money pending allotment	3	1,050,000,000	NIL
<u>Non-Current Liabilities</u>			
Long Term Borrowings	4	10,809,886,322	8,597,548,232
Other Long Term Liabilities	5	555,330,191	403,717,721
Long Term Provisions	6	848,343	1,134,595
		11,366,064,856	9,002,400,548
<u>Current Liabilities</u>			
Other Current Liabilities	7	2,199,005,331	781,603,026
Short Term Provision	8	50,047,578	33,600,990
		2,249,052,909	815,204,016
Total		19,470,117,765	14,622,604,564
<u>ASSETS</u>			
<u>Non-Current Assets</u>			
<u>Fixed Assets</u>			
Tangible Assets	9	432,516,225	435,755,703
Capital Work in Progress	10	15,163,237,126	11,202,469,443
Long Term Loans and Advances	11	2,458,057,036	1,968,819,935
Other Non-Current Assets	12	1,940,063	1,582,279
		18,055,750,450	13,608,627,360
<u>Current Assets</u>			
Cash and Cash Equivalents	13	846,129,210	639,727,711
Short Term Loans and Advances	14	566,238,105	374,249,493
		1,414,367,315	1,013,977,204
Total		19,470,117,765	14,622,604,564

SIGNIFICANT ACCOUNTINGS POLICIES AND NOTES TO ACCOUNTS 1 to 28
 Note: 1 to 28 form an integral part of accounts

As per our Report of even date

For DATTSON & CO.
Chartered Accountants

CA ASIT KR. DATTA
8/9/14
CA ASIT KR. DATTA
Proprietor
Membership No. 50146



For and on behalf of the Board

(A. K. JHA)
Managing Director
Kolkata Metro Rail Corporation Ltd.

(DR. S. K. BANDAY)
Director (Finance)
Kolkata Metro Rail Corporation Ltd.

(S. P. GHOSH)
Chief Financial Officer
Kolkata Metro Rail Corporation Ltd.

(S. N. MUKHERJEE)
Company Secretary
Kolkata Metro Rail Corporation Ltd.

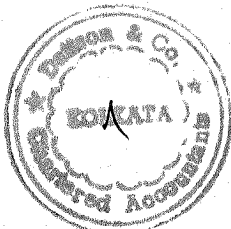
Kolkata Metro Rail Corporation Limited
Statement of Profit and Loss for the year ended 31st March,2014

Details	Note	For the year ended 31st March,2014 (Rs)	For the year ended 31st March,2013 (Rs)
INCOME			
Total Income	15	53,230,713	61,717,595
Total Income		53,230,713	61,717,595
EXPENDITURE			
Employee Benefits Expenses	16	28,572,596	29,884,016
Finance Cost	17	296,857,954	191,157,635
Depreciation and Amortization	9/18	6,381,165	5,186,133
Other Expenses	19	28,896,907	36,789,230
Total Expenditure before Tax		360,708,622	263,017,014
Net expenditure before Tax		307,477,909	201,299,419
<u>Tax Expenses</u>	20		
Current Tax		16,446,588	18,762,424
Net Expenditure carried over to Balance sheet under 'Capital Work-in-Progress'		323,924,497	220,061,843

As per our Report of even date

For DATTSON & CO.
Chartered Accountants

CA ASIT KR. DATTA
8/9/14
CA ASIT KR. DATTA
Proprietor
Membership No. 50146



For and on behalf of the Board

(A. K. JHA)
Managing Director
Kolkata Metro Rail Corporation Ltd.

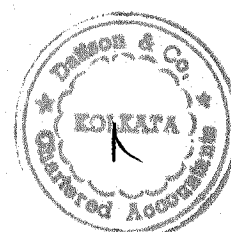
(DR. S. K. HANDEY)
Director (Finance)
Kolkata Metro Rail Corporation Ltd.

(S. C. GHOSH)
Chief Financial Officer
Kolkata Metro Rail Corporation Ltd.

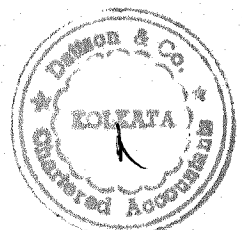
(S. N. MUKHERJEE)
Company Secretary
Kolkata Metro Rail Corporation Ltd.

Kolkata Metro Rail Corporation Limited
Cash Flow Statement for the year 2013-14

	2013-14 (Rs)	2012-13 (Rs)
Cash Flow from operating Activities		
Net Expenditure before taxation and extra-ordinary items:	30,74,77,909	20,12,99,424
Adjustment for:		
Depreciation & Amortisation	64,16,955	.52,28,350
Decrease in Long Term Provision	(2,86,252)	.5,25,517
Interest Income	5,06,20,529	6,00,11,405
Operating Loss before Working Capital changes	(35,19,67,735)	(25,55,56,962)
Increase in Short Term loans and Advances	(18,41,04,706)	(35,75,46,629)
Increase in other current liabilities.	<u>141,74,02,305</u>	(51,40,95,910)
Cash generated from operation	88,13,29,864	(112,71,99,501)
Cash flow before extra-ordinary item	88,13,29,864	(112,71,99,501)
Taxes Paid	-	-
Net Cash from Operating activities (A)	88,13,29,864	(112,71,99,501)
Cash Flow from Investing Activities:		
Purchase of Fixed Assets	(7,85,289)	(30,27,237)
Net increase in Capital work in Progress	(363,68,43,185)	(376,73,13,905)



Interest Received	4,07,36,622	5,32,10,375
Dividend Received	-	-
Proceeds from Sale of Equipments	-	-
Refund of TDS	-	30,40,954
Net Cash Flow from Investing Activities (B)	(359,68,91,852)	(371,40,89,813)
Cash Flow from Financing Activities		
Proceeds from Issue of share capital	NIL	207,50,00,000
Proceeds from long term borrowing (sub-ordinate debt from Government of India)	5,00,00,000	30,00,00,000
Loan from JICA	216,23,38,090	212,03,06,239
Proceeds from Share Application Money.	105,00,00,000	-
Increase in other non-current Assets	(19,40,063)	-
Increase in Long Term loans and advances	(49,00,47,010)	72,31,74,178
Increase in other long term liabilities	15,16,12,470	26,40,63,404
Share Application Money capitalized	NIL	(101,50,00,000)
Interest Paid	-	-
Net cash used in Financing Activities(C)	292,19,63,487	446,75,43,821
Net increase in cash & cash equivalents (A+B+C)	20,64,01,499	(37,37,45,493)
Cash & cash equivalents at the beginning of the period	63,97,27,711	101,34,73,204
Cash & cash equivalents at the end of the period.	<u>84,61,29,210</u>	<u>63,97,27,711</u>
Notes to the cash flow statement(Indirect Method)		



Cash & cash equivalents comprises balances with banks and investments in short-term deposit with banks

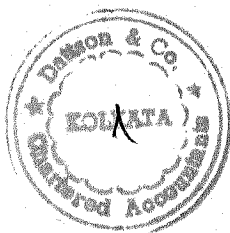
Cash and cash equivalents included in cash flow statement comprise the following Balance sheet amounts.

Cash at Bank with scheduled Bank	(428,99,835)	268,41,803
Deposit with banks in Sweep Account	20,19,63,855	11,28,85,908
Short term Deposit	68,70,65,190	50,00,00,000
Cash & Cash equivalents	84,61,29,210	63,97,27,711
Cash & Cash equivalents re-stated	<u>84,61,29,210</u>	<u>63,97,27,711</u>

As per our Report of even date

For DATTSON & CO.
Chartered Accountants

Asit Kr. Datta
8/9/14
CA ASIT KR. DATTA
Proprietor
Membership No. 50146



For and on behalf of the Board

A. K. Jha
(A. K. JHA)
Managing Director
Kolkata Metro Rail Corporation Ltd.
S. K. Panday
(DR. S. K. PANDAY)
Director (Finance)
Kolkata Metro Rail Corporation Ltd.

S. N. Mukherjee
(S. N. MUKHERJEE)
Company Secretary
Kolkata Metro Rail Corporation Ltd.

S. Ghosh
(S. GHOSH)
Chief Financial Officer
Kolkata Metro Rail Corporation Ltd.

Significant Accounting Policies and Notes to Accounts

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENT :-

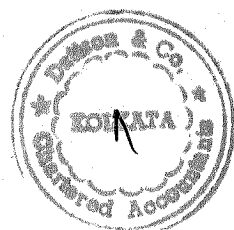
- a) The Company maintains its accounts on accrual basis following the historical cost convention, in accordance with the Generally Accepted Accounting Principle (GAAP) and in compliance with the Accounting Standards referred to in Section 211(3C) and other provision of the Companies Act, 1956.
- b) The preparation of accounts under GAAP requires management to make estimates and assumption that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities as at the date of the financial statements and reported amount of income and expenditure during the year. Examples of such estimates include useful lives of fixed assets and intangible assets, expenditure during construction, future obligation in respect of retirement benefits plans etc. actual result could differ from these estimates. Any revisions to accounting estimates are recognized prospectively in the current and future periods.

The revised Schedule VI notified under the Companies Act, 1956 as become applicable to the Company for preparation and presentation of its financial statement has duly been given effect to in preparation and presentation of Annual Accounts and financial statements.

- c) The Company is implementing the setting up of Kolkata Metro Rail system under East West Metro Project. The company has prepared statement of 'Profit and Loss' in terms of revised Schedule VI under the Companies Act, 1956. The net expenditure is transferred to 'Capital-work-in-Progress' as 'Pre-operative Expenditure' during construction and will be apportioned after review of the assets on commencement of commercial operations.

1.2. FIXED ASSETS :-

- a) Fixed Assets are shown at historical cost less depreciation.
- b) Pre-operative expenses including borrowing cost for the project and other detailed expenses incurred till the project is ready for commercial operation will be treated as part of the project cost and capitalized.
- c) Assets under construction as on the balance sheet date are shown as 'Capital-Work-in-Progress'.



1.3. CAPITAL WORK IN PROGRESS :-

Construction expenditures, consultancy fees to consultants and all other costs directly attributable to the Project along with pre-operative expenditure during construction are "shown as Capital Work in Progress till capitalization.

Liquidated damages are accounted for on settlement of final bill.

Reimbursement of Service Tax are made only on production of documentary evidence by the vendors/parties towards payment of Service Tax.

Recovery from Contractors towards interest is adjusted against Construction Expenditure pending Capitalization.

1.4. INTANGIBLE ASSETS AND AMORTISATION :-

Intangible assets will be recognized when the project is ready for commercial operation and will be dealt with as per the Accounting Standard 26 after apportionment of pre-operative expenditure and indemnifying other intangible assets.

1.5. DEPRECIATION:-

Depreciation on Fixed Assets is provided under Written down value method at the rates specified in Schedule XIV of the Companies Act, 1956, on the assets purchased during the year for the period the assets are used from the date of acquisition.

1.6. DEFERRED REVENUE EXPENDITURE

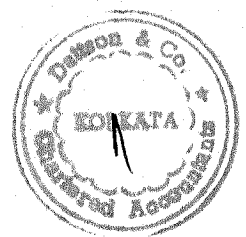
Deferred Revenue Expenditure has fully been written off in terms of revised Schedule VI.

1.7. MISCELLANEOUS EXPENDITURE (TO THE EXTENT NOT WRITTEN OFF) :-

Pre-development expenses incurred for implementation of East West Metro Project prior to the date of incorporation and preliminary expenditure has fully been written off in accordance with Accounting Standard 26.

1.8. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

- a) Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation , if
- i) the Company has a present obligation as a result of past event ;
 - ii) a probable outflow of resources embodying economic benefits is expected to settle the obligation and
 - iii) a reliable estimate can be made of the amount of the obligation;
 - iv) Intimation of present obligation for past event received up to 31st May of Subsequent financial year.



- b) Reimbursement by another party, expected in respect of expenditure required to settle a provision, is recognized when it is virtual certain that reimbursement will be received if obligation is settled.
- c) Contingent liability is disclosed in case of
 - i) A present obligation arising from past event, when it is not probable than an outflow of resources will be required to settle the obligation;
 - ii) A possible obligation unless the probability of outflow of resources is remote.
- d) Contingent assets are neither disclosed nor recognized;
- e) Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

1.9. RETIREMENT BENEFITS :-

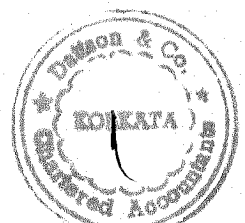
The Company has not yet framed its policies towards Retirement benefit of its employees. However, provisions towards Gratuity and Leave Salary in respect of the eligible employees have been made on the basis of actuarial valuation.

The Company does not come under the purview of Employees Provident Fund & Misc. Provision AAct,1952. However, the Company has voluntarily introduced Provident Fund Scheme for its eligible employees w.e.f. 1st March,2012 with the approval of the Regional P.F. Commissioner, West Bengal.

Contribution towards Provident Fund has been made in respect of employees on deputation from State Govt. Undertakings as per the terms and conditions of deputation.

1.10. BORROWING COST :-

Borrowing cost after deduction of any income on temporary investment out of those borrowings that are directly attributable to the acquisition, construction or production of qualifying assets will be capitalized as part of cost of that asset.



Notes on Financial Statements for the year ended on 31st March, 2014

The previous year's figures have been regrouped/re-classified wherever necessary to conform to the current year's presentation.

2. SHARE CAPITAL :	As at 31 st March, 2014 (Rs.)	As at 31 st March, 2013 (Rs.)
Authorised Share Capital:		
140,00,00,000, Equity Share of Rs. 10/- each	<u>1400,00,00,000</u>	<u>1400,00,00,000</u>
Issued, Subscribed & Paid up :		
480,500,000 Equity Share of Rs. 10/- each fully paid up	<u>480,50,00,000</u>	<u>480,50,00,000</u>
TOTAL :	<u>480,50,00,000</u>	<u>480,50,00,000</u>

2.1 The details of Share holders holding more than 5% shares

	As at 31 st March, 2014	As at 31 st March, 2013
	<u>No. of shares</u> <u>% held</u>	<u>No. of shares</u> <u>% held</u>
Govt. of India	48,05,00,000 100%	48,05,00,000 100%

2.2 The reconciliation of the number of shares outstanding is set out below

	As at 31 st March, 2014 (Rs.)	As at 31 st March, 2013 (Rs.)
	<u>No. of shares</u>	<u>No. of shares</u>
Equity shares at the beginning of the year	48,05,00,000	27,30,00,000
Add. Share issued during the year	<u>NIL</u>	<u>20,75,00,000</u>
Equity shares at the end of the year	<u>48,05,00,000</u>	<u>48,05,00,000</u>

3. SHARE APPLICATION MONEY PENDING ALLOTMENT

- 3.I The Company received Share Application Money from Govt. of India to the tune of Rs. 105,00,00,000 as on the date of Balance Sheet i.e. 31-03-14
- 3.II The Share Application Money does not have any share premium money.
- 3.III The Share Application Money pending allotment will be allotted into financial year 2014-15.
- 3.IV The Company has an Authorised Capital of Rs. 1400,00,00,000; so share application money pending allotment is well within the coverage of authorized share capital.
- 3.V The share application money is pending allotment as no Board meeting was held during that period.



4. **LONG TERM BORROWINGS
UNSECURED**

	As at 31 st March, 2014 (Rs)	As at 31 st March, 2013 (Rs)
Loan from the Japan International Cooperation Agency (JICA)	885,98,86,322	669,75,48,232
Subordinate Debt – Govt. of India	99,00,00,000	94,00,00,000
Sub-ordinate Debt Govt. of W.B.	<u>96,00,00,000</u>	<u>96,00,00,000</u>
TOTAL :	<u>1080,98,86,322</u>	<u>859,75,48,232</u>

- 4.1 (a) interest @ 1.2% p.a. on Loan No. (ID-P192) and @ 1.4% p.a. on Loan No. (ID-P207) on the respective days balance of loan (in INR); and
- (b) Commitment Charges @ 0.1% p.a. on the total unused balance of committed loan amount upto 31.3.14 for both the Loans have been provided in the books for the year 2013-14.

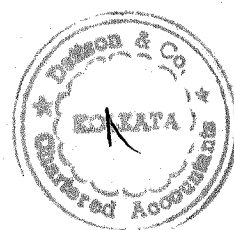
5. **OTHER LONG TERM LIABILITIES**

	As at 31 st March, 2014 (Rs)	As at 31 st March, 2013 (Rs)
Retention Money from Contractors	54,98,54,031	39,88,69,515
Security Deposit from Contractors	<u>54,76,160</u>	<u>48,48,206</u>
TOTAL :	<u>55,53,30,191</u>	<u>40,37,17,721</u>

6. **LONG TERM PROVISIONS:**

Gratuity	3,41,974	4,11,660
Leave Salary	<u>5,06,369</u>	<u>7,22,935</u>
TOTAL :	<u>8,48,343</u>	<u>11,34,595</u>

- 6.1 Provision towards leave salary and gratuity have been made in respect of the eligible employees on the basis of actuarial valuation as on 31-03-2014.



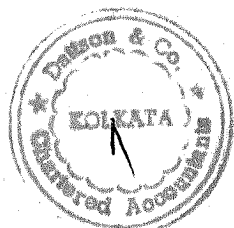
7. **OTHER CURRENT LIABILITIES:**

	As at 31.03.2014 (Rs.)	As at 31.03.2013 (Rs.)
Creditor for Capital Expenditure	167,64,55,761	56,83,97,813
Creditor for Expenses	17,70,864	46,65,807
Employees Benefits Expenses	20,91,813	20,70,667
Interest Accrued on Loan from JICA	19,56,44,473	10,81,77,579
Interest on Pass Through Assistance	23,87,73,593	3,88,70,998
Commitment charges on Loan from JICA	3,82,12,175	2,87,23,710
TDS payable – Contractor	: 313,77,119	3,71,965
Staff	: <u>1,80,100</u>	<u>Nil</u>
	315,57,219	3,71,965
Advance from Contractor (Taxes & Cess)	65,85,092	1,85,47,603
Sales Tax deducted at source	22,22,517	6,28,889
Labour Welfare Cess	7,40,053	72,83,533
Earnest Money from Contractors	40,20,452	28,64,677
Advance from Mani Square Ltd.	7,90,147	7,90,147
Professional Tax	6,180	6,935
Tax Audit Fee	11,236	11,236
Audit Fees	68,000	75,000
Internal Audit Fee	50,562	1,12,300
Miscellaneous Liability	<u>5,194</u>	<u>4,167</u>
TOTAL :	<u>219,90,05,331</u>	<u>78,16,03,026</u>

7.1 There was no small scale industrial undertaking as to which the Company owed Rs.1,00,000 or more which was outstanding for more than 30 days on the date of Balance Sheet.

8. **SHORT TERM PROVISIONS:**

Provision for Income Tax	<u>5,00,47,578</u>	<u>3,36,00,990</u>
TOTAL :	<u>5,00,47,578</u>	<u>3,36,00,990</u>



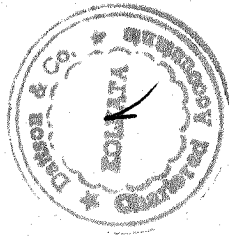
9. FIXED ASSETS

Description	GROSS BLOCK			DEPRECIATION				NET BLOCK	
	As at 1.4.2013	Addition / Capitalisation during the year	Deduction/ Adjustments	As at 31.3.2014	As at 1.4.2013	Past year's Adjustments	For the year	Upto 31.3.2014	Net value of Fixed Assets as on 31.3.2014
TANGIBLE ASSETS									
Land	399,842,093	-	-	399,842,093	NIL	NIL	NIL	NIL	399,842,093
Buildings	24,193,680	57,150	-	24,250,830	3,706,360	-	1,026,214	4,732,574	19,518,256
Furnitures & Fixtures	11,595,179	200,712	(2,60,379)	11,535,512	5,886,413	31,590	1,015,630	6,933,633	4,601,879
Motor Vehicles	917,123	-	-	917,123	53,343	-	223,633	276,976	640,147
Air Conditioning & other Electrical Equipments	13,203,662	-	61,485 (19,40,063)	11,325,084	6,083,361	-	729,124	6,812,485	4,512,599
Computers	6,666,951	205,264	(3806)	6,868,409	5,177,032	-	638,285	5,815,317	1,053,092
Office Equipments	422,248	302,338	319,723	1,044,309	178,724	4,200	126,581	309,505	734,804
IT System & Net Working	NIL	1,842,865	-	1,842,865	NIL	-	229,510	229,510	1,613,355
Total	456,840,936	2,608,329	(18,23,040)	457,626,225	21,085,233	35,790	3,988,977	25,110,000	432,516,225
Previous year	453,813,699	3,027,237	-	456,840,936	16,464,315	42,217	4,578,701	21,085,233	435,755,703

9.1 Land includes Rs.3,00,00,000 paid to Calcutta State Transport Corporation for the cost of Land at 10, Lu Tsun Sarani, Kolkata for construction of new building for rehabilitation of project affected people of 'Mohakaran' and 'Central Station' Kolkata

9.2 Computer includes Rs. 320985 being the cost of computer, its accessories and software placed at Land Acquisition Office for smooth and fast processing of land acquisition work relating to this project in terms of MD, KMRCL's order dated 28.01.2011

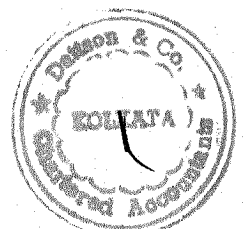
9.3 There was no impairment of assets/losses identifiable during the year as per Accounting Standard 28.



10. CAPITAL WORK- IN- PROGRESS

	As on 31.3.14 (Rs)	As on 31.3.13 (Rs)
<u>Construction Expenditure :</u>		
Elevated Viaduct	2,684,702,904	2,356,659,426
Station Buildings and Design	1,599,695,807	1,497,296,721
Underground Tunneling - UG-1	1,421,520,099	1,365,540,278
Underground Tunneling - UG-2	5,718,001,402	3,224,133,402
Central Park Depot	639,887,485	394,043,250
Aforestation and Gardening	NIL	3,928,456
<u>Power Supply</u>	23,254,785	22,732,789
<u>Signalling & Telecommunication</u>	149,310,144	NIL
<u>Consultancy Fee</u>		
General Consultant	2,026,238,234	1,790,422,230
Prime Consultants	157,027,160	128,038,280
Others	702,587	702,587
<u>Expenditure pending capitalisation</u>	742,896,519	418,972,022
Total	15,163,237,126	11,202,469,441

10.1 Capital Work-in Progress includes net expenditure of Rs.323924497.00 (previous year Rs.220061843) being the difference between pre-operative expenditure (the total revenue expenditure incurred during the year) against total income during construction for the year.



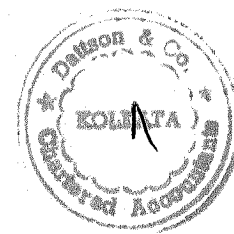
11 LONG TERM LOANS AND ADVANCES

Unsecured, Considered good

	As on 31st March, 2014 (Rs)	As on 31st March, 2013 (Rs)
<u>Capital Advances</u>		
Construction	1,758,917,044	1,258,572,645
Power Supply	175,856,083	175,856,083
Signal & Telecommunication	312,992,472	312,992,472
Land	57,834,603	57,834,603
Shifting of Utility	108,317,267	128,581,495
Consultancy (Fixed Assets)	5,777,704	5,777,704
	<u>2,419,695,173</u>	<u>1,939,615,002</u>
<u>Security deposit, electrical, telephone & others</u>	<u>2,631,999</u>	<u>2,584,355</u>
<u>Other Loans & Advances</u>		
Income-Tax	1,100,000	1,100,000
Advance Income tax	34,535,452	24,297,402
Advance Electric Charges CESC	94,412	413,267
Deferred Revenue Expenditure	NIL	809,909
TOTAL	<u>35,729,864</u>	<u>26,620,578</u>
	<u>2,458,057,036</u>	<u>1,968,819,935</u>

11.1 Advance towards land was adhoc payment for acquisition of land at different locations of Kolkata for implementation of the Project.

11.2 Income-Tax payment on demand of Rs.11,00,000/- was made in response to Assessment Order dated 31-07-12 U/s 143 (3) for the Assessment Year 2010-11 out of the total assessed tax of Rs.2116040/-. Appeal against the said Assessment has been preferred before Commissioner of Income-Tax Appeal (Appeal-1) on 06-09-12 and the same is pending for disposal.



12 OTHER NON CURRENT ASSETS

	As At 31st March, 2014 (Rs)	As At 31st March, 2013 (Rs)
Preliminary expenditure	NIL	403,401
Pre development expenses	NIL	1,178,878
A/c - Receivables	<u>1,940,063</u>	<u>NIL</u>
TOTAL	<u>1,940,063</u>	<u>1,582,279</u>

13 CURRENT ASSETS

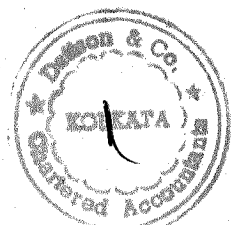
	As At 31st March, 2014 (Rs)	As At 31st March, 2013 (Rs)
Cash & Cash equivalents		
Cash in hand	NIL	NIL
<u>Balance with Banks</u>		
In Current Account	(428,99,835)	26,841,803
In Sweep Account	201,963,855	112,885,908
In Deposit Account	<u>687,065,190</u>	<u>500,000,000</u>
TOTAL	<u>846,129,210</u>	<u>639,727,711</u>

13.1 The deposits maintained by the company with different scheduled Banks comprising Term Deposits were for a maturity period of less than 12 months and can be withdrawn by the company at any point of time without prior notice or penalty on the principal.

The details of balances as on Balance Sheet date with Banks are as follows :

Particulars	As At 31st March, 2014 (RS)	As At 31st March, 2013 (Rs)
<u>In Current Account</u>		
Indian Bank, Strand Road Branch	5,071	(12,049)
SBI, Kolkata Main Branch	(4,30,75,855)	26,696,232
Net A/c.SBI,Kolkata Main Branch	54,324	54,241
UBI, High Court Branch	53,028	7,877
Union Bank of India, Dharmotolla Branch	62,611	94,516
HDFC Bank, Stephen House Branch	<u>986</u>	<u>986</u>
TOTAL	<u>(428,99,835)</u>	<u>26,841,803</u>
<u>In Sweep Account</u>		
Indian Bank, Strand Road	391,608	401,608
SBI, Kolkata Main Branch	190,682,247	50,750,316
UBI, High Court Branch	770,000	25,964,613
Union Bank of India, Dharmotolla Branch	10,120,000	14,670,000
SBI, CLTD-NET FD Sweep A/c.	NIL	21,099,371
TOTAL	<u>201,963,855</u>	<u>112,885,908</u>
<u>In Deposit Account</u>		
ICICI Bank	NIL	500,000,000
Allahabad Bank	<u>687,065,190</u>	<u>500,000,000</u>
TOTAL	<u>687,065,190</u>	<u>500,000,000</u>
Total Cash and Cash Equivalents as per Balance Sheet	<u>846,129,210</u>	<u>639,727,711</u>

13.2 Credit balance in Current Account with SBI Kolkata Main Branch as on 31-03-2014 was due to transfer of funds to SBI Sweep Account.

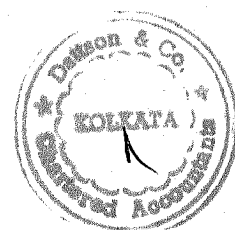


14 **SHORT TERMS LOANS AND ADVANCES**

Unsecured, Considered good

Particulars	Note	As At 31st March, 2014	As At 31st March, 2013
		(Rs)	(Rs)
Interest accrued on Term Deposits	15.1	10,389,170	9,066,781
Interest accrued on Sweep A/c.		3,762,510	NIL
Tax deducted at source		12,245,076	7,446,069
Fringe benefit tax refund receivable	-	166,566	166,566
Pass Through Assistance Receivables		541,548,233	357,348,233
Rent		70,000	70,000
Misc.Advances		54,783	151,844
Services Tax (Telephones)	-	1,767	NIL
TOTAL		<u>568,238,105</u>	<u>374,249,493</u>

- 14.1 Fringe Benefit Tax refund receivable of Rs.166566/- will be adjusted in due course only after final Assessment Order passed by the Income Tax Authority.



15 INCOME DURING CONSTRUCTION

Details	Note	Year ended 31st March 2014 (Rs)	Year ended 31st March 2013 (Rs)
Interest on Term Deposit	15.1	31,460,710	38,282,577
Interest on Bank Sweep Account		19,106,400	21,728,828
Receipts from Sale of Tender Forms		555,000	1,379,858
Interest on Security Deposit		39,484	63,877
Interest on Advance Electric Charges CESC		13,935	8,802
Miscellaneous Receipts		27,450	4,200
Interest on Refund of TDS		NIL	249,453
Prior Period Adjustments		2,027,734	NIL
TOTAL		53,230,713	61,717,595

16 Employees Benefits Expenses

Salaries including ex-gratia, leave salary, gratuity, foreign service contribution etc.	28,267,940	29,357,651
Staff Welfare	304,656	526,365
Total	28,572,596	29,884,016

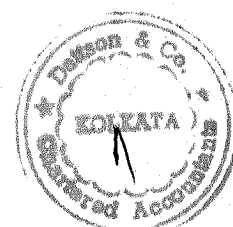
- 16.1 The company accounts for liability of future gratuity benefits and leave salary benefits of its eligible employees on the basis of actual valuation.

17 FINANCE COST

	Year ended 31st March '14 (Rs)	Year ended 31st March '13 (Rs)
Interest on JICA Loan	87,466,894	52,968,013
Interest - CAA&A	199,902,595	127,708,858
Commitment charge on JICA Loan.	9,488,465	10,480,764
Total	296,857,954	191,157,635

18 DEPRECIATION AND AMORTISATION

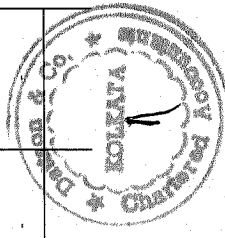
Depreciation on Fixed Assets	3,988,977	4,578,701
Amortisation of Deferred Revenue Expenditure	809,909	607,432
Amortisation of Preliminary Expenses	403,401	NIL
Amortisation of Pre-development Expenses	1,178,878	NIL
Total	6,381,165	5,186,133

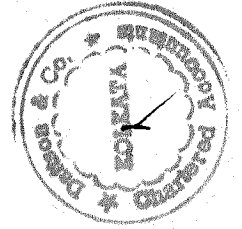


SUB-SCHEDULE-D

Schedule of Fixed Deposits, Interest Realised and Interest Accrued thereon for the year 2013-14.

Sl No	Nomenclature	Opening Balance as on 1.4.13	Addition during the year 2013-14		Rate of Interest	Date of Maturity	Amount of Investment matured during the year		Accrued Interest on 1.4.13	Total Interest due for the year 2013-14	Total Interest Realised			Closing Balance of Investment as on 31-03-14	Accrued Interest on 31-03-14
			Start date	Amount (Rs.)			Date	Amount (Rs.)			Date	Interest Realised	TDS		
	UBI FD -								3,286						3,286
1	ICICI Bank FD (00610050405)	100,000,000	4.1.13	--	8.45	5.4.13	5.4.13	100,000,000	1,812,699	92,369	5.4.13	1,895,873	9,195		
										47			47		
2	ICICI Bank FD (00610050407)	100,000,000	4.1.13	--	8.45	5.4.13	5.4.13	100,000,000	1,812,699	92,369	5.4.13	1,895,873	9,195		
										47			47		
3	ICICI Bank FD (00610050409)	100,000,000	4.1.13	--	8.45	5.4.13	5.4.13	100,000,000	1,812,699	92,369	5.4.13	1,895,873	9,195		
										47			47		
4	ICICI Bank FD (00610050406)	100,000,000	4.1.13	--	8.45	5.4.13	5.4.13	100,000,000	1,812,699	92,369	5.4.13	1,895,874	9,194		
										47			47		
5	ICICI Bank FD (00610050408)	100,000,000	4.1.13	--	8.45	5.4.13	5.4.13	100,000,000	1,812,699	92,369	5.4.13	1,895,874	9,194		
										47			47		
6	Allahabad Bank FD (618164)		6.4.13	100,000,000	7.6	6.5.13	6.5.13	100,000,000	NIL	624,658	6.5.13	624,658			
7	Allahabad Bank FD (618165)		6.4.13	100,000,000	7.6	6.5.13	6.5.13	100,000,000	NIL	624,658	6.5.13	624,658			
8	Allahabad Bank FD (618166)		6.4.13	100,000,000	7.6	6.5.13	6.5.13	100,000,000	NIL	624,658	6.5.13	624,658			
9	Allahabad Bank FD (618247)		6.5.13	100,624,658	7.6	5.6.13	5.6.13	100,624,658	NIL	628,560	5.6.13	628,560			
10	Allahabad Bank FD (618248)		6.5.13	100,624,658	7.6	5.6.13	5.6.13	100,624,658	NIL	628,560	5.6.13	628,560			





11	Allahabad Bank FD (618249)	-	6.5.13	100,624,658	7.6	5.6.13	5.6.13	100,624,658	5.6.13	628,560			
12	Allahabad Bank FD (618336)	-	5.6.13	101,253,218	8.15	4.9.13	4.9.13	101,253,218	4.9.13	2,057,382	331,060		
13	Allahabad Bank FD (618337)	-	5.6.13	101,253,218	8.15	4.9.13	4.9.13	101,253,218	4.9.13	2,057,382	331,060		
14	Allahabad Bank FD (618338)	-	5.6.13	101,253,218	8.15	4.9.13	4.9.13	101,253,218	4.9.13	2,057,382	331,060		
15	Allahabad Bank FD (618673)	-	4.9.13	50,000,000	10.2	19.9.13	19.9.13	50,000,000	19.9.13	209,589	20,959		
16	Allahabad Bank FD (618672)	-	4.9.13	258,938,620	10.6	03-12-13	04-12-13	258,938,620	04-12-13	6,767,875	676,788		
17	Allahabad Bank FD (618711)	-	19-09-13	50,188,630	10	19-10-13	21-10-13	50,188,630	21-10-13	412,509	41,251		
18	Allahabad Bank FD (618966)	-	03-12-13	200,000,000	8.25	04-03-14	24-01-14	200,000,000	24-01-14	2,136,986			
19	Allahabad Bank FD (619126)	-	24-01-14	487,065,190	9.15	25-04-14				8,180,693	818,069	487,065,190	7,362,624
20	Allahabad Bank FD (619127)	-	24-01-14	200,000,000	9.15	25-04-14				3,359,178	335,918	200,000,000	3,023,260
		500,000,000		2,151,826,068				1,964,760,878	9,066,781	31,460,710	2,932,373	687,065,190	10,389,170

	Year ended 31st March '2014 (Rs)	Year ended 31st March '2013 (Rs)
Accommodation charges	215,182	269,882
Anniversary Expenses	106,000	204,972
Aforestation & Gardening	4,803,986	NIL
Advertisement	2,538,498	7,738,649
Bank charges	3,270,924	3,311,068
Car hire charges & Parking fees.	3,782,369	4,308,364
Consultancy & Professional Fees	175,735	18,579
Car Insurance Premium	15,562	-
Electricity	612,608	1,151,857
Legal expenses	597,470	189,235
Printing & Stationery	265,094	1,893,161
Prior Period Adjustment	NIL	3,441,883
Rent	420,000	2,117,376
Repair & Maintenance	602,596	537,132
Security charges	3,467,884	4,251,231
Service Tax	816,811	2,317
Telephone	684,543	922,677
Travel & Conveyance	5,187,683	3,332,403
Tax Audit Fee	11,236	11,236
Internal Audit Fee	224,720	224,660
Statutory Audit Fee	75,000	75,000
Other administrative & Misc.Expenditure	1,023,006	2,787,548
TOTAL	28,896,907	36,789,230



20. **TAX EXPENSES**

<u>Current Tax</u>	Year ended 31st March'14 Rs	Year ended 31st March'13 Rs
Income Tax	1,64,46,588	1,87,62,424
Deferred Tax	NIL	NIL
TOTAL	1,64,46,588	1,87,62,424

- 20.1 The company paid advance income-tax during the year 2013-14 for the A.Y.2014-15 as per current rate of taxation and provision for income-tax has duly been made in the accounts.
- 20.2 In absence of timing difference, deferred tax asset/liability pursuant to Accounting Standard 22 "Accounting for Taxes on Income" issued by the ICAI has not been provided.

21. **CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS (to the extent not provided for)**

	As at 31st March'14 Rs	As at 31st March'13 Rs
Contingent Liabilities	349,65,05,955	NIL
Estimated amount of unexecuted Capital Contracts (Net of advances)	2514,70,80,599	2831,07,18,046



22. RELATED PARTY DISCLOSURE :

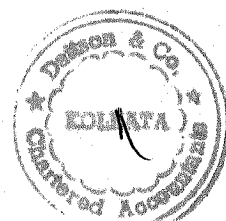
(i) Key Managerial Personnel	As on 31-03-2014
Shri Rajeev Bhargava, GM, Metro Railway, Kolkata	Chairman
Shri Hemant Kumar Sharma	Managing Director
Shri Mukund Kumar Sinha	Director
Shri Naresh Salecha	Director
Shri Kailash Kumar Agarwal	Director

(ii) Remuneration to Key Managerial Personnel

	<u>Year ended</u> <u>31st March '14</u> Rs	<u>Year ended</u> <u>31st March '13</u> Rs
Salaries & other Employee benefits	<u>20,29,423</u>	<u>5,61,413</u>

23. SEGMENT REPORTING

There were no segment reportable activities.



24. **EXPENDITURE IN FOREIGN CURRENCY :**

	As on 31 st March'14 Rs.	As on 31 st March'13 Rs.
i) Fees paid to General Consultants	28,67,50,821	23,07,56,244
ii) Advance to Contractors	60,57,54,000	31,29,92,472
iii) Construction Expenditure	126,98,33,269	159,47,52,900
iii) Bank charges – BOI, Tokyo	32,60,380	32,82,419
v) Travelling Expenses	8,90,946	NIL

25. **LOSS ON FOREIGN CURRENCY TRANSACTION :**

	As on 31 st March'14 Rs	As on 31 st March'13 Rs
Mobilization Advance from General Consultants	NIL	1,77,407
Exchange Difference on Loan	NIL	1,36,814
Total	<u>NIL</u>	<u>3,14,221</u>

26. **GRATUITY**

The company provides for liability towards gratuity of its employees in terms of payment of Gratuity Act, 1972 as per actuarial valuation.

27. **LEAVE SALARY**

Liability for leave salary of eligible employees of the company has been provided in the accounts as per actuarial valuation.

28. **PROVIDENT FUND**

The company does not come under the purview of 'Employees' Provident Fund & Miscellaneous Provisions Act, 1952. However, the company has voluntarily introduced provident fund scheme for its eligible employees w.e.f. 1st March, 2012 and has been regularly paying its P.F. dues to the Regional Provident Fund Commissioner, West Bengal regularly in time.

As per our Report of even date

For DATTSON & CO.
Chartered Accountants

Asit Kr. Datta
29/1/14
CA ASIT KR. DATTA
Proprietor
Membership No. 50146



For and on behalf of the Board

(Signature)
(DR. S. K. PANDAY)
Director (Finance)

Kolkata Metro Rail Corporation Ltd.

(Signature)
(S. C. GHOSH)
Chief Financial Officer

Kolkata Metro Rail Corporation Ltd.

(Signature)
(S. N. MUKHERJEE)
Company Secretary

Kolkata Metro Rail Corporation Ltd.