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DELHI METRO RAIL CORPORATION LIMITED

BOARD OF DIRECTORS
(As on 31.3.96)

1. Shri C. Ramachandran,
Secretary,
Deptt. of Urban Development,
MOUAE & Chairman, DMRC Ltd.,
Nirman Bhavan, New Delhi

2. Shri S. Sundar,
Secretary
Ministry of Surface Transport &
Director, DMRC Ltd.
Parivahan Bhavan,
New Delhi

3. Shri C.L. Kaw,
Chairman
Railway Board & Director, DMRC Ltd.,
Rail Bhavan, New Delhi

4. Shri P.P. Chauhan,
Chief Secretary
Government of NCT of Delhi &
Director, DMRC Ltd,
5, Shammath Marg, Delhi
(upto 27.3.96)

5. Shri P.V. Jayakrishnan,
Chief Secretary
Government of NCT of Delhi &
Director, DMRC Ltd.
5, Shammath Marg, Delhi

6. Shri N.P. Singh,
Additional Secretary,
Deptt. of Urban Development
MOUAE & Director, DMRC Ltd.
Nirman Bhavan, New Delhi

7. Smt. Kiran Dhingra,
Commissioner-cum-Secretary (Transport),
GNCTD & Director, DMRC Ltd.,
Underhill Road, Delhi

8. Shri Anil Kumar,
Vice Chairman, DDA &
Director, DMRC Ltd.,
Vikas Sadan, INA,
New Delhi

REGD. OFFICE:
Delhi Metro Rail Corporation Limited,
122-C, Nirman Bhavan,
Maulana Azad Road,
New Delhi-110 011
Ph : 3019377, Fax: 379 3672

BANKERS:
State Bank of India,
Nirman Bhavan Branch,
Maulana Azad Road,
New Delhi - 110 011

STATUTORY AUDITORS:
M/s. Jain, Goel & Swamy,
Chartered Accountants,
3993-A/10, Raghu Ganj,
Chawri Bazar, Delhi - 110 006.
Introduction

The need for the Delhi MRTS

Delhi, the capital city of India, has over 26 lakhs registered motor vehicles, which is expected to go up to over 60 lakhs by 2011 AD, leaving no space on the roads to accommodate such a large number of vehicles.

With this background, M/s Rail India Technical & Economic Services Limited (RITES) was entrusted the job of preparation of the Techno-Economic Feasibility Study in 1989 at the instance of the Government of NCT of Delhi, which was completed in 1991. Based on the studies of RITES, the Union Govt, on 19.7.94, approved, in principle, the implementation of Mass Rapid Transit (MRT) Project for Delhi and authorised the preparation of a Detailed Project Report (DPR) therefor.

The DPR prepared by RITES in May, 1995 recommended the financing of the Delhi MRTS Project as a joint venture of the Government of India and GNCTD through a corporate structure, with the equity capital to be contributed by the two Government in equal proportions. This paved the way for the incorporation of Delhi Metro Rail Corporation (DMRC) Limited as a company under the companies Act, 1956. The DMRC Ltd. was accordingly registered as a company on 3rd May, 1995.

The main objective of the proposed Delhi MRTS Project is to provide a non-polluting, efficient and affordable rail-based Mass Rapid Transit System for the National Capital Territory of Delhi, duly integrated with other modes of Transport. With the population of Delhi having already crossed the 10 million mark and the number of automotive vehicles on Delhi's roads having exploded from a mere 5.36 lakhs in 1981 to over 23 lakhs in 1995, the introduction of such a Mass Rapid Transit System in Delhi has been long overdue.

Present Activities

The project alignment of Phase-I, as recommended in the DPR, consists of a network of 11 km of underground (METRO) corridor along with 44.3 km of elevated/surface (RAIL) corridors.

During the year under review, the company was registered, though it could not be made functional immediately. Effective steps were, however, taken to get the final investment approval from the Cabinet for the implementation of Delhi MRTS Project.

Future Planning

1. The Company expects to get the final investment approval from the Cabinet in 1996-97.

2. The company shall be made functional with the induction of necessary staff in the near future.

3. Efforts for negotiating a loan with the OECF (Japan) will be intensified, with support from the MOUAE and Ministry of Finance (D.E.A.).
DIRECTOR'S REPORT

To,
The Shareholders,
Delhi Metro Rail Corporation Limited

Your Directors have great pleasure in presenting to you the 1st Annual Report on the working of your Company together with Annual accounts for the Financial year ended 31st March, 1996. Your Company was incorporated under the Companies Act, 1956, on 3rd May, 1995, in pursuance of the decision taken by the Union Government to implement the Mass Rapid Transit System in Delhi.

Financial Results (Rs. in Lacs)

For the Financial Year ended 31st March, 1996

i) Sales (income from Operations) Nil
ii) Other income 2.39
Total Income 2.39
i) Expenditure Nil
ii) Preliminary Expenditure written off 8.07
Total Expenditure 8.07
Gross Profit/Loss after Interest, Depreciation & Taxation (-) 5.68
Interest Nil
Gross Profit/Loss after Interest but before Depreciation & Taxation (-) 5.68
Depreciation Nil
Provision of Taxation Nil
Net Profit/Loss (-) 5.68
i) Paid-up Equity Share Capital 161.04
ii) Share Application Money pending allotment 119.48
Total 280.52
Reserves Nil
Dividend (Proposed) Nil

During this financial year total receipts of the Company were Rs. 2,80,52,272/- (Rupees two crores eighty lakhs fifty two thousand two hundred and seventy two only) and the total expenditure was Rs. 80,52,272/- (Rupees eighty lakhs fifty two thousand two hundred seventy two only). The receipts of the Company came in the form of equity contribution released by Government of NCT of Delhi and Government of India as given in the Annual Accounts. The expenditure during the period consists mainly of the statutory fees paid for registration of the Company with the Registrar of Companies, Delhi & Haryana.
OPERATIONS:

During the year under review, a detailed project report along with the financing plan and Environmental Impact Assessment Report were got prepared and presented before the Union Cabinet for investment approval. Detailed Project Report, the Financial and Economic Analysis and Environment Impact Assessment Study Report were prepared by RITES at the instance of the GNCTD and GOI. The cost was met by them in the ratio of 60:40. MOUA also posed the project for loan assistance to the OECF (Japan). The OECF technical appraisal Mission visited India during December, 1995/January, 1996 and carried out detailed surveys and held technical discussions in this regard. It is expected that final investment approval of the GOI and GNCTD to this project will be available during 1996-97. Your Directors are also hopeful to get the sanctions from OECF for loan assistance.

EMPLOYEES:

In the Financial year 1995-96, there was no employee in the Company and the work relating to the Company was mainly performed by the employees of Ministry of Urban Affairs and Employment. The Board places on record its appreciation of the services rendered by the employees of Ministry of Urban Affairs and Employment.

TECHNOLOGY, R&D AND FOREIGN EXCHANGE:

Pursuant to section 217(1) (e) of the Companies Act, the following measures were taken towards conservation of energy and technology absorption, in accordance with Companies (Disclosure of Particulars of the Report of Directors) Rules 1988:

(i) Conservation of Energy Nil
As the Company did not commence the ground operations.
(ii) Technology absorption Nil
As the Company did not commence the ground operations.
(iii) Foreign Exchange Earnings and out go Nil

ACKNOWLEDGEMENTS

1. The Directors wish to thank the Government of India and Government of NCT of Delhi for their support and guidance.

2. Directors wish to express their gratitude to National Building Construction Corporation and Rail India Technical and Economic Services Ltd. (rites) for their assistance and guidance for the commencement of the operations of the company.

For & on behalf of Board of Directors,

(Sd/-)
(N.P. Singh)
Chairman

Place: New Delhi
Date: 27.6.97
REVISED AUDIT REPORT

We have audited the attached Balance Sheet of DELHI METRO RAIL CORPORATION LIMITED, NEW DELHI as at 31st March, 1996 and the Profit & Loss Account for the period ended on that date annexed thereto and report that:

1. As required by the Manufacturing and Other Companies (Auditors Report) Order 1988 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraph 4 & 5 of the said order.

2. Further to our comments in the Annexure referred to in paragraph 1 above we state 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 accounts as required by the law have been kept by the company so far as appears from our examination of such books.
   (c) The Balance Sheet and Profit & Loss Account referred to in this report are in agreement with the books of account:
   (d) (i) Note No. 3 of Schedule 7 regarding non provision of audit fee.
       (ii) The Corporation has issued 8052 equity shares of Rs 1000/- each totalling Rs. 80,52,000/- to the Government of India in its Board meeting held in March, 1996 adjusting preliminary expenses incurred by the Government of India in incorporation of the Corporation. But the Government of India took the decision to invest in the Corporation, in Cabinet Meeting held on 17th September, 1996 only. So Share Capital has been inflated to the extent of Rs 80,52,000/- and Current Liabilities are understated to that extent.
(e) Subject to our comments in paragraph (d) above, in our opinion and to the best of our information and according to the explanations given to us the said Balance Sheet and the Profit & Loss Account read together with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:
   (i) insofar as it related to the Balance Sheet of the state of affairs of the company as at 31st March, 1996 and
   (ii) insofar as it relates to the Profit & Loss Account of the loss of the company for the period ended on that date.

for JAIN, GOEL & SWAMY
Chartered Accountants

Sd/-
(S.K. Jain)
Partner
Place: Delhi
Date: 22.3.97

M.N. 82495.
ANNEXURE TO THE AUDITORS’ REPORT

Referred to in Paragraph 1 of our report of even date

1. As the company does not have any fixed assets clauses (i) and (ii) are not applicable to the company.

2. As the company has not started its operations, clauses (iii), (iv), (v), (vi), (x), (xi), (xii), and (xiv) are not applicable to the company.

3. As explained to us, the company has not taken loan from companies, firms or other parties listed in the Register maintained under section 301 and from the companies under the same management.

4. As explained to us, the company has not granted loans to companies, firms or other parties listed in the register maintained under section 301 and to the companies under the same management.

5. As the company has not accepted any deposit from the public, clauses (xiii) is not applicable.

6. In our opinion the company has an internal audit system commensurate with the size of the company and the nature of its business.

7. As explained to us, the Central Government has not prescribed for the maintenance of cost records U/S 209 (1) (d) of the Companies Act 1956.

8. As explained to us the Employees State Insurance Act and Provident Fund Act are not applicable to the company.

9. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, custom duty and excise duty were outstanding as on 31st March, 1996 for a period of more than six months from the date they become payable.

10. According to the information and explanations given to us, no personal expenses of employees or Directors have been charged to revenue account, other than those payable under contractual obligations or in accordance with generally accepted business practices.

11. The company is not a sick industrial company within the meaning of clauses of section (1) of section (3) of the Sick Industrial Companies (Special Provisions) Act, 1985.

for JAIN GOEL & SWAMY
Chartered Accountants

Sd/-

(S.K. Jain) Partner
M.N. 82495

Place: Delhi
Date: 22nd March, 1997

Note: The Original audit report was signed on 29th October, 1996. But as the accounts were not adopted by the Board of Directors by then, an objection has been raised by the C.A.G. The accounts has since been readopted by the Board in its meeting held, on 30.1.1997. So the revised audit report has been prepared.
# DELHI METRO RAIL CORPORATION LIMITED

## Balance Sheet As at 31.03.96

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<th>Schedule</th>
<th>Current period (95-96) Amount (Rs.)</th>
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<td><strong>Total</strong></td>
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## Sources of Funds

**Shareholders’ funds**
- Share capital: 1
- Share application money pending allotment: 2

**Loan Funds**: NIL

## Application of Funds

**Fixed assets**: NIL

**Current assets, Loans and advances**
- Cash, Bank and other balances: 3, 2,02,39,452

**Less:**

**Current liabilities and provisions**
- Current liabilities: 4, 20,272

**Net current assets**: 2,02,19,180

**Miscellaneous Expenditure**: 5, 72,65,045
- Profit and Loss Account: 5, 5,67,775

**Total**: 2,80,52,000

**Contingent liabilities**
- Significant Accounting Policies: 6
- Notes on Accounts: 7

Schedules 1 to 7 from an integral part of the Financial Statements

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**Sd/-**

(P.V. Jayakrishnan)

Director

DMRC Ltd.

**Place**: Delhi

**Date**: 22nd March 1997

As per our report of even date

*For Jain, Goel & Swamy*

Chartered Accountants.

**Sd/-**

(S.K. Jain)

Partner

---

**Sd/-**

(N.P. Singh)

Chairman

DMRC Ltd.
DELHI METRO RAIL CORPORATION LIMITED

SCHEDULE-I

SHARE CAPITAL

Authorised
1 Crores equity shares of Rs. 1000/- each

Issued and subscribed
16,104 equity shares of Rs. 1000/- each
fully paid up

Current period (1995-96)
Amount (Rs.)

1,00,00,00,000
1,61,04,000

SCHEDULE-2

Share application money pending allotment
Contribution from Delhi Government

1,19,48,000

SCHEDULE-3

Current Assets, Loans & Advances

Current Assets
(a) Inventories
Nil
(b) Sundry debtors (unsecured)
Nil
(c) Cash, bank and other balances :
- Cash in hand
Nil
- Balance with scheduled banks
10,00,000 *
  (in Current Account)
- Bank deposits (FD)
1,90,00,000 **

Total
2,00,00,000
Nil

(d) Loans and advances
2,39,452

(e) Others :
  - Interest accured on FDR

2,02,39,452

* In Current Account in State Bank of India (Nirman Bhavan)
** In FD in State Bank of India (Nirman Bhavan)
DELHI METRO RAIL CORPORATION LIMITED

SCHEDULE-4

Current Year (1995-96)
Amount (Rs.)
20,272

Current liabilities and Provisions

SCHEDULE-5

Miscellaneous expenditure
(to the extent not written off or adjusted)
Preliminary Expenses
Less: 1/10th written off
80,72,272
8,07,227

72,65,045

SCHEDULE-6

SIGNIFICANT ACCOUNTING POLICIES:

The Financial Statements are prepared under the historical cost convention in accordance with the applicable accounting standards and relevant presentational requirements of the Companies Act, 1956.

(i) FIXED ASSETS:
Fixed Assets are carried at cost of acquisition less accumulated depreciation. However, the company did not acquire any fixed assets during the year.

(ii) DEPRECIATION:
Depreciation is charged on the written down value method at the rates prescribed under the Schedule XIV of the Companies Act 1956. There is no depreciation on fixed assets as the company did not have any fixed asset.

(iii) INVESTMENTS:
Investments are stated at cost. However the company did not have any investment during the year.

(iv) INVENTORIES:
Inventories are valued at cost or market value whichever is lower. The company does not have any inventory at the year end.
DELIHI METRO RAIL CORPORATION LIMITED

SCHEDULE-7

NOTES TO ACCOUNTS

i. As this is the first year of the company, there are no previous years’ figures.

ii. During the year, company has no person under its employment.

iii. No provision for audit fee has been made in accounts, as no approval has so far been received from Company Law Board.

iv. In view of the losses in the Profit & Loss Account, no provision of income tax has been made in the accounts.

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 1996

Current period (1995-96)     
Amount (Rs.)                   

Income-Interest accrued on     
Fixed Deposit with Bank       

Expenditure                    
Nil                           

2,39,452                      

Less : Preliminary expenditure written off
Net Loss carried over to Balance Sheet

8,07,227                      
5,67,775

Sd/-      Sd/-      As per our report of even date
(P.V. Jayakrishnan)            (N.P. Singh)       For Jain Goel & Swamy
Director                          Chairman        Chartered Accountants
DMRC Ltd.                         DMRC Ltd.     

Place: Delhi
Date: 22 March, 1997

Sd/-
(S.K. Jain)
Partner
DELI METRO RAIL CORPORATION LIMITED

ABSTRACT OF BALANCE SHEET AND GENERAL BUSINESS PROFILE

1. REGISTRATION DETAILS
Registration No. 55.68150
Balance Sheet Date 31.3.1996

2. CAPITAL RAISED DURING THE YEAR
Public Issue --
Bonus Issue --
Right Issue --
Private Placement 16,104

(Rs. Thousand)

3. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS
Total Liabilities 28,052 Total Assets 28,052
Source of Funds Application of Funds
Paid up capital 28,052 Net Fixed Assets --
(including share Net Current Assets 20,219
application money) Investment --
Reserves & Surplus Misc. Expenditure 7,265
Secured Loans Accumulated Losses 568
Unsecured Loans --

4. PERFORMANCE OF THE COMPANY
Interest income accrued 239 Total Expenditure 807
Loss Before Tax 568 Loss After Tax 568
Earning Per Share (Rs.) Nil Dividend Rate (%) Nil

5. GENERIC NAME OF PRINCIPAL PRODUCT OF THE COMPANY
(as per monetary terms)

Sd/- (P.V. Jayakrishnan) Sd/- (N.P. Singh) For Jain Goel & Swamy
Director Chairman Chartered Accountants
DMRC Ltd. DMRC Ltd.

For Jain Goel & Swamy
Chartered Accountants

Sd/-
(S.K. Jain)
Partner
Comments of the Comptroller and Auditor General of India under section 619(4) of the Companies Act, 1956, on the Accounts of Delhi Metro Rail Corporation Limited, New Delhi for the period ended 31st March, 1996.

I have to state that the Comptroller and Auditor General of India has no comments upon or supplement to the Auditor's Report under Section 619(4) of the Companies Act, 1956, on the accounts of Delhi Metro Rail Corporation Limited, New Delhi, for the period ended 31st March 1996.

Sd/-
(Surinder Pal)
Principal Director of
Commercial Audit and
Ex-officio Member,
Audit Board-III, New Delhi

Place : New Delhi
Dated : 3rd June, 1997