

# Maytas Metro Limited

9th Annual Report  
2016-2017



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## INDEPENDENT AUDITOR'S REPORT

To  
**The Members of**  
**M/s. MATYAS METRO LIMITED**

### Report on the Financial Statements

We have audited the accompanying financial statements of **M/s. MATYAS METRO LIMITED**, ("the Company"), which comprise the Balance sheet as at 31<sup>st</sup> March, 2017, the Cash flow statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors 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 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 the 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 the internal financial control relevant to the Company's preparation of the financial statements that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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.



**I. Basis for qualified opinion**

- (a) The company was incorporated with the primary objective to undertake the designing, building, development, financing, engineering, procurement, construction, operation, maintenance and transfer of a mass rapid transit system (MRTS) from LB Nagar to Miyapur, Jubilee bus station to Falaknuma and Nagole to Shilparamam Corridors in Hyderabad in the state of Andhra Pradesh which was awarded by the State Government.

***The assumption of the "Going Concern" of the Company as per AS - 1 "Disclosure of Accounting Policies" will be affected as The Government of Andhra Pradesh has terminated the above said Contract.***

- (b) ***The Government of Andhra Pradesh has en cashed the performance bank Guarantee issued by the Company for Rs. 60 crores as the company failed to achieve the Financial Closure within Stipulated Period as per concession Agreement. However the company is still showing the same as receivables from the government as the litigation is pending.***
- (c) ***As the litigation is pending, we are unable to comment on the financial impact with respect to rights and obligations of concession agreement against the company.***
- (d) ***The balances of sundry debtors, creditors, loans and advances, other receivables and other payables being subject to confirmation and reconciliation resulting in the balances as per books of account not verified by us. The consequent necessary adjustments, either of a revenue nature or otherwise if any, upon which we are unable to comment at this stage, will be made in the year they are finally settled with the parties.***

**Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, **except for the possible effects of the matters described above in the Basis for Qualified Opinion paragraph**, 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, of the state of affairs of the Company as at 31 March, 2017, and its cash flows for the year ended on that date.

**Emphasis Of Matters:**

We draw attention to the following matters in the Notes to the financial statements:

***The company has not accounted dues payable by the company, if any, under certain agreements/contracts pending ascertainment of services rendered/value received.***

**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, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) 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.
  - (b) 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.
  - (c) The Balance Sheet and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.



**CHARTERED ACCOUNTANTS**

- (d) Except for the effects of the matter described in the basis for qualified opinion paragraph above, 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.
- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in the "Annexure A" ; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company does not have any pending litigations which would impact its financial positions in its financial statements.
- (ii) The Company has not entered into any long-term contracts including derivatives contracts requiring provision under applicable laws or accounting standards, for material foreseeable losses and
- (iii) There have been no amounts, required to be transferred, to the Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Companies Act, 2013.
- (iv) The Company does not dealt with cash during the year and not having any cash balance at the year end. The requisite provisions relating to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 are not applicable.

**PLACE : Hyderabad**  
**DATE : 22<sup>nd</sup> May, 2017**

**for TUKARAM & CO**  
**Chartered Accountants**  
**Firm Regn. No. 0044365**

  
**J POORNACHANDAR**  
**Partner**  
**Membership No.221627**





**ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT**  
(Referred to in paragraph 1 of Report on Other Legal and Regulatory Requirements, of our report of even date)

- (i) There are no fixed assets as on Balance sheet date
- (ii) There are no Inventories as on the Balance Sheet date.
- (iii) The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act. Accordingly, the provisions of paragraph 3 Clause (iii) of the Order are not applicable to this company.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any loans, investments, guarantees, and security during the year as referred to in 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 any deposits in terms of directives issued by Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under are not applicable.
- (vi) To the best of our knowledge, the Central Government has not prescribed maintenance of cost records under Section 148(1) of the Act in respect of the nature of business carried on by the Company.
- (vii) According to the information and explanations given to us in respect of statutory dues, the company's operations was discontinued, accordingly the provisions of the Clause 3(vii) of the order are not applicable to the Company.
- (viii) In our opinion and according to the information and explanations given to us, The Company has not taken loans or borrowings from financial institutions and government.
- (ix) The company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) Company has not paid any Managerial remuneration during the year hence reporting under clause (xi) of the CARO 2016 order is not applicable
- (xii) In our opinion and according to the information and explanations given to us, the company is not a nidhi company. Accordingly, paragraph 3 (xii) is not applicable.
- (xiii) All the transactions with the related parties are in compliance with the provisions of section 177 and section 188 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the Company has disclosed the details of related party transactions in the financial statements as required by the applicable accounting standards.



- (xiv) According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3 (xv) is not applicable.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**PLACE : Hyderabad**  
**DATE : 22<sup>nd</sup> May, 2017**

**for TUKARAM & CO**  
**Chartered Accountants**  
**Firm Regn. No. 004436S**

  
**J POORNACHANDAR**  
**Partner**  
**Membership No.221627**





**TUKARAM & CO.**

CHARTERED ACCOUNTANTS

**ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT**

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**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **M/s. MAYTAS METRO LIMITED** ("the Company") as of 31 March 2017 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 the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). 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**

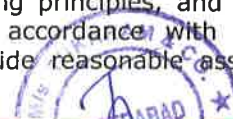
Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on 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 judgment, 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding



prevention or timely detection of unauthorised 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 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**PLACE : Hyderabad**  
**DATE : 22<sup>nd</sup> May, 2017**

**for TUKARAM & CO**  
**Chartered Accountants**  
**Firm Regn. No. 004436S**

  
**J POORNACHANDAR**  
**Partner**  
**Membership No.221627**





MAYTAS METRO LIMITED

Balance sheet as at March 31, 2017

Particulars	Notes	March 31, 2017 Rupees	March 31, 2016 Rupees
<b>Equity and liabilities</b>			
<b>Shareholder's Funds</b>			
Share capital	3	5,00,010	5,00,010
<b>Current liabilities</b>			
Trade payables	4	30,43,397	30,43,397
Other liabilities		74,89,59,395	74,89,20,295
		<b>75,25,02,802</b>	<b>75,24,63,702</b>
<b>Non-current assets</b>			
Caital work-in-progress	5	15,22,94,747	15,22,55,647
Long Term Loans & Advances	6	60,02,08,055	60,02,08,055
		<b>75,25,02,802</b>	<b>75,24,63,702</b>
Summary of Significant accounting policies and notes on accounts	2		

Notes 1 to 6 form an integral part of the financial statements

As per our report of even date

For Tukaram & Co  
Chartered Accountants  
Firm Reg. No. 0044369



J. Poorna Chandar  
M.No. 221627

Place: Hyderabad

Date:

For and on behalf of the Board of Directors  
Maytas Metro Limited

*VINAY SOOD*

Vinay Krishan Sood

Director

DIN: 06736838

*MUKESH SHARMA*

Mukesh Sharma

Director

DIN: 07143422

Place: Hyderabad

Date:



Maytas Metro Limited  
Cash flow statement for the year ended March 31, 2017  
(All amounts in Indian rupees unless otherwise stated)

	For the period ended March 31,2017	For the period ended March 31,2016
<b>A. Cash flow from operating activities</b>		
Net profit before taxation	-	-
<i>Adjustments</i>		
Provision For Taxes	-	-
Operating profit before working capital changes	-	-
Movements in working capital :		
Decrease / (Increase) in loans and advances	-	-
Increase / (Decrease) in Non current liabilities	39,050	32,051
Cash generated from operations	39,050	32,051
<b>Net cash from operating activities (A)</b>	<b>39,050</b>	<b>32,051</b>
<b>B. Cash flows from investing activities</b>		
(Increase)/Decrease in Capital Work in Progress	(39,050)	(32,051)
<b>Net cash from investing activities (B)</b>	<b>(39,050)</b>	<b>(32,051)</b>
<b>C. Cash flows from financing activities</b>		
Proceeds from issuance of share capital	-	-
<b>Net cash used in financing activities (C)</b>	<b>-</b>	<b>-</b>
<b>Net increase/(Decrease) in cash and cash equivalents (A + B + C)</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents as at opening of the period	-	-
Cash and cash equivalents as at closing of the period	-	-
<b>Notes to the Cash Flow Statement</b>		
Cash and Cash equivalents include :		
Cash and bank balances considered for cash flow	-	-
Fixed Deposit Accounts considered as investments	-	-
Cash and Cash Equivalents as per Balance Sheet	-	-

This is the cashflow statement referred in our report of even date.

For Tukaram & Co.,  
Chartered Accountants  
Firm Reg. No. 004436S

J. Poorna Chandar  
M.No. 221627

Place: Hyderabad  
Date:



For and on behalf of the Board of Directors of  
Maytas Metro Limited

*Vinay Sood*

Vinay Krishan Sood  
Director  
DIN: 06736838

*Mukesh Sharma*

Mukesh Sharma  
Director  
DIN: 07143422



## MAYTAS METRO LIMITED

Notes annexed to and forming part of the accounts for the year ended March 31, 2017  
(All amounts in Rs. Crore except for share data or as otherwise stated)

### 1. Background

Maytas Metro Limited ('MML' or 'the Company') was incorporated in India on September 09, 2008 under the Companies Act, 1956, as a private limited company which was subsequently converted into public limited company vide resolution passed in Extra-ordinary General Meeting held on September 11, 2008.

The company was promoted on the consortium of a) IL&FS Engineering and Construction Company Limited (formerly known as Maytas Infra Ltd.) b) Nava Bharat Ventures Ltd. c) Italian-Thai Development Public Company Ltd., Thailand; and d) Infrastructure Leasing & Financial Services Ltd and the Company was awarded with the MRTS Project by GoAP. The project involves the designing, building, development, financing, engineering, procurement, construction, operation, maintenance and transfer of a mass rapid transit system (MRTS) from LB Nagar to Miyapur, Jubilee Bus Station to Falaknuma and Nagole to Shilparamam Corridors.

However, due to the adverse developments resulting from Satyam episode, the company could not provide the Performance guarantee of Rs. 240 and achieve Financial Closure within the stipulated time.

Consequently, the State Government terminated the contract without giving the mandatory notice period; vide GO MS No. 430 dt. 07-07-2009 and encashed the Bid Guarantee of Rs. 60 and also forfeited the first installment of the Concession Fee of Rs. 11.

Aggrieved by the unilateral decision of the State Government, the Company filed a Writ Petition No. 15124/2009 in the High Court of Andhra Pradesh praying the Hon'ble High Court to :

- a) To issue a "Writ of Mandamus" or any other appropriate writ, order or direction declaring the action of the GoAP in seeking to cancel and terminate the concession agreement and the consequent issue of a fresh notice inviting RFQs as illegal, arbitrary, and set aside the same and direct the respondents to restore status quo ante.
- b) It is further prayed that this Hon'ble Court may be pleased to stay all further proceedings pursuant to Bid Notice inviting Request for Qualification application pending the disposal of the writ petition and pass such other order or orders as this Hon'ble Court may deem fit and proper in the circumstances of the case.

The Hon'ble High Court vide its interim order dt. 28-07-2009 Ordered as follows:-

- a) Directed issue of notice to the GoAP herein to show cause why this writ petition should not be admitted in the circumstances set out in the petition and the affidavit filed in Writ Petition. The Principal Secretary and Hyderabad Metro Rail Limited are directed to show cause on or before 11-08-2009 to which date the case stands posted as to why in the circumstances set out in the petition and the affidavit filed therewith this writ petition should not be admitted.
- b) In the meanwhile, status quo obtaining as on today with regard to the impugned termination order dated 07-07-2009 shall be maintained. However, this shall not preclude the respondents to proceed with the Notification dated 16-07-2009 inviting applications for Request for Qualification (RFQ) subject to further orders by this Court.

Subsequently, GoAP filed its Counter praying High Court to dismiss the Writ Petition and pass such other order or orders. MML has filed the writ petition with an interlocutory Application No. 18023/2010, whereby it has been prayed to the court that due to change in the economic scenario, the aforesaid contract entered by MML has been frustrated and therefore could not be executed. Therefore, the amounts paid by MML towards bid security and additional concessional fees should be refunded to it.

The GoAP filed its counter and after hearing the arguments of both parties, the Hon'ble High Court of A.P. has dispose of the W.P with a direction to settle their claims as per the procedure laid down in the Concession Agreement.



As per the aforesaid order, MML invoked the remedy available as per the concession agreement i.e. arbitration, and accordingly sent letter dated 16.04.2012 appointing arbitrator on behalf of MML and requesting GoAP (Municipal Administration & Urban Development Dept.) to appoint their choice of arbitrator.

Subsequent reminders were sent to GoAP for appointment of arbitrator from their end. Principal Secretary to Government (UD) vide letter dated 22.04.2013 informed that Govt. have initiated action and requested Advocate General, High Court of AP to suggest a suitable person to be appointed as arbitrator. Subsequently reminder letter dated 09.05.2013 has been addressed to Principal Secretary to Government by MML for speeding up of process for adjudication by arbitration.

MML had filed application under section 11 of the A&C Act, 1996 vide ARBAPPL 78/2013 for the appointment of arbitrator on behalf of GoAP. Counter by GoAP and rejoinder thereto by MML has been filed. GoAP on 14.03.2014 represented about SLP filed by it before Supreme Court challenging order dated 24.01.2014 wherein the Court had directed GoAP to appoint arbitrator in its behalf. The SLP got dismissed. Upon hearing on 14.03.2014, the AP High Court disposed case with a direction that the arbitrator appointed by MML will be the Sole Arbitrator, if GoAP fails to appoint their Arbitrator within a week from 14.03.2014. Pursuant to the said orders, GoAP appointed the arbitrator on its behalf.

Both the arbitrators have appointed the presiding arbitrator. The tribunal had fixed preliminary meeting on 12.03.2015

Subsequently Govt. of Telanagana through advocate general filed review petition vide WPMP No. 17712 of 215 before Honorable High court against the orders passed in writ petition 15124/2009.

On 24.04.2015 the review petition was heard at length and ordered for restoration of the Writ Petition 15124/09 to hear all the contentions raised by the both the parties.

MML filed Appeal vide WA 461/2015 before the High Court of Hyderabad against the said Order and on 07.07.2015, Court directed to conciliate and resolve the matter amicably within a period of two months. In the event failure of parties to resolve the dispute through conciliation, then parties to resorted to Arbitration.

Subsequently on 15.09.2015, MML issued a letter to our Arbitrator Justice DSR Varma as well as to Justice VVS Rao to proceed with Arbitrations and constitute Arbitration Tribunal by nominating Presiding Arbitrator for adjudication of disputes between the parties.

Both the arbitrations Jus.V.V.S.Rao and Jus.D.S.R.Verma did not agree upon the umpire arbitrator Jus. A.R. Lakshmanan. Honorable Jus. V.V.S.Rao did not comment for continuing with Jus.A.R. Lakshmanan and Jus. D.S.R.Verma insisted continuation of Jus. A.R.Lakshmanan .In view of the disagreement of the arbitrations an Arbitration application No. 42/2016 , U/S 11(6) of the Arbitration and Conciliation Act before the Hon'ble High court of Telangana & A.P at Hyderabad, became necessitated ,to seek clarification of the Hon'ble Court regarding the continuation of the Arbitral Tribunal with Hon'ble Justice A.R. Lakshmanan as Presiding Arbitrator. The Arbitration Application was listed for admission and the Hon'ble Court was pleased to Order notices to the GoT. The next date for hearing is yet to be listed.

Since the matter is under subjudice and the Company is pursuing the matter seriously all the assets and liabilities are continued. If the matter is decided against the company, the company would not be able to recover Rs.71. From the Govt. of AP/Telangana.

## 2. Statement of Significant Accounting Policies

### a. Basis of preparation

The financial statements of the company have been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act, 2013 read with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention.



A handwritten signature in black ink, appearing to be a cursive name.



**b. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

**c. Income taxes**

Current fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act.

**d. Provisions**

A provision is recognized when an enterprise has a present obligation as a result of past event i.e., it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.



MAYTAS METRO LIMITED

Notes to financial statements for the year ended March 31, 2017

	March 31, 2017	March 31, 2016
<b>3 Share capital</b>		
<b>Authorized</b>		
10,00,000 (March 31, 2016 : 1,000,000) Equity shares of Rs. 10 each	1,00,00,000	1,00,00,000
	<u>1,00,00,000</u>	<u>1,00,00,000</u>
<b>Issued, subscribed and paid up</b>		
50,001 (March 31, 2016 : 50,001) Equity shares of Rs. 10 each fully paid up	5,00,010	5,00,010
	<u>5,00,010</u>	<u>5,00,010</u>

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

Equity shares

	March 31, 2017		March 31, 2016	
	Number	Amount	Number	Amount
At the beginning of the year	50,001	5,00,010	50,001	5,00,010
Issued during the year	-	-	-	-
Outstanding at the end of the year	<u>50,001</u>	<u>5,00,010</u>	<u>50,001</u>	<u>5,00,010</u>

(b) Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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 distributions will be in proportion to the number of equity shares held by the shareholders.

(c) List of shareholders holding more than 5% shares in the company:

Equity Shares of Rs. 10 each

Name of Shareholder	As at March 31, 2017		As at March 31, 2016	
	Number of Shares	Percentage holding	Number of Shares	Percentage holding
IL&FS Engineering and Construction Company Limited	50,000	99.99%	50,000	99.99%

**4 Current Liabilities**

	March 31, 2017	March 31, 2016
Trade payables	30,43,397	30,43,397
Other liabilities		
IL&FS Engineering and Construction Company Limited	74,89,59,395	74,89,20,295
Audit fee payable	39,050.00	74,89,08,845
	11,500	11,450
	<u>75,20,02,792</u>	<u>75,19,63,692</u>

**5 Capital work-in-progress**

	March 31, 2017	March 31, 2016
Opening balance	15,22,55,647	15,22,23,596
Add: Spent during the year		
Rates & Taxes	5,600	1,826
Audit Fee	11,550	11,450
Doubtful Advances write off	-	-
Legal and Professional Charges	2,400	1,600
Service Charges	19,550	17,175
Misc Expenses	-	-
Capital work-in-progress as at March 31, 2017	<u>15,22,94,747</u>	<u>15,22,55,647</u>
		39,100

**6 Loans & Advances**

	March 31, 2017	March 31, 2016
( Unsecured, Considered good)		
Advance recoverable in cash or in kind		
Advances for Expenses	8,055	8,055
Heartworks	2,00,000	2,00,000
Maytas Infra Assets Ltd	-	-
BG Invoked	60,00,00,000	60,00,00,000
	<u>60,02,08,055</u>	<u>60,02,08,055</u>



## 7. Capital Commitments

Estimated amount of contracts (net of advances) remaining to be executed on capital account: as at March 31, 2017 – Rs. Nil; Previous year – Rs. Nil.

8. Contingent liabilities not provided for: as at March 31, 2017 – Rs. Nil; Previous year – Rs. Nil.

## 9. Related Party Transactions

The Company had following transactions with related parties during the year.

	2016-17	2015-16
Holding Company – IL&FS Engineering and construction Company Limited (formerly known as Maytas Infra Ltd)		
- Equity Share Capital	(0.05)	(0.05)
- Balance outstanding Debit/(Credit)	(74.89)	(74.89)

10. Expenditure in foreign currency (On cash basis) – Nil; Previous year – Nil.

11. *The company has transferred all the expenditure like Concession fee, Administrative Expenditure, Pre-bid Expenses, Preliminary Expenses to the Capital Work-in-Progress.*

12. *The Company has transferred all the Fixed Assets to Capital Work in Progress as the assets are not in existence.*

13. *An amount of Rs.74.89 was paid by the IL&FS Engineering and Construction Company Limited (IECCL) (Formerly known as Maytas Infra Limited) to GoAP towards Bid security, concession fee and other project expenses on behalf of the company. However IECCL has written off this amount in their books, as matter of prudence, even though the company has not written off in its books, as the company has filed the writ petition in the Hon'ble High Court of AP for the refund of the same.*

14. The Company has not started its operations during the year and hence Profit & Loss Account is not prepared.

15. **Remuneration to Auditors:** Audit Fees (Incl. Serv. Tax) Rs. 11,500 (Absolute amount); previous year Rs. 11,450 (Absolute amount).

16. Based on the information available with the Company no amounts are payable to enterprises covered under Micro, Small and Medium Enterprises Development Act, 2006.

17. *The company has not accounted dues, if any, under certain agreements/contracts pending ascertainment of services rendered/ value received.*




18. Govt. of AP had invoked the bank guarantee of Rs. 60 and forfeited concessional fee of Rs.11 Since the matter is under arbitration the Company is still showing the Bank Guarantee under current assets and concessional fee under Capital Work in Progress.

19. During the year the Company has not made provision for Current Income Tax as the Company does not have taxable income.

20. Paise have been rounded off to the nearest rupee.

21. Previous year figures have been regrouped / rearranged to conform to those of current year.

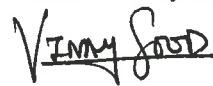
As per our report of even date  
for **Tukaram & Co.**  
Chartered Accountants  
Firm Reg. No. : 004436S

  
**J. Poorna Chandar**  
Partner  
Membership No. : 221627



**Place:** Hyderabad  
**Date:**

For and on behalf of the Board of  
Directors of **Maytas Metro Limited**

  
**Vinay Krishan Sood**  
Director  
DIN: 06736838

  
**Mukesh Sharma**  
Director  
DIN: 07143422

