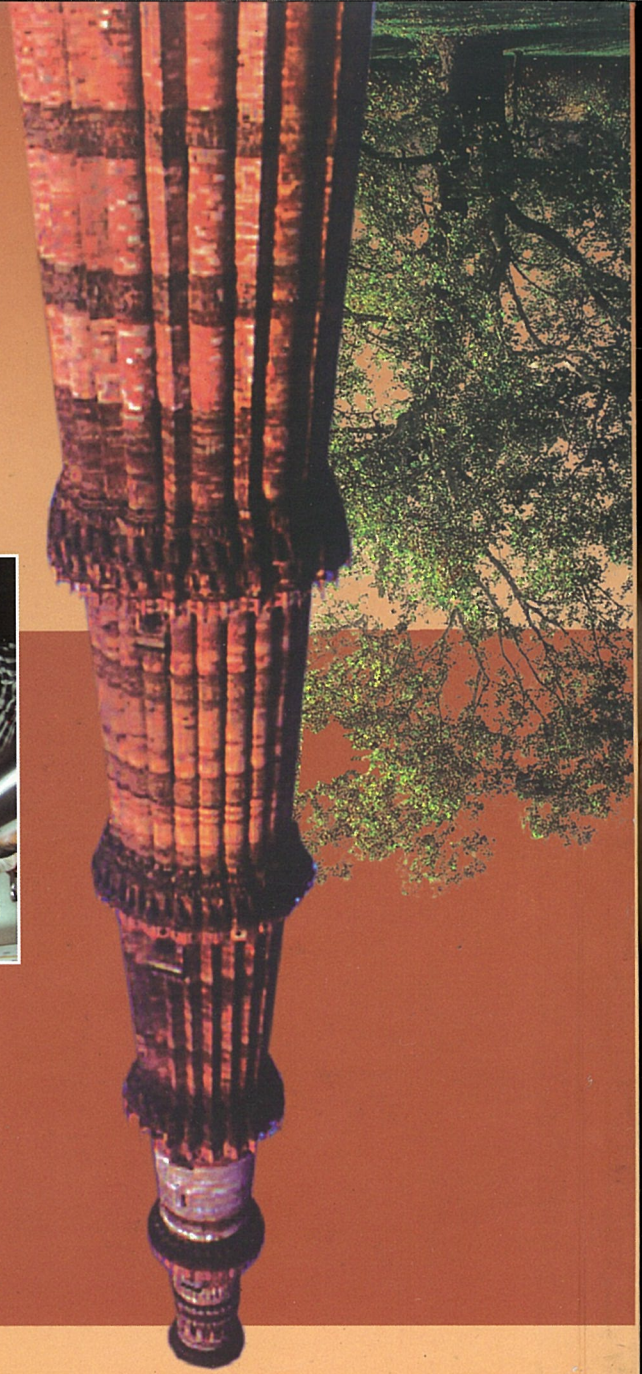


**DELHI
METRO**



08-09

Annual Report





**DELHI
METRO**

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**DELHI
METRO**

STATUTORY AUDITORS

M/s S. N. Nanda & Co.
Chartered Accountants
New Delhi

COMPANY SECRETARY

Sh. P. K. Gupta

Registered Office:

Delhi Metro Rail Corporation Ltd.

Metro Bhawan, Fire Brigade Lane, Barakhamba Road
New Delhi-110001, India.

Board No.- 23417910/12

Fax No.- 23417921

Website: www.delhimetrorail.com

Dr. M. Ramachandran

Chairman
DMRC Ltd. & Secretary (UD),
MOUD, Nirman Bhawan, New Delhi-110011

Dr. E. Sreedharan

Managing Director
DMRC Ltd. Metro Bhawan, Fire Brigade Lane,
Barakhamba Road, New Delhi! 110001

Shri Rakesh Mehta

Director
DMRC Ltd & Chief Secretary Govt. of NCT of Delhi!
Vth Level Delhi Sachivalaya I.P. Estate, New Delhi-2

Shri Rakesh Chopra

Director
DMRC Ltd & Member (Engineering) Railway Board
Ministry of Railways, Rail Bhawan New Delhi-110001

Shri Ashok Kumar Nigam

Director
DMRC Ltd. & Vice Chairman, DDA Vikas Sadan,
New Delhi! 11 0023

Smt. Vilasini Ramachandran

Director
DMRC Ltd & Additional Secretary (Expend.) Ministry of
Finance Deptt. of Expenditure, New Delhi! 110001

Shri V.V. Bhat

Director
DMRC Ltd & Principal Secy (Finance), Govt of Delhi!
1Vth Level, Delhi Sachivalaya, IP Estate, New Delhi-110 002

Shri R.C. Mishra

Director
DMRC Ltd & Addl. Secy, (UD), MOUD, Nirman Bhawan,
New Delhi-110011

Shri R.K. Verma

Director
DMRC Ltd & Secy-cum-Commissioner (Tpt.) GNCTD,
Transport Department 5/9, Underhill Road, Delhi 110054

Shri Ramesh Chandra

Director
DMRC Ltd, F-6/3, 1st Floor, Vasant Vihar,
New Delhi.

Shri Satish Kumar

Director (Electrical)
DMRC Ltd., Metro Bhawan, Fire Brigade Lane,
Barakhamba Road, New Delhi! 110001

Shri R.N. Joshi

Director (Finance)
DMRC Ltd., Metro Bhawan, Fire Brigade Lane,
Barakhamba Road, New Delhi! 110001

Shri Raj Kumar

Director (Operation)
DMRC Ltd., Metro Bhawan, Fire Brigade Lane,
Barakhamba Road, New Delhi! 110001

Sh. H.S. Anand

Director (Rolling Stock)
DMRC Ltd., Metro Bhawan, Fire Brigade Lane,
Barakhamba Road, New Delhi! 110001

Sh. Mangu Singh

Director (Works)
DMRC Ltd., Metro Bhawan, Fire Brigade Lane,
Barakhamba Road, New Delhi! 110001

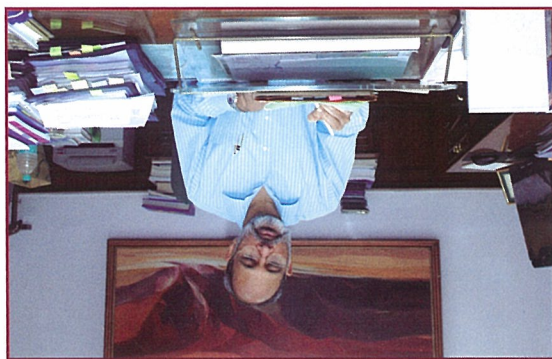




Dear Shareholders,

It is my proud privilege to welcome you all to the 14th Annual General Meeting of the Corporation. The Directors' Report and the Audited Annual accounts for the Financial Year 2008-2009, the Statutory Auditors' Report along with the comments of the Comptroller and Auditor General of India thereon, have already been circulated to all of you and with your permission, I take them as read.

Our country is today witnessing the construction of various mega infrastructure developmental projects across the country. Among various other infrastructure facilities, smooth, comfortable and time-efficient public transportation system is the most important for a mega city like Delhi. In the absence of an effective public transport system, the city can come to a grinding halt with traffic congestion, pollution and road accidents being the order of the day.



M. Ramachandran
Chairman Delhi Metro Rail Corporation Ltd.

Delhi Metro has provided a truly world class, efficient and comfortable mode of public transport system, which will meet the local transport needs of the citizens of Delhi in a big way. After the successful completion of Phase-I, works on Phase-II are in an advanced stage of completion. In fact, three sections of Phase-II have already been opened for commercial operations. Presently 76.34 kms. of metro network is in operation, 116.82 kms of network is under construction and will be completed by 2010. By the time the Commonwealth Games takes place in Delhi in October, 2010, a well knit, well integrated metro network including the fast airport link will be there to serve the metro users of the city.

The citizens of Delhi will get the maximum benefit when every part of Delhi and its neighbouring area are well connected through the metro network. There is a plan to cover the entire city of Delhi and adjoining sub-cities by a metro network in 4 phases. Initial Technical Planning such as Preparation of Detailed Project Report, finalizing the funding plans and seeking Government approvals for Phase-III network including NCR towns covering 138.9 kms are in the process. I am hopeful that all such preliminary actions will be completed well before the completion of Phase-II, so that the works on Phase III may be taken up and the momentum kept alive.

On the completion of the entire four phases of the Delhi Metro Project in 2021, the citizens of Delhi will have a total metro network of 413.83 kms. Perhaps, at that time, the roads of Delhi may see a reverse trend in reduced number of moving traffic as most of the commuters would prefer Metro system in comparison to a road based alternative because it is safer, faster and more comfortable. This, in fact, is the only solution to meet the transportation needs of Delhi City, as with the best of efforts, the number of roads, width of roads, number of flyovers and vehicle parking areas etc. needed, cannot be planned and provided beyond a certain limit.

Today, 8.5 lakh passengers are directly benefited by the use of Metro services. Besides direct users, every citizen of Delhi is deriving indirect benefit from Delhi Metro. A recent study conducted to assess these indirect benefits has revealed that Delhi Metro has prevented 28,800 tonnes of carbon dioxide from being emitted into the atmosphere every year. More than 700 lives have been saved which otherwise would have been lost due to fatal road accidents. The other indirect benefits come from the reduced number of vehicles plying on Delhi roads, less consumption of fuel and saving in precious foreign exchange for lesser use of fossil fuel.

Both, the Government and the General Public have very high expectations from Delhi Metro. By and large, Delhi Metro has met such high expectations on all the fronts, except a few unfortunate accidents which took place recently at construction sites, causing loss of human lives. Various remedial and precautionary actions have been taken including imparting tool box briefing and crash course training to the workers. These accidents have affected the unblemished image and safety record of your company but I am quite sure, we will bounce back with renewed vigour and vitality to serve Delhites in a much better way. The top management is keen to hold high the excellent safety record and take it further to even higher echelons. Multi layer safety audit by independent bodies, association of foreign experts whenever needed and extraordinary vigil and care both in project execution and operations will re-establish the proud image of Delhi Metro very shortly.

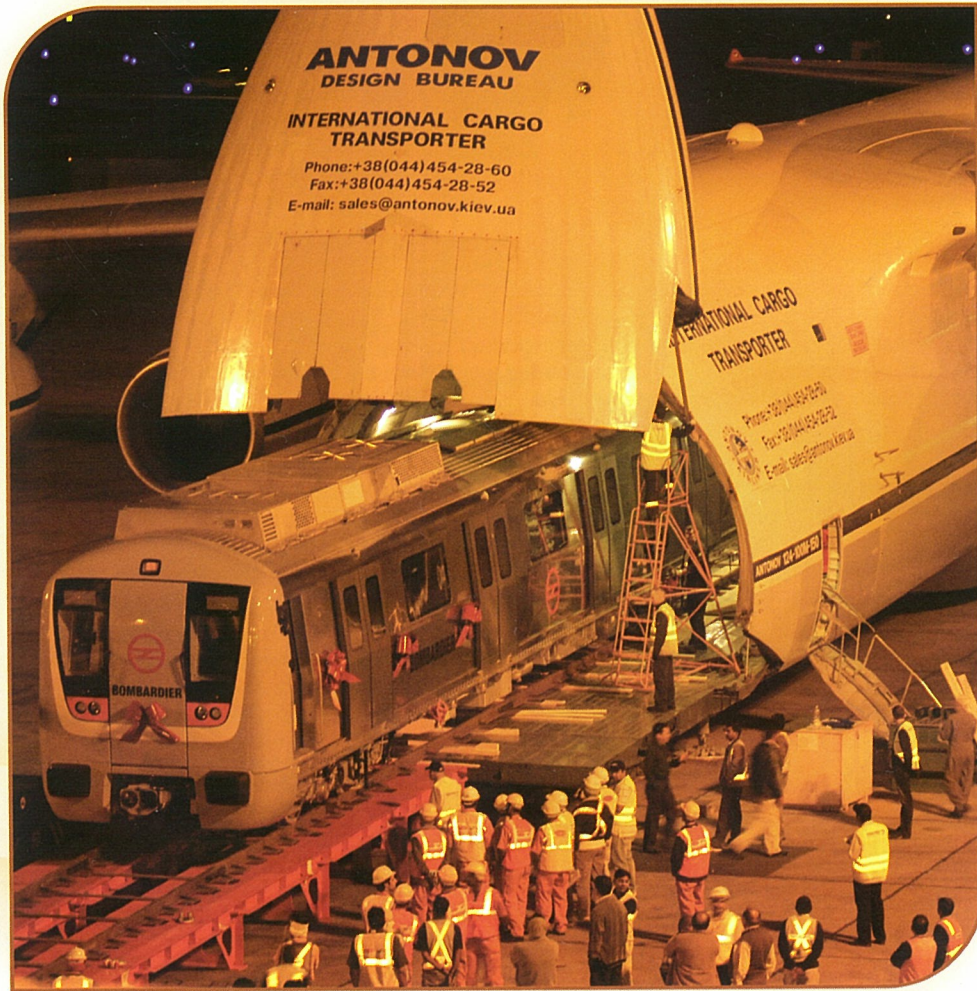
During the Commonwealth Games, when thousands of foreign visitors from various nations will come to India, a whole new City comprising of various newly built up infrastructure facilities such as well laid roads, flyovers, new airport and above all, world standard Metro Network will greet them. This will indeed be a proud moment for all of us.

It is my sincere duty to place on record the help, cooperation and guidance extended to Delhi Metro by the Government of India, Government of NCT of Delhi, JBIC, various city agencies, national and international contractors, employees of the company at all levels. I am thankful to all of them for their valuable support and hope for their future association as well.

Thank you,

Place : New Delhi
Dated : 16th September 2009

Sd/-
(M. Ramachandran)
Chairman
Delhi Metro Rail Corporation Ltd.



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Your Directors have pleasure in presenting the 14th Annual Report together with the audited accounts, Auditors' Report and comments of Comptroller and Auditor General of India thereon for the year ended March 31, 2009.

Financial Highlights

During the year under review, the total revenue generated was Rs.723.78 crore inclusive of income from operations, real estate, consultancy and other incomes. The total expenditure incurred for the same period was Rs.262.41 crore giving a profit before depreciation and interest amounting to Rs.461.37 crore. After adjustment of interest and depreciation amounting to Rs.103.24 crore and Rs.279.05 crore respectively, profit before tax earned during the year (after adjustment of prior period transactions) was Rs.90.44 crore. After providing for deferred tax liability, fringe benefit tax, wealth tax etc. amounting to Rs.49.12 crore, there is a net profit (after tax) of Rs.41.32 crore.

Financial progress of Phase-II of the project at the end of the financial year stood at 27.21%. Project related expenditure incurred was Rs.5293.86 crore as against Rs.3438.68 crore for the last year. The value of assets capitalized during the year was Rs.913.15 crore. With the capitalisation of these assets, the total asset base of the company excluding capital works in progress went up to Rs.11916.91 crore.

Three tranches of JICA loan for Phase-II project amounting to ₹100583 (Rs.4419.80 crore) million Yen have been effectuated, out of this, an amount of ₹88710 (Rs.3801.42 crore) million Yen has already been spent. JICA loan amounting to Rs.2568 crore was received during the year. With this, total amount of JICA loan as on 31st March 2009 stood at Rs.9855 crore, which has been utilised for Phase-I and Phase-II. Two instalments of JICA loan amounting to Rs.27.38 crore and interest amounting to Rs.98.95 crore had been paid to GOI during the year under review. Total repayment obligations of JICA loan upto the close of FY 2008-09, aggregating to Rs.425.21 crore including interest payment of Rs.356.76 crore have been duly met by the company.

During the year, an amount of Rs.1748 crore were received from the Government of India and GNCTD towards equity. With this, total contribution of equity capital amounting to Rs.6612.01 crore has been received from both the Governments. In addition to equity, Subordinate Debts of Rs.386.30 crore (Rs.205.50 crore from GOI, Rs.156 crore from GNCTD, Rs.11 crore from HUDA and Rs.13.80 crore from NOIDA) was received during the year. With this, total contribution against Subordinate Debts by both the Governments as on 31st March 2009 stood at Rs.1572 crore.

In addition to above, during the year the company received grants totalling to Rs.757.69 crore (Rs.152.50 crore from NOIDA, Rs.141.75 crore from HUDA, Rs.244.94 crore from DDA, Rs.130 crore from GDA and Rs.88.50 crore from GOI) on account of construction of Metro in NOIDA and Gurgaon.

Status of the Delhi MRTS Project - Phase - II

During the year under review your company achieved further milestones by opening two lines for commercial operations, namely Shadara Dilshad Garden Line on 4th June 2008, and Vishwavidyalaya-Jahangirpur line on 3rd February 2009. Both these lines were opened for revenue operations well ahead of respective schedule date of 31.12.2008 and 31.10.2009. The strategy for opening various corridors of Phase-II soon after the completion of all civil and system installation works in a sequential manner, is being maintained so that entire Phase-II works can be completed well before the start of Commonwealth Games. In the current financial year, Indraprastha-Yamuna Bank Section of Indraprastha-New Ashok Nagar Line (Extension of Line-III) was opened for revenue operation on 10.5.2009. This line has also been opened 7 months ahead of schedule.

Civil Works on remaining lines of Phase-II are progressing and are now in advanced stage of completion. The current year will be very hectic as 5 more lines will be opened for commercial operations.

It gives immense pains to your Directors to inform you that during past one year since the previous Annual General Meeting, two serious accidents took place which led to loss of lives of 9 workers thus tarnishing the unblemished record of your company.





Enquiry Committees consisting of independent experts were set up, which have submitted their reports. In the accident at Zamrudpur, design deficiency was cited one of the primary reasons for the mishap. Thorough analysis of the reasons for these accidents were done and corrective measures to avoid any such mishap in future, are being taken. Based on the findings of enquiry committee report, few actions recently taken by your company were strengthening of design team, tool box safety revitalization and imparting of crash course on safety measures for workers with instruction to cover all workers within 15 days time span. Safety seminars and safety audit by independent agency are few other measures taken to avoid accidents at sites. Your Directors are hopeful that all such steps will result in reducing untoward incidents at sites.

Phase-III

As you are aware, planning for Phase-III of Delhi MRTS project has already been commenced. Your company had submitted its recommendation for the proposed corridors to GNCTD. An expert committee has finalized its recommendations for the proposed financial pattern to fund the Phase-III project as well. The preparation of DPR will be taken up soon after receipt of GNCTD's approval to the proposed corridors.

Rolling Stock-New initiatives taken in Phase-II

For Phase-II network, Delhi Metro has ordered 131 new train sets with several new features for passenger's convenience and better level of comfort. The temperature inside the coaches the maximum speed and braking system will be much more advanced than Phase-I coaches.

In Phase-II, Mundka line and Badarpur line will have standard gauge coaches, which is India's first step to integrate with international Metro track technology. First standard gauge train set has already arrived and presently trials are being conducted at Mundka Depot. DMRC will be procuring 48 standard gauge trains from a consortium of Mitsubishi, ROTEM, Mitsubishi Electric Corporation and Bharat Earth Movers Ltd. (BEML). Of the 48 trains, only the one that has already arrived was to be manufactured in Korea while the rest are being manufactured in BEML's factory at Bangalore.



Better working conditions for workers

In its efforts to provide more comfortable working conditions to its work force, the Delhi Metro has installed high tech cooling plants on its under construction tunnels on the Central Secretariat-Badarpur stretch. These cooling units will provide air conditioning for the workers operating the tunnel boring machines (TBMs) who are working about 40 feet below the surface. These plants will keep the underground temperatures in control and provide air conditioned comfort to the workers and engineers working there. Besides, these plants will also ensure smooth functioning of the TBMs keeping the shafts and the cutter head cool.

Ventilation fans were earlier used to provide fresh air to the underground workers during the construction of the first phase of Delhi Metro. Chiller plants used for the cooling of the TBMs are operational on the underground stretch of the Central Secretariat-Gurgaon corridor also.

Commercial Operations

Your Directors are happy to inform you that there has been constant upswing in ridership with present level of metro users touching a figure of approximately 8.5 lakh passengers per day. Opening of new lines has also resulted in increased traffic.



Though the number of train sets available presently is not sufficient to smoothly cater to peak hour demand, but your company has taken few steps so that metro commuters can perform their journeys in most comfortable fashion. Increasing the train operations time from 6.00 a.m. to 11.00 p.m., modification in the time table and rescheduling of maintenance programme were few immediate actions taken to increase the number of train trips. With the induction of new train sets, the metro commuters will be able to travel more comfortably.

Many more lines are scheduled to be opened for commercial operations during the current year. Concurrent actions for the recruitment and training of

Your company is planning to introduce specialized training programmes for the staff and employees of other Metros coming up in Project Implementation (SAP1) study. DMRC had earlier carried out its first international consultancy project in Jakarta where it conducted a Special Assistance on discussed the possibility of DMRC providing consultancy assistance for the proposed Metro system in its capital Jakarta. In addition to above, requests from other countries are also pouring in to assist them in different fields of Metro execution and operations. A delegation consisting of 10 officials from Indonesia visited the Delhi Metro to get a first-hand feel of the system and increased with the grant of prime consultancy contract by Chennai metro. Your company's role in providing consultancy to other metros coming up in other metropolitan cities of the country has further

Expanding Role of DMRC in Consultancy



agency. In addition to Feeder Bus Services, your company has also started a Radio Taxi Service for Delhi Metro commuters in association with a taxi service Commonwealth Games. buses are delivered within nine months well before the commencement of buses per month will be delivered for the next three months, so that all 300 The first lot of 75 buses will be delivered within six months. Thereafter, 75 will provide comfortable connectivity to Metro Stations. order to purchase 300 air-conditioned CNG buses to act as feeder buses which After the success of introductory 120 Feeder Buses, Delhi Metro has placed an

Feeder Buses

Televisions at the stations apart from the cameras inside the trains. suspicious activity". In Phase-II the DMRC will install 3,000 Close Circuit Metro everyday the DMRC has 16 lakhs eyes and ears available to them who awareness among the commuters "with 8 lakh passengers traveling on the In addition, the Delhi Metro has also launched a special drive to promote direction. requirement of close circuit TV cameras for Phase-II were few steps in this



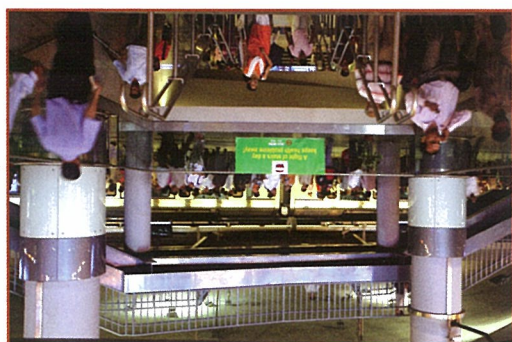
of dog squads, strengthening the bomb disposal teams, increasing the number of bomb blankets, additional door frame metal detectors (DFMDs) on the Metro System, procurement of powerful search lights called dragon lights, procurement of more communication equipment (FETRA Radio sets), additional baggage scanners to scan luggage automatically and optimize the requirement of close circuit TV cameras for Phase-II were few steps in this direction. In addition, the Delhi Metro has also launched a special drive to promote awareness among the commuters "with 8 lakh passengers traveling on the Metro everyday the DMRC has 16 lakhs eyes and ears available to them who can look out for any unidentified object or suspicious person indulging in any suspicious activity". In Phase-II the DMRC will install 3,000 Close Circuit Televisions at the stations apart from the cameras inside the trains.

Security Measures

Delhi Metro accords high priority to the security and safety concerns of passengers and general public. Few additional steps to augment the prevailing security measures were undertaken by your company, during the year under review. Increasing the number of dog squads, strengthening the bomb disposal teams, increasing the supply of bomb blankets, additional door frame metal detectors (DFMDs) on the Metro System, procurement of powerful search lights called dragon lights, procurement of more communication equipment (FETRA Radio sets), additional baggage scanners to scan luggage automatically and optimize the requirement of close circuit TV cameras for Phase-II were few steps in this direction.

In addition to above, Physically challenged persons can now inform metro officials about their planned metro travel in advance, so that personal assistant for helping them in boarding and deboarding the train can be provided, both at entry and exit metro station. All above initiatives have resulted in better customer satisfaction, which is well evident from the increasing patronage to Metro system.

Passenger Convenience Facilities



operation and maintenance staff have already been taken. Similarly, setting up of new Depots at 5 locations is also nearing completion. Your Directors are quite confident that your company is well equipped to handle operations of the schedule new lines efficiently. Various new initiatives were taken during the year to provide more customer friendly services to metro commuters. Installation of token dispensation machines at most busy stations, introduction of metro citizen forums by inviting volunteers from the travelling public to familiarize metro commuters about metro system functioning and other important aspects and commencement of a 24 hour online customer care cell for speedy solution to public queries and complaints were few new steps for passengers convenience. In addition to above, Physically challenged persons can now inform metro officials about their planned metro travel in advance, so that personal assistant for helping them in boarding and deboarding the train can be provided, both at entry and exit metro station. All above initiatives have resulted in better customer satisfaction, which is well evident from the increasing patronage to Metro system.



cities such as Mumbai, Chennai, Kochi, Ahmedabad, Lucknow and new line in Kolkata, depending upon their requirement.

Property Development

Your company is generating revenues to part finance the project through property development activities. The realization from PD activities have slightly declined due to general recession in the economy and continuing existence of restrictive conditions by the land allotting agencies for the commercial utilization of such land.

Your Directors are hopeful that once the restrictive conditions are removed, the surplus parts of land will generate planned revenue.

Environment Concerns

The Delhi Metro, the first Railway project in the world to be registered for carbon credits by the United Nations, has been certified to have prevented over 90,000 tonnes of carbon dioxide from being released into the atmosphere by reducing its power requirement by adoption of regenerative braking system in Delhi Metro trains, thus contributing to the fight against global warming. The certification report was given by Germany-based validation organization TUV NORD which conducted an audit on behalf of United Nations Framework Convention on Climate Change (UNFCCC).

Delhi Metro saved 1,12,500 megawatt hours of power generation by restricting and reusing power on its trains through regenerative braking. It is estimated that in 2008, 39,000 tonnes of CO₂ were prevented from being emitted and this figure will increase to over 100,000 tonnes per year once Phase-II of the Metro project is fully operational.

The money available from sale of carbon credits will be used to offset the additional investment and operation costs incurred due to the implementation of the project activity, to stimulate research and development activities by DMRC to develop technology to reduce emission of green house gases and to give extensive training to train operators for optimum regeneration.

Delhi Metro has also received an award from the Ministry of Power for adopting special measures which have resulted in energy conservation. These measures include efficient use of energy in the management of lighting in stations and tunnels, use of solar energy in parking lots and optimization of air conditioning in trains and stations.



Advance Training Facilities

Delhi Metro has set up most modern training facilities for imparting training in various operating fields. Recently, the Training Institute of the Delhi Metro Rail Corporation has received ISO 9001:2008 certification, a validation from the International Organization for Standardization (ISO) for maintaining standards in Quality Management System in Training. The Delhi Metro Training School was established in 2002 and is the only specialized Training Institute in South Asia in Metro operations and maintenance technology.

The expertise of the Delhi Metro Training School will be useful for other cities such as Chennai, Kochi, Bangalore, Mumbai, Hyderabad, Ludhiana, Pune etc. which are planning to develop metro rail systems in their cities since they could have access to the experience and facilities already available with the DMRC.

Public Relation Management

Delhi Metro has always kept general public thoroughly informed about its various functional aspects. To make this bond further stronger and to showcase the genesis, history and journey so far undertaken by Delhi Metro, a Metro Museum displaying a collection of panels, historical photographs, exhibits of general interest, short description of technological features such as Automatic Train Control System, Automatic Fare Collection System, Proto-type of Metro Rails and OHE etc. was set up for general public during the year under review.



Besides above, a coffee table book titled "A Journey to Remember", has been recently published which gives the genesis of the Delhi Metro, which took 32 years to become a reality since a Mass Rapid Transit Network was first recommended for Delhi.

DMRC had earlier published three books a souvenir book to commemorate the first day of operations, a coffee table book 'A Dream Revisited' and a photo compilation 'Images of An Urban Transformation' for the use of inquisitive public.





There was no employee in the employment of the Company who was drawing salary of more than Rs.2,00,000/- per month, if employed for the part of the year and Rs.24,00,000/- per annum, if employed, for the full year, in whose respect information in accordance with the provisions of Section 217(2) A of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, is required to be given.

Energy, Technology, Foreign Exchange

Information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo is given below:

(i) Conservation of Energy

Your company is using electrical energy in running the trains. Every endeavor has been made to ensure the optimal use of energy, avoid

Fixed Deposit

The Company has not invited deposits from Public under section 58 A of the Companies Act, 1956.

Particulars of Employees

The 6th Pay Commission recommendations have been implemented for CDA pay scales employees. All other employees, who are in IDA pay scales have earlier been granted interim relief and revision in their pay scales are under implementation. The Employer-Employee relationship continued to be cordial throughout the year. Your Directors wish to place on record their sincere appreciation for the devoted, dedicated services rendered and excellent team work by all employees which led the Company to achieve all project targets and to run the train services almost at 100% punctuality.

During the current year, a special drive to impart useful tips to all supervisory cadre has been commenced through 'Competency Building' workshops. All supervising staff members will be made conversant with time management, team building and motivational techniques, which will be highly useful in their personal development and delivering their best during day to day working. As you are aware, your company has earlier started Post Graduate Diploma in Metro Technology and Management in collaboration with IIT-Delhi. The first batch of successful candidates have been awarded post graduate diploma and have been inducted in regular employment in Delhi and Bangalore Metro. The second batch of students is currently pursuing their course and they will be deployed in job in Delhi, Bangalore and Chennai Metro after successful completion of their studies.



The Management of Delhi Metro has always respected the principles of participative management from all levels of employees. At the top level and middle level management, there are weekly and monthly meetings where various issues pertaining to day to day affairs are discussed and problems are resolved across the table. To provide a platform to all other non-executive staff and employees, elections to select the representatives of staff were held and an elected council of staff members was formed. The suggestions and recommendations of the staff council are kept in view while taking any important decision, which has bearing on the concerns of the employees.

Human Resource Management

Your company has always respected the principles of participative management from all levels of employees. At the top level and middle level management, there are weekly and monthly meetings where various issues pertaining to day to day affairs are discussed and problems are resolved across the table. To provide a platform to all other non-executive staff and employees, elections to select the representatives of staff were held and an elected council of staff members was formed. The suggestions and recommendations of the staff council are kept in view while taking any important decision, which has bearing on the concerns of the employees.



Corporate Social Responsibility

"All our structure should be aesthetically planned and well maintained" is one of the important aspect of our corporate culture. Keeping this in view, your company has always endeavored to enhance the city heritage and construct the structures which can gel well with the surrounding monuments. Qutub Minar Metro Station will be modeled keeping the heritage monuments around in mind and will also have a heritage museum at the entrance of the station which will house precious historical artifacts and other things of similar importance.

wastage conserve energy as far as possible.

(ii) Technology Absorption

The company has imported state of the art Metro Rolling Stock. Your company is encouraging indigenization of sophisticated key equipments and metro coach manufacturing. Developmental order has been placed on BEML, which has entered into Transfer of Technology Agreement for manufacturing of modern metro stock. Efforts are on to set up a Research and Development Centre to develop the expertise for know-how and know-why of the technological developments in manufacturing of modern Rolling Stock. M/s Bombardier has setup Greenfield manufacturing facility at Savli, Baroda for manufacturing 388 cars for Broad Gauge network of your company.

Moreover, specific provisions have been made in the Phase-II Rolling Stock contracts to encourage indigenization with provision of a penalty for failure to do so. DMRC is also playing an active role in setting up of a R&D Centre of Excellence for Metro Coaches being setup by a society under the aegis of BEML.

(iii) Foreign Exchange earnings and outgo:

Particulars	2007-08	2008-09
Value of imports calculated on CIF basis	*21,842.52	*8,038.56
Expenditure in Foreign currency on		
(i) Professional and consultancy fee	1,868.66	3,205.99
(ii) Tours and Travels	39.08	49.01
(iii) Contracts	*53,398.68	*81,418.48
(iv) Others	173.68	247.91
Earnings in Foreign Exchange		
(i) Consultancy	29.83	NIL
(ii) Interest	NIL	NIL
(iii) Others	21.94	110.05
Value of Components, spare parts and store consumer;		
(i) Imported	609.34	982.13
(ii) Indigenous	94.99	167.04

* The values are calculated based on composite milestone payments, which includes expenditure on Design, Erection, Testing, Commissioning etc. The above amount was all net cash outgo made during the year.

Auditors' Report

The Statutory Auditors' Report on the Accounts of the Company for the financial year ended 31st March 2009 is enclosed. The comments on annual accounts and auditors' report for the year ended 31st March 2009 by the Comptroller & Auditor General of India under Section 619 (4) of the Companies Act, 1956 are also enclosed.

Directors

During the Financial Year 2008-2009, the Board of Directors had five Board Meetings on 18th June 2008, 15th July 2008, 23rd September 2008, 19th December 2008 and 16th March 2009.

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

Shri R.C. Mishra, Additional Secretary (UD), GOI joined the Board on 19th December, 2008 vice Shri S.M. Acharya, former Special Secretary (UD), GOI.

Smt. Vilasini Ramachandran, Additional Secretary (Expenditure), GOI joined the Board on 16th March, 2009 vice Smt. Rita Menon, former Special Secretary (Expenditure), GOI.

Your Board of Directors places on record its deep sense of appreciation for the valuable contributions made by all outgoing Directors.

Audit Committee

The Audit Committee constituted by the Board in accordance with the provisions of the section 292 (A) of the Companies Act, 1956, consists of three members. The terms of reference of the Audit Committee as approved by the Board are as under:

- I. To review half-yearly and annual financial statements before submission to the Board.
- II. To ensure compliance of Internal Control Systems.
- III. To have periodical discussions with auditors about internal control systems, the scope of audit including the observations of the auditors.
- IV. To investigate into any matter suo moto or as referred to it by the Board.

During the financial year 2008-2009, the Audit Committee met three times on 15th July 2008, 23rd September 2008 and 15th December 2008 to review various Audit Reports, Half-yearly Accounts and Annual Financial Statements.

Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors confirm the following in respect of the audited annual accounts for the year ended 31st March, 2009.

- i. That in preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii. That the Directors have selected such accounting policies and applied them consistently and made judgement and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and the profit or loss of the Company for that period.
- iii. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities.
- iv. That your Directors have prepared the annual accounts on a going concern basis.

Acknowledgements

Yours Directors wish to place on record its gratitude for the co-operation and guidance received from the various Ministries, Departments and agencies of Govt. of India and Govt. of National Capital Territory of Delhi.

The Board is also thankful to Japan International Co-operation Agency and Japan Government for providing soft loan assistance to this project.

The Board also acknowledges and extend its sincere thanks to various national and international contractors, consultants and technical experts for their continued support and co-operation

The Board wishes to place on record its appreciation for the team work and commitment by all the employees due to which project targets are being achieved and train operations are running smoothly.

For and on behalf of the Board of Directors of
Delhi Metro Rail Corporation Ltd.

Sd/-
(M. Ramachandran)
Chairman

Place : New Delhi
Dated : 16.9.2009

Though Delhi Metro Rail Corporation Ltd. is not a listed company, but keeping the underlying principles of Corporate Governance i.e. value, ethics and commitment to follow best business practices in view, your Directors places the following Corporate Governance Report to the members of the company:

1. BOARD OF DIRECTORS

In terms of the Articles of Association of the Company, strength of the Board shall not be less than three Directors not more than 12 Directors excluding nominee Directors. These Directors may be either whole-time functional Directors or part-time Directors.

2.1 Constitution of the Board

DMRC is a Government Company within the meaning of section 617 of the Companies Act, 1956. Presently, 100% of the total paid-up share capital is held by Govt. of India and GNCTD in 50:50 ratio. Both the Governments have right to appoint equal number of nominee Directors on the Board of Directors.

2.2 Composition of the Board

As on 31st March 2009 the Board comprised 16 directors of which 6 are functional directors, 5 directors each are nominated by the Government of India and GNCTD. As per the provisions of Article 144 of the Articles of the Company, if Government of NCT of Delhi holds more than 25% of the total paid-up share capital of the company, it shall have the right to designate in consultation with Central Government one of its nominee Director as the Managing Director of the company. Similarly, as per the provisions of Article 153 Central Government has the right to nominate one of its nominee Director as the Chairman of the company, if it holds more than 25% of the paid up share capital. Pursuant to the provisions of above Articles, Managing Director and Chairman are the nominees of Government of NCT of Delhi and Central Government, respectively. The other nominee Directors and whole time functional Directors are senior officers, who have wide range of experience in the functioning of Government Sector, and possess top order administrative skills, financial and technical expertise.

2.3 Responsibilities

The primary role of the Board is that of guiding force to see that the mandate assigned to the Company by the Government is fully met and at the same time the shareholders' value is protected and enhanced. The Board ensures that the Company has clear goals and policies for achieving these goals. The Board oversees the Company's strategic direction, reviews corporate performance, authorizes and monitors strategic decision, ensures regulatory compliance and safeguards interests of shareholders. The Board ensures that the Company is managed in a manner that fulfills stakeholders aspirations and societal expectations.

Board Members also ensure that their other responsibilities do not impinge on the responsibilities as a Director of the Company.

2.4 Board/Committee Meetings and procedure

a) Institutionalized decision making process:

With a view to institutionalize all corporate affairs and setting up systems and procedures for advance planning for matters requiring discussion, decision by the Board, the company has well defined procedure for meetings of the Board of Directors and Committees thereof in an informed and efficient manner.

b) Scheduling and selection of Agenda items for Board/Committee Meetings:

- (i) The meetings are convened by giving appropriate notice after obtaining approval of the Chairman of the Board/Committee. Detailed agenda, management reports and other explanatory statements are circulated in advance amongst the members for facilitating meaningful, informed and focused decisions at the meetings. To address specific urgent need, meetings are at times also being called at shorter notice. The Board also passes Resolution by Circulation but only for such matters, which are of utmost urgency.
- (ii) The agenda papers are prepared by the concerned Head of Departments and submitted to concerned functional Directors for obtaining their approval before being submitted to Managing Director. Duly approved agenda papers are circulated amongst the Board Members by the Company Secretary.
- (iii) Where it is not desirable to attach any document or if the agenda is of sensitive nature, the same is placed on the table at the meeting with the approval of the Managing Director. In special and exceptional circumstances, additional or supplemental item (s) on the agenda are taken up for discussion with the permission of the Chair of the Board.
- (iv) The meetings are usually held at the Company's Registered Office at New Delhi.
- (v) The members of the Board have complete access to all information of the Company.

c) Briefing by the Chairman & Managing Director

At the beginning of each Meeting of the Board, the Managing Director briefs the Board Members about the key developments including status of the Project, highlights of Operations and Maintenance of MRTS system and other important achievements/developments relating to the Company in various areas.

d) Recording minutes of proceedings at the Board Meeting

Minutes of the proceedings of each Board Meeting are recorded. The minutes of the proceedings are entered in the Minutes

Book. The minutes of each Board Meeting are submitted for confirmation at its next meeting after these are signed by the Chairman. The minutes of committee of the board are also placed to the Board for its information.

e) Compliance

Every Head of Department and functional Director while preparing agenda notes ensures adherence to all the applicable provisions of law, rules, guidelines etc. The Company Secretary ensures compliance of all applicable provisions of the Companies Act, 1956, and other statutory requirements.

During the financial year 2008-09, five Board Meetings were held on, 18th June 2008, 15th July 2008, 23rd September 2008, 19th December 2008 and 16th March 2009.

Details of designation, category of directors, number of Board meetings attended, attendance at last AGM, number of other directorship/committee membership (viz., Audit Committee and Investment Committee held by them during the year 2008-09 are tabulated below:

S. No.	Directors	Meeting held during respective tenures of Directors	No. of Board meetings Attended	Attendance at the last AGM (Held on 23.9.2008)
1	Shri M. Ramachandran, Chairman, DMRC	5	5	Yes
2	Shri E. Sreedharan, Managing Director, DMRC	5	5	Yes
3	Shri Rakesh Mehta Chief Secretary GNCTD	5	3	No
4	Shri S.K. Vij, Member (Engineer) Railway Board	5	2	No
5	Shri A.K. Nigam Vice Chairman, DDA	5	0	No
6	Shri S.M. Acharya, Additional Secretary (UD) (Till 23.9.2008)	2	2	No
7	Shri R.C. Mishra Additional Secretary (UD) (From 19.12.2008)	2	2	N.A.
8	Smt. Rita Menon Special Secretary (Exp.) GOI (Till 16.3.2009)	4	3	Yes
9	Smt. Vilasini Ramachandran Additional Secretary (Exp.) GOI (From 16.3.2009)	1	1	N.A.
10	Shri V.V. Bhat Principal Secretary (Finance) GNCTD	5	5	Yes
11	Shri R.K. Verma Secretary (Transport) GNCTD	5	0	Yes
12	Shri Ramesh Chandra, Director, DMRC	5	5	Yes

13	Shri Vijay Anand, Director (Project) DMRC	5	5	Yes
14	Shri Satish Kumar, Director (Electrical) DMRC	5	5	Yes
15	Shri R.N. Joshi, Director (Finance) DMRC	5	5	Yes
16	Shri Raj Kumar, Director (Operation) DMRC	5	4	Yes
17	Shri H.S. Anand, Director (Rolling Stock) DMRC	5	3	Yes
18	Shri Mangu Singh, Director (Works) DMRC	5	5	Yes

2.5 Information placed before the Board of Directors, inter alia, includes:

- Annual budgets and cash flow statements.
- Annual Accounts, Directors' Report etc.
- Minutes of meetings of Audit Committee and other Committees of the Board.
- All proposals, which involve change of corridors.
- New Proposals, which involve operation of metro beyond NCR.
- All Proposals, which involve change in Technology/Technology parameters other than contemplated in DPR.
- Operational highlights
- Realization from Property Developments.
- Award of large contracts.
- Any significant development in Human Resources/Industrial Relations front.
- Compliance Certificate of statutory provisions.
- Short-term investment of surplus funds.
- Information relating to major legal disputes.
- Other materially important information.

3. COMMITTEES OF THE BOARD OF DIRECTORS

The Board has established the following Committees: -

- Audit Committee
- Investment Committee

3.1 AUDIT COMMITTEE

The constitution, quorum, scope etc. of the Audit Committee is in line with the provisions of Companies Act, 1956. All the members of Audit Committee are qualified and having insight to interpret and understood financial statements.

Constitution

The Audit Committee has been constituted with the membership of:

- Additional Secretary (Expenditure), Ministry of Finance, Government of India.
- Principal Secretary (Finance), Deptt. of Finance, Government of NCT of Delhi.
- Director (Electrical)/DMRC Ltd.

Composition

As on date of AGM, the Audit Committee comprised the following members:-

- Smt. Vilasini Ramachandran, Additional Secretary (Expenditure), Govt. of India nominee.

(ii) Shri V.V. Bhat, Principal Secretary (Finance), Govt. of NCT of Delhi nominee.
(iii) Shri Satish Kumar, Director (Electrical), DMRC Ltd.

Director (Finance), GM (Finance), FA&CAO, Internal Auditors and the Statutory Auditors are also invited in the Audit Committee Meeting but they have no right to vote.
Quorum for the Audit Committee is any two Members out of three.
The Company Secretary is the Secretary to the Audit Committee.
Scope of Audit Committee of Directors Meeting

1. Discussion with Auditors periodically about internal control systems and the scope of audit including observations of the auditors.
2. Review of the half-yearly and annual financial statements before submission to the Board.
3. Review of Internal Audit observations and compliance of suggestive measures by Internal Auditors.
4. Ensure Compliance of Internal Control System.
5. Overseeing of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
6. Reviewing with management the annual financial statements before submission to the Board, focusing primarily on,
 - (i) Any changes in accounting policies and practices.
 - (ii) Major accounting entries based on exercise of judgment by management.
 - (iii) Significant adjustment entries based on exercise of judgment by management.
 - (iv) Significant adjustments arising out of audit.
 - (v) The going concern assumption.
 - (vi) Compliance with accounting standards.
 - (vii) Any related party transactions i.e. transaction of the company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with interest of company at large.

7. Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
8. Reviewing with the adequacy of internal audit function, including the structure of the finance department, reporting structure coverage and frequency of internal audit.
9. Discussion with internal auditors any significant findings and follow up there on.
10. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
11. Discussion with external auditors regarding scope of audit as well as have post-audit discussion to ascertain any area of concern.
12. Reviewing the company's financial and risk management policies.
13. Investigation into any matter in relation to the items specified above or referred to it by the Board.

Meeting and attendance

Three meetings of the Audit Committee were held during the financial Year 2008-09, 15th July 2008, 23rd September 2008 and 15th December 2008. The details of the meeting of Audit Committee attended by the members are as under: -

Members of Audit Committee	Meetings held during his tenure	Meeting attended
Smt. Rita Menon Special Secretary (Expend.) GOI (Till 16.3.2009)	3	3
Smt. Vilasini Ramachandran, Additional Secretary (Expend.) GOI (From 16.3.2009)	Nil	Nil
Shri V.V. Bhat, Principal Secretary (Finance) GNCTD	3	2
Shri Satish Kumar Director (Electrical) DMRC	3	3

Director (Finance), GM (Finance), FA&CAO, Internal Auditors were present in all Audit Committee held during the year under review as invitees.

3.2 Details of payments towards sitting fee to Non-official Director during the year 2008-09 are given below: -

Name of part-time non-official Director	Sitting Fee		Total
	Board Meeting	Committee Meeting	
Shri Ramesh Chandra			
	Rs.37,500/-	NIL	Rs.37,500/-

4. GENERAL BODY MEETINGS

Annual General Meeting

Date, time and location where the last three Annual General Meetings were held are as under:

Date & Time	24 th August, 2006 at 5.15 P.M.	20 th September 2007 at 5.15 P.M.	23 th September 2008 at 5.15 P.M.
Venue	Board Room, DMRC Ltd., 3rd Floor, NBCC Place, Pragati Vihar, Bhishma Pitamah Marg, New Delhi-110003.	Board Room, DMRC Ltd., 3rd Floor, NBCC Place, Pragati Vihar, Bhishma Pitamah Marg, New Delhi-110003.	Board Room, DMRC Ltd., 3rd Floor, NBCC Place, Pragati Vihar, Bhishma Pitamah Marg, New Delhi-110003.
Special Resolution(s) passed	NIL	NIL	"V. The Authorised Share Capital of the Company is Rs.100,00,00,00,000 (Rupees Ten Thousand crores only) divided into 10,00,00,000 (Ten crores) equity shares of Rs.1,000 (One thousand) each.

5. Company's Website

The Company's Website is www.delhimetrorail.com. All major information pertaining to company, including project, contracts, job, recruitment process and results etc. are given on the website.

Address for correspondence:

<p>Registered Office: Delhi Metro Rail Corporation Ltd. Metro Bhawan Fire Brigade Lane, Barakhamba Road New Delhi-110001, India. Board No.- 23417910/12 Fax No.- 23417921 Website: www.delhimetrorail.com</p>	<p>Company Secretary Mr. P.K. Gupta Delhi Metro Rail Corporation Ltd., Metro Bhawan Fire Brigade Lane, Barakhamba Road New Delhi-110001, India. Ph: 23418308 • Fax:23417910 E-Mail ID: pk_delhimetro@hotmail.com</p>
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PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31st MARCH 2009

PARTICULARS	Schedule No	Amount (Rs.)	
		For the Year ended on 31.3.2009	For the Year ended on 31.3.2008
INCOME			
Traffic Operations	9	3,928,660,793	3,170,196,318
Consultancy		281,331,396	134,478,705
Real Estate	9	2449,949,686	1,198,221,743
Others	10	577,812,213	540,620,275
TOTAL		7,237,754,088	5,043,517,041
EXPENDITURE			
Traffic Operations	11	2,280,727,396	2,003,544,264
Consultancy	11	19,722,410	36,807,579
Real Estate	11	42,856,552	65,064,880
Decrease in the inventory (Land)	13	277,973,915	-
Miscellaneous Expenses Written Off		2,791,386	2,791,386
TOTAL		2,624,071,659	2,108,208,109
PROFIT BEFORE DEPRECIATION & INTEREST		4,613,682,429	2,935,308,932
Depreciation		2,917,637,878	1,836,449,700
Less:- transferred to CWIP		127,181,705	66,200,013
Interest & Finance Charges	12	1,568,541,879	1,051,076,509
Less:- transferred to CWIP		536,118,199	85,843,779
PROFIT/(LOSS) BEFORE TAX AND PRIOR PERIOD ADJUSTMENT		790,802,576	199,826,515
PRIOR PERIOD ADJUSTMENTS (NET)	14	113,570,279	61,635,343
PROFIT/(LOSS) BEFORE TAX		904,372,855	261,461,858
PROVISION FOR TAXATION			
Current Tax		100,643,240	29,311,416
Net Deferred Tax Liability		374,441,782	711,986,883
Fringe Benefit Tax		14,040,549	2,646,433
Wealth Tax		2,042,454	109,193
		491,168,025	744,053,925
PROFIT/(LOSS) AFTER TAX		413,204,830	(482,592,067)
BROUGHT FORWARD FROM LAST YEAR		(2,165,636,190)	(1,683,044,123)
CARRIED FORWARD TO BALANCE SHEET		(1,752,431,360)	(2,165,636,190)
EARNING PER SHARE (FACE VALUE OF RS 1000 EACH)- BASIC		7.74	(11.59)
EARNING PER SHARE (FACE VALUE OF RS 1000 EACH)- DILUTED		7.67	(11.59)
Significant Accounting Policies	15		
Notes on Accounts	16		

Schedules 1 to 16 attached form integral part of accounts

As per our separate report of even date annexed

For S N Nanda & Co

Chartered Accountants

S.N. NANDA
Partner

P.K. GUPTA
Company Secretary

R.N.JOSHI
Director(Finance)

E.SREEDHARAN
Managing Director

Membership No:- 5909

Date: 01-07-2009

Place: New Delhi



SCHEDULES TO THE ACCOUNTS

SHARE CAPITAL

PARTICULARS

As at 31.3.2009 As at 31.3.2008

SCHEDULE-1

Authorised

100,000,000 (Previous year 60,000,000) Equity Shares of Rs 1000/- each

Issued, Subscribed & Paid up

6,61,20,104 (Previous Year 4,86,40,104) Equity Shares

of Rs 1000/- each fully paid-up

DEFERRED GOVT GRANTS

PARTICULARS

As at 31.3.2009 As at 31.3.2008

SCHEDULE-2

Grant-in-Aid

Delhi Development Authority (DDA) for Dwaraka Extension upto Sec 9

Less:- Transfer to Other Income

From Government of National Capital Territory of Delhi (GNCTD)

Less:- Transfer to Other Income

Delhi Development Authority (DDA) for Dwaraka Extension Sec 9 to Sec 21

New Okhla Industrial Development Authority (NOIDA)- Extn. Noida

Haryana Urban Development Authority (HUDA) - Extn. Gurgaon

Government Of India (GOI) - Metro Extn. to Gurgaon

Government Of India (GOI) - Metro Extn. Noida

Ghaziabad Development Authority (GDA) - Metro Extn. to Vaishali

Delhi Development Authority (DDA) - Airport Express Link

TOTAL

19,143,644,213 11,676,689,394

UNSECURED LOANS

PARTICULARS

As at 31.3.2009 As at 31.3.2008

SCHEDULE-3

Interest Free Subordinate Loans From

Government of India

For Land

For Central Taxes

Government of National Capital Territory of Delhi

For Land

For Central Taxes

Haryana Urban Development Authority

For Central Taxes

New Okhla Industrial Development Authority

For Central Taxes

INTEREST BEARING LOANS FROM

Government of India against Japan International Cooperation Agency (JICA)

(Formerly known as Japan Bank for International Cooperation)

2.3% Loan

1.8% Loan

1.3% Loan

1.2% Loan

Loan due for repayment within one year

(including interest accrued and due Rs. NIL)

Previous Year Rs. NIL

4,854,157,573 5,122,143,278

26,879,202,748 26,848,476,132

38,805,773,181 37,292,581,046

28,014,771,241 3,883,397,600

114,277,774,743 85,007,468,056

269,675,421 269,586,488

SCHEDULE- 4
Amount (Rs.)

FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION						NET BLOCK	
	COST AS AT 1.4.2008	ADDITIONS/ DURING THE YEAR	DEDUCTION/ ADJUSTMENT DURING THE YEAR	COST AS AT 31.3.2009	DEPRECIATION UP TO 31.3.2008	DEDUCTION/ ADJUSTMENT DURING THE YEAR	DEPRECIATION FOR THE EARLIER YEARS	DEPRECIATION FOR THE YEAR	DEPRECIATION UP TO 31.3.2009	AS AT 31.3.2009	AS AT 31.3.2008	
LEASEHOLD LAND	6,025,946,297	1,332,568,819	-	7,358,515,116	-	-	-	-	-	7,358,515,116	6,025,946,297	
LEASEHOLD RAILWAY LAND	-	1,178,441,921	-	1,178,441,921	-	-	-	-	-	1,178,441,921	-	
BUILDING (Lease Hold)	225,991,049	59,424,367	-	285,415,416	11,987,957	-	-	4,828,232	16,816,189	268,599,227	214,003,092	
BUILDINGS (Free Hold)	30,048,306,105	2,995,207,812	-	33,043,513,917	1,453,201,745	-	-	509,447,074	1,962,648,819	31,080,865,098	28,595,104,360	
STRUCTURES (Via Duct, Bridge & Tunnels)	25,233,362,180	2,462,887,990	-	27,696,250,170	1,198,014,464	-	-	427,305,502	1,625,319,966	26,070,930,204	24,035,347,716	
TEMPORARY STRUCTURES	21,102,184	17,100,669	-	38,202,853	21,102,184	-	-	17,100,669	38,202,853	-	-	
PLANT & MACHINERY	8,412,404,714	1,280,620,987	831,938	9,692,193,763	1,137,345,927	162,160	-	438,986,902	1,576,170,669	8,116,023,094	7,275,058,787	
ROLLING STOCK	15,830,871,678	1,626,552	-	15,832,498,230	1,463,570,410	-	-	499,251,995	1,962,822,405	13,869,675,825	14,367,301,268	
SIGNALING & TELCOM EQUIPMENTS	8,101,132,601	1,030,822,099	358,634	9,131,598,066	1,259,781,459	52,115	-	440,150,294	1,699,879,638	7,431,718,428	6,841,351,142	
TRACK WORK (PERMANENT WAY)	4,887,788,502	526,864,752	-	5,414,653,254	255,142,794	-	-	84,762,516	339,905,250	5,074,748,004	4,632,645,768	
TRACTION EQUIPMENTS	4,698,524,101	336,045,332	-	5,034,569,433	696,402,632	-	-	226,798,317	923,200,949	4,111,368,484	4,002,121,469	
ESCALATORS & ELEVATORS	1,574,304,111	193,131,226	-	1,767,435,337	165,589,042	-	-	52,813,248	218,382,290	1,549,053,047	1,408,735,069	
AUTOMATIC FARE COLLECTION	1,724,892,096	165,674,340	1,262,311	1,889,304,125	259,355,182	915,341	-	86,277,548	344,717,389	1,544,586,736	1,465,536,914	
I.T. SYSTEM	66,106,195	87,211,085	2,276,225	151,041,055	23,726,668	2,183,774	-	20,127,130	41,670,024	109,371,031	42,379,527	
OFFICE EQUIPMENTS	65,042,602	31,788,519	1,484,938	95,346,183	11,191,102	341,020	-	5,265,618	16,115,700	79,230,483	53,851,500	
FURNITURE & FIXTURES	154,168,724	82,885,550	19,825,749	217,228,525	52,188,425	6,471,452	-	11,527,686	57,244,659	159,983,866	101,980,299	
VEHICLES	20,086,759	7,110,241	-	27,197,000	997,880	-	-	2,637,756	3,635,636	23,561,364	19,088,879	
SURVEY EQUIPMENTS	2,838,604	-	-	2,838,604	352,688	-	-	202,769	555,457	2,283,147	2,485,916	
SAFETY EQUIPMENTS	5,913,832	35,539,301	-	41,453,133	1,126,506	-	-	1,438,042	2,564,548	38,888,585	4,787,326	
CAPITAL EXP ON ASSETS NOT OWNED BY COMPANY	65,395,962	-	-	65,395,962	63,817,657	-	-	640,556	64,458,213	937,749	1,578,305	
FEEDER BUS	78,316,451	20,829,039	-	99,145,490	3,560,689	-	-	17,812,025	21,372,714	77,772,776	74,755,762	
INTANGIBLE ASSETS	103,832,503	3,023,655	-	106,856,158	28,377,074	-	-	70,263,999	98,641,073	8,215,085	75,455,429	
TOTAL - CURRENT YEAR	107,346,327,250	11,848,804,256	26,037,795	119,169,093,711	8,106,812,425	10,125,862	-	2,917,637,878	11,014,324,441	108,154,769,270	99,239,514,825	
PREVIOUS YEAR	103,451,816,780	4,363,606,850	469,096,380	107,346,327,250	6,296,069,192	25,706,467	(887,701,352)	2,724,151,052	8,106,812,425	99,239,514,825	-	

CAPITAL WORK-IN- PROGRESS

SCHEDULE- 5
Amount (Rs.)

	Capitalised	TOTAL	Balance

PREVIOUS YEAR	103,451,816,780	4,363,606,850	469,096,580	107,346,327,250	6,296,069,192	25,706,467	(887,701,352)	2,724,151,052	8,106,812,425	99,239,514,825

CAPITAL WORK - IN-PROGRESS

SCHEDULE - 5
Amount (Rs.)

DESCRIPTION	Balance as at 1.4.2008	Additions/Adjustment During the year	TOTAL	Capitalised During the year	Balance as at 31.3.2009
Buildings	7,627,738,114	21,288,724,066	28,916,462,180	2,802,664,216	26,113,797,964
Structures(Via: Duct, Bridges & Tunnels)	13,155,770,021	19,751,230,999	32,907,001,020	3,048,545,767	29,858,455,253
Rolling Stock	962,079,065	1,502,321,228	2,464,400,293	-	2,464,400,293
Signaling & Telecom Equipments	629,048,428	2,575,721,757	3,204,770,185	998,466,036	2,206,304,149
Permanent Way	694,430,154	2,164,310,439	2,858,740,593	504,391,276	2,354,349,317
Traction Equipments	1,205,697,474	3,323,959,344	4,529,656,818	666,342,317	3,863,314,501
Escalators & Elevators	85,304,597	465,491,544	550,796,141	166,542,753	384,253,388
Automatic Fare Collection Equipments	99,525,770	288,868,512	388,394,282	164,485,406	223,908,876
Plant & Machinery	766,398,730	700,821,795	1,467,220,525	735,800,459	731,420,066
IT System	7,220,716	187,635,714	194,856,430	71,767,557	123,088,873
Expenses During Construction (Net)	(1,073,415,704)	715,512,843	(357,902,861)	(47,075,884)	(310,826,977)
SUB - TOTAL (A)	24,159,797,365	52,964,598,241	77,124,395,606	9,111,929,903	68,012,465,703
Temporary Assets	61,078,085	(43,977,416)	17,100,669	17,100,669	-
Office Equipment	2,484,893	-	2,484,893	2,484,893	-
Safety Equipments	-	17,983,226	17,983,226	-	17,983,226
SUB - TOTAL (B)	63,562,978	(25,994,190)	37,568,788	19,585,562	17,983,226
TOTAL - CURRENT YEAR	24,223,360,343	52,938,604,051	77,161,964,394	9,131,515,465	68,030,448,929
- PREVIOUS YEAR	8,372,540,276	19,172,987,929	27,545,528,205	3,322,167,862	24,223,360,343

CONSTRUCTION STORES & ADVANCES

PARTICULARS	As at 31.3.2009		SCHEDULE-6 Amount (Rs.) As at 31.3.2008	
	Construction Stores (At cost) (As taken, valued & certified by the Management)			
- Construction Stores*	1,466,487,873		1,067,890,103	
- Construction Stores - In Transit	410,840,084	1,877,327,957	55,358,295	1,123,248,398
Advances for Capital Expenditure (Unsecured, Considered Good)				
- Covered by Bank Guarantees/Indentures/ Hypothecation etc.	13,975,615,453		15,142,246,059	
- Others	2,913,568,276	16,889,183,729	1,302,147,187	16,444,393,246
TOTAL		18,766,511,686		17,567,641,644

* Includes Rs. 101,45,60,044/- (P.Y. Rs. 895,786,574/-) lying with contractor.

CURRENT ASSETS , LOANS & ADVANCES

PARTICULARS	As at 31.3.2009		SCHEDULE-7 Amount (Rs.) As at 31.3.2008	
	INVENTORIES (At Cost) (As taken, valued & certified by the Management)			
-Stores and spare parts	292,263,045		168,714,190	
-Loose Tools	528,929		542,626	
-Material in Transit	20,797,658		333,108	
-Land	15,586,789	329,176,421	439,634,814	609,224,738
SUNDRY DEBTORS (Unsecured Considered Good)				
-Debts outstanding for a period exceeding Six Months	104,004,807		125,592,603	
-Other Debts	1,407,734,948	1,511,739,755	161,111,267	286,703,870
CASH AND BANK BALANCES				
-Cash in hand	10,198,134		8,193,975	
-Cheques/Drafts/Postal Orders in hand	411,008		30,530,843	
Balances with Scheduled Banks				
-Current Accounts	341,167,667		45,369,898	
[includes Rs. 0.25 Crore (P.Y. Rs 278.89 Crores) as unutilized equity contribution]				
-Short Term Deposits* [includes FDR for Rs 50,000,000 /- (P.Y Rs 53,000,000/-)under Bank Lien for LC & Others]	19,347,429,117	19,699,205,926	16,497,185,905	16,581,280,621
OTHER CURRENT ASSETS				
Interest Accrued on:				
- Short Term Deposits	134,282,457		269,450,827	
- Advances to Contractors	33,025,432	167,307,889	422,664	269,873,491
Income accrued on Feeder Bus		1,150,717		-
LOANS AND ADVANCES				
Advances recoverable in cash or in kind or value to be received (Unsecured considered good)				
Advance to Employees {including amount due from Directors Rs 903,826/- (P Y. Rs 1,110,226/-) Maximun amount due during the year Rs.1,599,714 /- (P.Y Rs. 1,531,121/-)}	65,042,884		49,547,771	
Interest Accrued on Employees Advance	5,824,687		3,042,630	
Prepaid Expenses	76,743,651		39,916,925	
Advance Income Tax	-		20,400,000	
Fringe Benefit Tax	36,964,512		29,863,574	
Tax deducted at source	284,157,523		127,000,131	
Advance DVAT	2,830,000,600		1,368,261,411	
Others**	361,588,594	3,660,322,451	1,443,583,998	3,081,616,440
TOTAL		25,368,903,159		20,828,699,160

* Includes Rs. 250,000,000/- earmarked out of the O & M Fund towards Investment for Asset Replacement.

** Includes Rs. 49,970,665/- which as per the directive of Hon'ble Delhi High Court is kept in fixed deposit by Employees State Insurance Corporation.



CURRENT LIABILITIES AND PROVISIONS		CURRENT LIABILITIES	
PARTICULARS		PARTICULARS	
As at 31.3.2009		As at 31.3.2008	
Amount (Rs.)		Amount (Rs.)	
SCHEDULE-8		SCHEDULE-8	
PROVISIONS		PROVISIONS	
Sundry Creditors		Sundry Creditors	
For Capital Expenditure		For Capital Expenditure	
- Micro & Small Enterprises		- Micro & Small Enterprises	
- Others		- Others	
For Goods & Services		For Goods & Services	
- Micro & Small Enterprises		- Micro & Small Enterprises	
- Others		- Others	
Book Over Draft (Bank)		Book Over Draft (Bank)	
Deposits from Contractors & Others		Deposits from Contractors & Others	
Advance from Customers		Advance from Customers	
Other Liabilities		Other Liabilities	
Pass through Assistance From Govt of India for JICA Loan		Pass through Assistance From Govt of India for JICA Loan	
Interest Accrued but not due on Loan from Government of India for JICA Loan		Interest Accrued but not due on Loan from Government of India for JICA Loan	
TOTAL		TOTAL	
18,986,165,980	12,190,369,307	1,835,391,354	1,562,370,124
SCHEDULE-9		SCHEDULE-9	
INCOME FROM OPERATIONS & REAL ESTATE		INCOME FROM OPERATIONS & REAL ESTATE	
PARTICULARS		PARTICULARS	
For the Year ended on 31.3.2009		For the Year ended on 31.3.2008	
Amount (Rs.)		Amount (Rs.)	
INCOME FROM OPERATIONS		INCOME FROM OPERATIONS	
Traffic Earnings		Traffic Earnings	
Feeder Bus Earning		Feeder Bus Earning	
Rental		Rental	
INCOME FROM REAL ESTATE		INCOME FROM REAL ESTATE	
Sale of Land		Sale of Land	
Lease Income		Lease Income	
TOTAL		TOTAL	
6,378,610,479	2,449,949,686	2,182,000,000	1,198,221,743
SCHEDULE-10		SCHEDULE-10	
OTHER INCOMES		OTHER INCOMES	
PARTICULARS		PARTICULARS	
For the Year ended on 31.3.2009		For the Year ended on 31.3.2008	
Amount (Rs.)		Amount (Rs.)	
Deferred Govt. Grant		Deferred Govt. Grant	
Income from Sale of Carbon Credit		Income from Sale of Carbon Credit	
Sale of Tender Documents		Sale of Tender Documents	
Excess Provision Written Back		Excess Provision Written Back	
Misc. Income		Misc. Income	
Interest from		Interest from	
-Bank Deposits (Tax deducted at source Rs 52,109,928/-)		-Bank Deposits (Tax deducted at source Rs 52,109,928/-)	
-Previous Year Rs 2,012,233/-)		-Previous Year Rs 2,012,233/-)	
-Employees		-Employees	
-Others		-Others	
TOTAL		TOTAL	
577,812,213	1,817,653,154	3,067,432	3,513,891
NET		NET	
1,239,840,941	1,817,653,154	1,239,840,941	1,817,653,154
Less:- Transferred to CWP		Less:- Transferred to CWP	
540,620,275	1,277,032,881	540,620,275	1,277,032,881

SCHEDULE - 11
Amount (Rs.)
EXPENDITURE

PARTICULARS	CURRENT YEAR					PREVIOUS YEAR				
	Operation	Real Estate	Consultancy	Expenditure During Construction	Gross for the Year ended on 31.3.2009	Operation	Real Estate	Consultancy	Expenditure During Construction	Gross for the Year ended on 31.3.2008
EMPLOYEE COST										
Salary, allowances and benefits	791,477,776	21,919	1,107,047	423,957,595	1,216,564,337	830,020,172	17,497,469	2,282,884	369,757,874	1,219,558,399
Contribution to PF and other funds	45,538,914	620	56,494	30,222,903	75,818,931	35,353,990	698,237	97,416	17,353,617	53,503,260
Staff Welfare Expenses	29,603,876	105,017	2,515	12,659,536	42,370,944	22,329,347	627,541	46,524	8,946,606	31,950,018
OPERATIONS AND ADMINISTRATION EXPENSES										
Consultancy and Professional Charges	5,684,696	5,019,776	10,914,074	569,181,115	590,799,661	13,958,875	4,246,450	31,850,863	350,334,328	400,390,516
Travelling and conveyance	11,335,560	14	2,662,906	30,143,954	44,142,434	10,804,096	496,069	1,113,509	26,635,532	39,049,206
Stores Consumed	115,994,500	1,794,128	270,844	2,269,269	120,328,741	96,196,958	1,614,521	2,619	1,319,867	99,133,965
Traction Expenses	320,615,911	-	-	-	320,615,911	241,329,495	-	-	-	241,329,495
Repairs and Maintenance										
Plant and Machinery	160,125,496	9,288,577	1,088	4,720,745	174,135,906	130,273,448	10,084,208	6,179	4,974,684	145,338,519
Buildings	81,453,212	1,105,946	2,723	8,889,928	91,451,809	43,386,013	2,560,966	46,233	34,191,205	80,184,417
Others	12,603,302	2,816,910	5,384	17,362,783	32,788,379	11,113,096	2,188,017	89,023	16,278,595	29,668,731
House Keeping Expenses										
House Keeping Expenses	125,755,439	3,727,950	25,627	10,598,228	140,107,244	118,519,545	3,410,061	11,053	6,830,262	128,770,921
Auditors' Remuneration										
Audit Fees	17,670	596	265	643,270	661,801	59,056	31,955	2,781	411,828	505,620
Tax Audit Fees	11,780	397	177	428,846	441,200	39,370	21,304	1,854	274,552	337,080
Certification Fee	4,500	152	68	163,821	168,541	13,124	7,101	618	91,517	112,360
Insurance Expenses	6,005,680	-	-	1,332,021	7,337,701	5,729,193	58,806	5,118	762,085	6,555,202
Advertisement and Publicity	24,905,030	1,458,844	205,966	14,029,186	40,599,026	15,873,476	2,199,278	17,234	14,636,332	32,726,320
Legal Expenses	7,161,652	221	98	11,689,184	18,851,155	4,670,778	57,140	2,314	2,636,411	7,366,643
Training and Recruitment Expenses (Net)	4,411,153	3,322	566,638	5,156,724	10,137,837	(64,155)	93,402	8,128	1,259,219	1,296,594
Telephone and Other Communication Expenses	10,048,075	6,587	58,719	14,660,364	24,773,745	12,936,808	548,629	68,145	11,453,303	25,006,885
Printing and Stationery	18,995,952	5,369	279,714	22,643,531	41,924,566	13,416,830	1,107,334	119,406	17,728,262	32,371,832
Security Expenses	8,976,747	4,297,108	1,471	9,592,401	22,867,727	6,183,820	3,262,361	7,390	5,436,536	14,890,107
Vehicle Hire and Maintenance Charges	55,284,475	432	3,152,438	47,609,473	106,046,618	52,604,909	1,041,765	689,292	36,602,110	90,938,096
Land Licence Fee	10,238,062	-	-	(3,921,187)	6,316,875	24,182,796	-	-	68,170,912	92,353,708
Loss on sale of Assets	15,409,369	-	-	-	15,409,369	2,442,203	-	-	-	2,442,203
Electricity and Water Expenses	355,834,501	13,180,252	2,488	17,774,038	386,791,279	252,864,670	8,677,323	41,076	10,810,612	272,393,681
Wealth Tax	-	-	-	-	-	-	-	-	479,446	479,446
Prior Period Expenses	-	-	-	3,312,783	3,312,783	-	-	-	2,625,319	2,625,319
Environment protection Expenses	2,245,279	-	-	13,672,026	15,917,305	1,280,638	-	-	536,940	1,817,578
Miscellaneous Expenses	60,988,789	22,415	405,666	23,261,343	84,678,213	58,023,713	4,534,923	297,920	16,950,002	79,806,558
Fringe Benefit Tax	-	-	-	-	-	-	-	-	11,620,052	11,620,052
TOTAL	2,280,727,396	42,856,552	19,722,410	1,292,053,880	3,635,360,238	2,003,544,264	65,064,880	36,807,579	1,039,108,008	3,144,524,731

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PARTICULARS		PRIOR PERIOD INCOME/ EXPENDITURE (NET)	
For the Year ended on 31.3.2008	For the Year ended on 31.3.2009	For the Year ended on 31.3.2008	For the Year ended on 31.3.2009
INCOME			
Rental Income	(1,106,323)	-	(1,106,323)
Interest on Fixed Deposit	-	(264,627)	-
Income from Consultancy	(352,800)	7,132,500	(352,800)
TOTAL	(1,459,123)	6,867,873	(1,459,123)
EXPENDITURE			
Interest	-	(51,644,622)	-
Consultancy and Professional Charges	231,399	837,750	231,399
Salaries and Wages	647,938	-	647,938
Consumable stores	(6,212,599)	(4,080,976)	(6,212,599)
Land Licence Fee	(113,005,896)	-	(113,005,896)
Legal Expenses	109,500	-	109,500
Repair and Maintenance	3,048,829	120,378	3,048,829
Security Expenses	151,427	-	151,427
TOTAL	(115,029,402)	(54,767,470)	(115,029,402)
NET	113,570,279	61,635,343	113,570,279

PARTICULARS		DECREASE IN INVENTORY (LAND)	
For the Year ended on 31.3.2008	For the Year ended on 31.3.2009	For the Year ended on 31.3.2008	For the Year ended on 31.3.2009
INTEREST & FINANCE CHARGES			
Finance Charges	289,066,642	21,741,624	289,066,642
Interest to Govt. of India (JICA) loans	1,279,475,237	1,029,334,885	1,279,475,237
TOTAL	1,568,541,879	1,051,076,509	1,568,541,879
Less:- Transferred to CWIP	16,746,308	85,843,779	16,746,308
Finance Charges	261,692,609	85,843,779	261,692,609
Interest to Govt. of India (JICA Loan)	274,425,590	-	274,425,590
NET	1,032,423,680	965,232,730	1,032,423,680
DECREASE IN INVENTORY (LAND)			
Opening Balance of Inventory	439,634,814	-	439,634,814
Less :- Transfer to Fixed Assets	146,074,110	-	146,074,110
Closing balance of Inventory (Land)	161,660,899	-	161,660,899
TOTAL	277,973,915	-	277,973,915
SCHEDULE-13			
SCHEDULE-14			

TOTAL	2,280,727,396	42,856,552	19,722,410	1,292,053,880	3,635,380,238	2,003,544,264	65,064,880	36,807,579	11,820,052	1,039,108,008	11,620,052	3,144,524,731
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SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF ACCOUNTS AS AT 31.03.2009

SCHEDULE 15

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared on the historical cost basis in conformity with the statutory provisions of the Companies Act, 1956 and the Statements, Standards and Guidance Notes issued by The Institute of Chartered Accountants of India and in accordance with Generally Accepted Accounting Principles as adopted consistently by the company.

2. FIXED ASSETS

- 2.1 Fixed assets including intangible assets are shown at their acquisition cost / historical cost.
- 2.2 Deposit works / contracts, are capitalised on completion on the basis of statement of account received from executing agencies and in its absence on the basis of technical assessment of the work executed.
- 2.3 Assets & systems common to more than one section of the project are capitalised on the basis of technical estimates / assessments.
- 2.4 Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular is capitalised.
- 2.5 Capital Expenditure on assets not owned by the company is shown as a distinct item in capital work in progress till the period of completion and thereafter in the fixed assets.
- 2.6 Capitalization of the assets for new section to be opened for public carriage of passengers is done after ensuring its completeness in all respect as per manuals of practice of Delhi Metro Railway, administrative formalities and compliance of requirements stipulated by Commissioner of Metro Railway Safety imperative for the opening of such section.

3. LAND

- 3.1 Amount received directly by the Land and Building Department, Government of National Capital Territory of Delhi (GNCTD), from Government of India (GOI) and GNCTD for buying land for the company as part of interest-free Subordinate Loan for Land sanctioned to the Company, is treated as interest-free subordinate loan for land. The disbursement therefrom through the Land Acquisition Collector directly to the landowners for the said purpose is adjusted as land cost and the balance shown as advance with Land and Building Department.
- 3.2 Amount received directly by the Company from GOI and GNCTD for the above stated purpose, are also treated as interest free subordinate loan for land and included in the land cost to the extent of the amount spent for the purpose.
- 3.3 Payments made/adjusted provisionally towards cost or compensation related to the land including lease-hold land in possession, are treated as cost of the land or Lease-hold land.
- 3.4 Payment made towards land acquired on temporary basis is amortised over the possession period of the land.
- 3.5 Compensation, replacement etc. relating to the cost of

rehabilitation of Project Affected Persons (PAPs) is booked to CWIP and on completion is added to the cost of related assets.

- 3.6 Land is valued on pro-rata basis with reference to the award given by Land Acquisition Collector wherever transfer value of land is not indicated.
- 3.7 Cost of land earmarked for property development to be leased for 60 years and above is accounted for as inventory.

4. CAPITAL WORK-IN-PROGRESS

- 4.1 Income pertaining to construction period such as interest, sale of tender documents etc. is adjusted against expenditure during construction.
- 4.2 Claims including price variation are accounted for on acceptance.
- 4.3 Liquidated Damages are accounted for on settlement of final bill.
- 4.4 Administrative and general overheads (net of income) directly attributed to project are allocated in the ratio of assets capitalised to the total CWIP as at the end of the month of commissioning.

5. ALLOCATION OF INTEREST DURING CONSTRUCTION

Interest During Construction (IDC) in respect of qualifying assets commissioned during the year, is allocated in the ratio which the value of commissioned assets bear to the qualifying CWIP as at the end of the month of commissioning. In other cases, IDC is allocated based on the date of capitalisation of the last section.

6. DEPRECIATION

- 6.1 Depreciation is charged on straight-line basis at the rates prescribed under Schedule XIV of the Companies Act, 1956. However, in case of following assets, depreciation is at the following rates: -

ITEM	RATE
Rolling Stock	3.17%
Escalators & Elevators	3.17%
Track Work	1.63%
Air Conditioners and inverters provided to the employees at residential office except Directors	25.00%
Mobile Handsets costing more than Rs. 5,000/- each provided to the employees except Directors	25.00%
Feeder buses	19.00%

- 6.2 Fixed Assets costing Rs. 5,000/- or less are depreciated fully in the year of purchase.
- 6.3 Structures in the nature of temporary erection are fully depreciated in the year of its construction.
- 6.4 Capital expenditure in respect of assets not owned by the Company is amortised over a period of five years beginning after completion of related assets and commencement of its commercial operations.
- 6.5 Intangible assets are amortised on Straight Line Method over a period of legal right to use or 5 years whichever is earlier."

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

19. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

An asset is treated as impaired, when carrying cost of assets exceeds its recoverable amount. An impaired loss is charged to Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there is a change in the estimate of the recoverable amount.

18. IMPAIRMENT OF ASSETS

Deferred tax expense or benefit is recognised on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

17. TAXATION

Interest cost incurred on the funds borrowed specifically for the project and identified therewith is capitalised up to the time of commissioning of the project or part thereof and thereafter charged to revenue to the extent assets are under commercial operation.

16. BORROWING COST

Grants from the Government or other authorities towards Capital Expenditure for creation of assets are initially shown as 'Deferred Government Grants'. These are subsequently recognised as income each year over the life of the relevant assets in proportion to depreciation on those assets.

15. GRANTS IN AID

Individual items of Prepaid Expenses over Rs. 25,000/- each are recognised.

14. PREPAID ITEMS

Individual items of Prior Period Expenses and Income over Rs. 25,000/- each are recognised.

13. PRIOR PERIOD EXPENSES AND INCOME

Insurance claims are accounted for in the year of lodgement and any shortfall/excess is adjusted on the settlement of claims.

12. INSURANCE CLAIMS

The company has set up a Gratuity Trust Fund with LIC of India and gratuity liability to employees is provided for on basis of actuarial valuation.

11. RETIREMENT BENEFITS

The contribution to the Provident Fund for the period is recognized as expense and is charged to the profit & loss account. Company obligation towards post retirement benefits and baggage allowance, sick leave, earned leave, leave travel concession are actuarially determined and provided for as per AS-15 (Revised).

Income arising from carbon credit is recognised on the determination of the entitled units where a sale agreement already exists or on the execution of sale of carbon credits.

Income from sale of scrap is accounted on realisation basis.

Income from lease of land for property development pursuant to lease agreement for 60 years and above is recognised as sale on handing over of land to developer since it transfers substantially risks and rewards incident to ownership of land.

Income from Property development/Rental Income in respect of land is recognised in accordance with terms and conditions of the contract with licensee / lessee / concessionaire etc.

Income from consultancy / contract services is accounted for on the basis of actual progress / technical assessment of work executed, except in cases where contracts provide otherwise.

Income from Feeder Bus is recognised based on yearly attributable amount of the total income as agreed in the contract.

Income from fare collection is recognised on the basis of use of tokens, money value of the actual usage in case of Smart Cards and other direct fare collection.

10. REVENUE RECOGNITION

Land inventory is valued at the lower of cost and net realisable value.

Inventories including loose tools other than land are valued at the lower of cost, determined on weighted average basis, and net realisable value.

9. INVENTORIES

Deferred Revenue Expenditure, including preliminary expenses up to 31-03-2004 is charged off over a period of five years, commencing from the year of commercial operation, in the ratio of line length commissioned to the total length (Phase-1). With effect from 2004-05, the same is fully charged off in the year of expenditure.

8. MISCELLANEOUS EXPENDITURE

Monetary items denominated in foreign currencies are translated at exchange rates as at the reporting date.

Foreign Exchange differences arising in respect of monetary item relating to acquisition of fixed asset are adjusted to the carrying cost of related fixed asset/Capital Work-in-Progress prior to capitalization.

Other exchange differences are recognized as income or expense in the period in which they arise.

7. FOREIGN CURRENCY

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the time of transaction.

Monetary items denominated in foreign currencies are translated at exchange rates as at the reporting date.

Foreign Exchange differences arising in respect of monetary item relating to acquisition of fixed asset are adjusted to the carrying cost of related fixed asset/Capital Work-in-Progress prior to capitalization.

Other exchange differences are recognized as income or expense in the period in which they arise.

Depreciation in respect of addition to an existing asset which form integral part of main assets capitalised earlier is charged over the remaining useful life of that asset.

Leasehold Assets except land are amortised over the lease term or its useful life (as per Companies Act, 1956) whichever is shorter.

NOTES ON ACCOUNTS FORMING PART OF ACCOUNTS AS ON 31-03-2009

SCHEDULE 16

1. CONTINGENT LIABILITIES

(Rs in Lakhs)

		2008-09	2007-08
a)	Claims against the company not acknowledged as debts including foreign currency claim:		
-	Capital Works	21,215.71	20,829.30
-	Land compensation cases	21,756.18	8,919.67
-	Others	3,901.00	1702.74
b)	Disputed Income Tax Demand	6,202.56	6,202.56
c)	Employees State Insurance Corporation has charged u/s 45C and 45E of the Employees State Insurance Act, 1948 on account of liability of contractor.	499.71	499.71
d)	Disputed Service Tax Demand	749.52	749.52
e)	Disputed Central Excise Demand	94.94	0.00
f)	Disputed Property Tax New Delhi Municipal Corporation (NDMC)	4,855.50	4,855.50
g)	BSES Rajdhani Power Ltd, BSES Yamuna Power Ltd and North Delhi Power Ltd (Discoms) have raised a demand on the Company towards Electricity Tax.	987.60	659.74
h)	Amount deposited with DDA/MCD/L&DO under protest on account of ground rent	526.37	351.20
	TOTAL	60,789.09	44,769.94

In addition to the above:

(i) Some landowners have filed suites against the Company for alternate land, which cannot be quantified. Liabilities, if any, in respect of these cases pending with the courts shall be provided after completion of legal proceedings.

(ii) Municipal Corporation of Delhi (MCD) objected to display of advertisements by DMRC on civil structure on the ground that, as per Municipal Corporation of Delhi Act 1957, prior approval of the Commissioner as well as sharing of its revenue is required in respect of such displays. Not acceding to the contention of DMRC that as per Delhi Metro Railway Operation and Maintenance Act 2002, DMRC is authorised to display such advertisements on its premises and properties, MCD filed SLP with Hon'ble Supreme Court of India who has approved the policy and also granted liberty to the affected parties to approach Hon'ble Supreme Court by filing an appropriate application. DMRC had filed an application in terms of Order dated 12.10.2007 before the Hon'ble Supreme Court. In the meantime, MCD issued notice dated 10.03.2008 instructing DMRC to remove all the advertisements/hoardings on its properties, for which DMRC got stay from Hon'ble Supreme Court on 28.03.2008. The matter was referred by Hon'ble Supreme Court to Bhurelal Committee, who has recommended to exempt DMRC for revenue sharing for next five years and to obtain permission from civil authorities for display of advertisement. DMRC has filed its objection with Hon'ble Supreme Court against these recommendations, which is pending.

Upholding the contention of DMRC that it is a Metro Railway Administration under Railway Act operating independent of provisions of Municipal Corporation of Delhi (MCD) Act, in another case, the Hon'ble Delhi High Court has quashed the demand of property tax raised by MCD.

(iii) Pursuant to assembly of 45 indigenously manufactured train sets by M/s. Bharat Earth Movers Limited (BEML), Bangalore as a sub-contractor to M/s. Rotem, consortium member of MC-Rotem Melco (MRM), the contractor for RS1 contract, Dy. Commissioner of Commercial Taxes, Karnataka State has raised demand of sales tax assessed on MRM for 45 indigenously manufactured trains sets by BEML for Rs. 11,135.21 lakhs for the assessment years 2003-04 to 2006-07. M/s MRM's appeal had been turned down by Hon'ble Karnataka High Court. Special Leave Petition filed by M/s. MRM in Hon'ble Supreme Court of India was also not accepted and Hon'ble Supreme Court directed M/s. MRM to move in appeal under section 20 of the Karnataka Sales Tax Act, 1957. In the appeal filed before Joint Commissioner of Commercial Taxes (Appeal) transactions have been adjudged as inter-state sale and liable for sales tax. M/s. MRM requested DMRC to advise further course of action for filing appeal to Tribunal adding that in the absence of advice M/s. MRM would claim reimbursement of levy from DMRC along with the litigation cost. DMRC has intimated that the issue is of sole concern of MRM, since DMRC has already discharged its contractual obligation by issuing requisite exemption certificates/made reimbursement of sales tax on the 45 trains as per the contract condition.

M/s MRM have filed appeal before Karnataka Tribunal on 11.11.08.

2. Estimated amount of contracts including foreign currency contracts net of advances, remaining to be executed on capital account and not provided for is Rs. 11,07,041.03 Lakhs (P.Y. Rs. 10,96,499.10 Lakhs).

3.1 M/s MRM Consortium filed a claim of Rs. 549.61 Lakhs plus interest against DMRC for arbitration on account of amount withheld by DMRC towards Custom Duty and Other indirect taxes payments. In line with contract conditions of RS 1 Contract, DMRC filed counter claim for payments against Customs Duty & other indirect taxes of Rs. 27,980.99 Lakhs including interest. Vide an interim award dated 04.04.2007, the claim of MRM has been rejected and DMRC's counter claim has been admitted. Vide this interim award MRM has been directed to submit rendition of accounts for determining the final award amount (excluding interest). MRM has contested the Interim arbitral award in the Hon'ble Delhi High Court. The Hon'ble Delhi High Court decided that the objection raised by the petitioner against the Arbitrator's proceeding further with the arbitration and passing a final award was not tenable. It was made clear that the Arbitral Tribunal is at liberty to proceed further and to conclude the proceedings and give a final award. Arbitration proceeding for final award are under process.

3.2 DMRC's claim for exemption from Income Tax u/s 10(20-A) of Income Tax Act, 1961 and also allowance of certain expenses

Till 31st March 2008, amount paid to Northern Railway was included under Current Assets, Loans & Advances after amortising Lease charges (which had been charged to the LEDC prior to capitalisation and to profit and loss account after Operation). During the year, payments made towards Leasehold Land and acquired from Northern Railway has been shown as contingent liability. The reconciliation in respect of land with Railways is under progress.

(P.Y. Rs. 11,608.83 Lakhs) has been paid by DMRC and balance of Rs. 7,363.71 Lakhs (P.Y. Rs. 7,363.71 Lakhs) has against the demand of Rs. 19148.13 Lakhs (P.Y. Rs. 18,972.54 Lakhs) of Northern Railway Land, Rs. 11,784.42 lakhs applicable for working out lease charges of the land already given to DMRC in connection with Phase-1. Further be charged based on the land rate applicable for the surrounding land with existing land use. This decision shall also be in case the land given to DMRC is not used/proposed not to be used for commercial exploitation, lease charges shall be exploited by DMRC. This will be applicable for only that part of land commercially exploited/proposed to be exploited. L&DO office of Ministry of Urban Development, in case the land so given is commercially exploited/proposed to be on 18.01.08 Empowered Group of Ministers (EGOM) decided that land already handed over to DMRC by Ministry of 11,784.42 Lakhs (P.Y. Rs. 11,608.83 Lakhs) taken from the Northern Railway on leasehold basis. In the meeting held The above Land measuring 1,192.936 Acres includes 36.335 Acres of land pieces (P.Y. 36.156 Acres) worth Rs. 583.00 Lakhs) based on the interdepartmental rates applicable for that area, for which payment has not been made due to non-receipt of demand note from the land owning departments.

5.1 The cost of 1,192.936 Acres of land (P.Y. 1,061.737 Acres) amounting to Rs. 85,369.57 Lakhs (P.Y. Rs. 71,868.29 Lakhs) shown under the head "Leasehold Land" acquired on lease basis and for which lease deeds are yet to be finalized, has been capitalised. This includes 28.659 acres of land (P.Y. 26.498 acres) valuing Rs 529.13 Lakhs (P.Y. Rs. 583.00 Lakhs) based on the interdepartmental rates applicable for that area, for which payment has not been made due to non-receipt of demand note from the land owning departments.

5.2 The above Land measuring 1,192.936 Acres includes 36.335 Acres of land pieces (P.Y. 36.156 Acres) worth Rs. 583.00 Lakhs) based on the interdepartmental rates applicable for that area, for which payment has not been made due to non-receipt of demand note from the land owning departments.

4. In respect of office space of 4,634.04 sq. mtr. acquired from M/s National Building Construction Corporation Ltd. (NBCC) and 669.04 sq. mtr. from Credit Rating Information Services of India Limited (CRISIL) (P.Y. 4,634.04 sq. mtr.) for a sum of Rs. 2,575.74 Lakhs (P.Y. Rs. 2,575.74 Lakhs), transfer of title deed is pending and Lease terms are under finalization. In respect of office space acquired from CRISIL, lease terms from NBCC to CRISIL and from CRISIL to DMRC are pending. However, CRISIL has substantiated their property right by producing No Objection Certificate from NBCC. Further, provision for above properties have not been made, as the same is exempt/lease period is not determined and execution of lease deed between Ministry of Urban Development (MUD) and NBCC is pending.

3.5 Regional Provident Fund Commissioner (RPFC), Delhi initiated an enquiry under Section 7-A of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 Delhi for Provident Fund Contributions, Family Pension Fund Contributions, and Administrative Charges etc. since 8th January, 1998 in respect of temporary workers and employees engaged through contractors/sub-contractors notwithstanding the fact that contractors are directly registered with RPFC. DMRC has also argued that provisions of Employees Provident Fund and Miscellaneous Provisions Act 1952 were not applicable to the organisation being a Railway Company. Setting aside DMRC's contention, RPFC had decided on 23.08.2007 that DMRC had been rightly covered under head Road Motor Transport and hence, liable for compliance of the Act with effect from its date of coverage for all its employees whether directly employed or employed through a contractor. DMRC had challenged the above order before Hon'ble Appellate Tribunal who upheld the contention of DMRC and the matter has been disposed off vide Order Dated 27.03.2009.

3.4 Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 has been introduced in the territory of GNCTD vide Order/Notification No 17(10)/BOCW/PGLAB/05/207 dated 16.08.2005 & made applicable retrospectively, w.e.f. 01.01.2002. DMRC is deducting cess in the building and other construction works involving utilisation/deployment of building construction labour, entered into on or after the date of Notification of these orders.

3.3 Govt. of National Capital Territory of Delhi (GNCTD) have been reimbursing to DMRC the Sales Tax on Works Contract till 31st March 2005. The Delhi Sales Tax Act 1975, the Delhi Sales Tax on Works Contract Act, 1999 and Delhi Sales Tax on Right to Use Goods Act, 2002 have been repealed w.e.f. 31st March 2005, with the introduction of Delhi Value Added Tax Act, 2004. GNCTD vide Notification No.F.3 (22)/Fin. (T&E)/2006-07/dstfe/354-363 Dated 07.09.2006 has included DMRC in Sixth Schedule effective from date of issue of Notification. DMRC maintains that DVAT amounting to Rs. 28,300.00 Lakhs (P.Y. Rs. 13,682.61 Lakhs) including an amount of Rs. 3,598.53 Lakhs (P.Y. 3,598.53 Lakhs) pertaining to the period from 01.04.2005 to 06.09.2006 will be reimbursed by the GNCTD and shown as recoverable from GNCTD as on 31.03.2009.

3.5 Regional Provident Fund Commissioner (RPFC), Delhi initiated an enquiry under Section 7-A of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 Delhi for Provident Fund Contributions, Family Pension Fund Contributions, and Administrative Charges etc. since 8th January, 1998 in respect of temporary workers and employees engaged through contractors/sub-contractors notwithstanding the fact that contractors are directly registered with RPFC. DMRC has also argued that provisions of Employees Provident Fund and Miscellaneous Provisions Act 1952 were not applicable to the organisation being a Railway Company. Setting aside DMRC's contention, RPFC had decided on 23.08.2007 that DMRC had been rightly covered under head Road Motor Transport and hence, liable for compliance of the Act with effect from its date of coverage for all its employees whether directly employed or employed through a contractor. DMRC had challenged the above order before Hon'ble Appellate Tribunal who upheld the contention of DMRC and the matter has been disposed off vide Order Dated 27.03.2009.

has not been accepted by the Income Tax Authorities. All demands raised have been paid by DMRC under protest. DMRC's claims, for refund of Rs. 10,652.69 Lakhs (P.Y. Rs. 10,652.69 Lakhs), have been rejected by the Income Tax Commissioner (Appeals). DMRC has filed appeals before Hon'ble Income Tax Appellate Tribunal (ITAT). The Hon'ble Tribunal has dismissed the appeals and directed to take prior approval of Committee on Disputes (COD). However, leave has been granted for revival of the same after clearance of COD is obtained.

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capitalised at provisional rates (refer Accounting Policy No. 3.3). Necessary adjustments, if any, shall be made on reconciliation with Railways on the basis of decision of EGOM.

Due to this change, Fixed Asset Lease-hold Railway land has increased by Rs. 11,784.42 lakhs and Current Assets - Loans and Advances, Capital Work in Progress and Loss have decreased by Rs. 9,601.12 lakhs, Rs. 1,053.24 lakhs and 1,130.06 lakhs respectively.

- 5.3 During the year, in absence of demand, land lease charges of Rs.204.99 Lakhs (P.Y. Rs.164.15 Lakhs) in respect of 116.51 Acres (P.Y. 79.321 Acres) land acquired from various land owning departments on returnable basis have been provided on the same rate on which original demand was raised. Additional demand, if any, will be accounted for on settlement.
- 5.4 One of the objects of DMRC is to undertake property development and real estate work. Land is being received by DMRC from various land owning agencies for the construction of MRTS project. Out of this, portion of land for the property development is identified only after taking into consideration basic requirements of project implementation and other related factors like its land use and is shown as fixed asset till transaction is finalised as per Accounting Policy No 3.7 of DMRC. During the year, no further land has been earmarked as inventory.
- 5.5 Govt land is being acquired for the MRTS Project from various ministries /departments /autonomous bodies of GOI/GNCTD at inter-departmental transfer rates notified by the Ministry of Urban Development. Private land is being acquired under the Land Acquisition Act, 1894, on the basis of awards issued by the Land Acquisition Collectors of GNCTD. As all these cases are exempted from payment of stamp duty in accordance with the Registration Act 1908 & the Land Acquisition Act, 1894, as such stamp duty is not payable.
 - 6.1.1 Land measuring 30,000 sq mtr at Azadpur was handed over to the developer during 2006-07 on leasehold basis for construction of civil work at Azadpur Station and integrated property development by the developer for a concession period of 30 years. During the year civil work done by developer at Azadpur station has been accounted for and capitalised at Re.1/-.
 - 6.1.2 Land measuring 28,582 sqm at Akshar-Dham was handed over to the developer Ltd during 2007-08 on leasehold basis for a period of 30 years for construction of civil work at Akshar-Dham Station and Integrated Property Development. The asset shall be capitalized on completion.
- 6.2 Advance for capital expenditure includes Rs. 6.81 Lakhs (P.Y. Rs. 6.81 Lakhs) after adjustment of Rs. 133.19 Lakhs (P.Y. Rs.133.19 Lakhs), placed at the disposal of Land & Building Department, GNCTD, for obtaining possession of certain properties at Makki Sarai.
- 6.3 Land & Building Department, GNCTD vide their letter dated 09.06.2009 intimated that out of amount of Rs.44,048 Lakhs (P.Y. Rs 42,157 Lakhs) received by them from GOI, GNCTD and DMRC, for acquiring land for MRTS an amount of Rs.42,432 Lakhs (P.Y. Rs 40,200 Lakhs) has been transferred to concerned Land Acquisition Collectors, who have handed over possession of land estimated value of which is Rs. 45,709 Lakhs (P.Y. Rs. 43,572 Lakhs) up to 31.3.2009, which is subject to reconciliation.
- 7.1 In case of Land transferred from Govt. Departments, Ground Rent demanded by various authorities has not been provided because as per fixation of price orders issued by MOUD, ground rent is not leviable.
- 7.2 In case of Staff Quarters at Pushp Vihar, the provision for Ground Rent up to 31-03-2009 amounting to Rs. 198.08 Lakhs (P.Y. Rs. 165.07 Lakhs) has been provided, though the issue is yet to be resolved.
8. MOUD vide letter No. K-14011/8/2000-MRTS dated 30.03.2009, has communicated that raising resources through property development is one of the ways of mobilising resources for the project as well as sustainable operations and the word "project" would also include "property development".
9. During the year, DMRC has received Rs 75,769.00 Lakhs (PY Rs 33,965.00Lakhs) as per the details given below as part release of Grant-in Aid for extension of Metro Lines:

(Rs in Lakhs)

Grant received from	2008-09	2007-08	Purpose
GOI	5,090.00	0.00	For extension of Metro to New Okhla Industrial Development Authority (NOIDA)
GOI	3,760.00	4,790.00	For extension of Metro to Gurgaon
NOIDA	15,250.00	15,000.00	For extension of Metro to NOIDA
Haryana Urban Development Authority (HUDA)	11,400.00	11,400.00	For extension of Metro to Gurgaon
HUDA	2,775.00	2,775.00	For extension of Metro up to Haryana Border
GDA	13,000.00	0.00	For extension of Metro to Vaishali (Ghaziabad)
DDA	10,000.00	0.00	For extension of Line-3 to Dwarka Sub-city
DDA	14,494.00	0.00	For Airport Express Line from New Delhi Railway station to Sector-21 Dwarka
Total	75,769.00	33,965.00	

The total Grant-in-aid received up to 31.03.2009 is Rs 1,81,409.00 Lakhs (P.Y Rs. 1,05,640.00 Lakhs) for extension of Metro Lines.

As per Accounting Policy 15, during the year, DMRC has recognized Rs. 1,099.45 Lakhs (P.Y. Rs.936.60 Lakhs) as income against Deferred Government Grants.

10. The Japan International Cooperation Agency (JICA), formerly known as Japan Bank for International Cooperation (JBIC) has committed to provide total loan of 16,27,510 Lakhs Japanese Yen in six tranches for Phase I and 17,83,360 Lakhs Japanese Yen in four tranches for Phase II to the GOI for implementation of Delhi Mass Rapid Transit System Project by DMRC as the executing agency for implementation of the Project as per details given below:

Phase-I	
•	First Tranche in February 1997 of 1,47,600 lakhs Japanese Yen,
•	Second Tranche in March 2001 of 67,320 lakhs Japanese Yen,
•	Third Tranche in February 2002 of 2,86,590 lakhs Japanese Yen,
•	Fourth Tranche in March 2003 of 3,40,120 lakhs Japanese Yen,
•	Fifth Tranche in March 2004 of 5,92,960 lakhs Japanese Yen, and
•	Sixth Tranche in March 2005 of 1,92,920 lakhs Japanese Yen,
Phase-II	
•	First Tranche in March 2006 of 1,49,000 lakhs Japanese Yen,
•	Second Tranche in March 2007 of 1,35,830 lakhs Japanese Yen,
•	Third Tranche in March 2008 of 7,21,000 lakhs Japanese Yen
•	Fourth Tranche in March 2009 of 7,77,530 lakhs Japanese Yen

The fourth tranche of Phase-II is under process of effectuation. The Loan is disbursed to the GOI as per two procedures viz. reimbursement procedure and commitment procedure. The proceeds of this loan are lent to DMRC by GOI in equivalent INR in terms of Ministry of Urban Development's letter No K-14011/59/88-UD II dated 12.11.1996. During the year DMRC has provided interest amounting to Rs 12,794.75 Lakhs (P.Y Rs 10,293.35 Lakhs) on this loan at the same rate at which the GOI has obtained the loan from the JICA. The Exchange rate fluctuation risk will be shared between GNCTD and the GOI in proportion to their respective share holdings. However, agreement or memorandum of Understanding (MOU) between GOI, GNCTD and DMRC regarding the terms and conditions of the loan is under finalization.

Further GOI is providing the amount as Pass through Assistance (PTA) to DMRC for executing the works. Reconciliation of JICA Loan in INR equivalent, interest accrued and service charges payable thereon with Controller of Aid, Accounts & Audit (CAAA) of Ministry of Finance is under progress and necessary adjustment, if any, shall be effected on its completion.

11. Interest on Unsecured Loans of Rs. 17,524.60 Lakhs (P.Y. Rs. 15,004.48 Lakhs) have been shown as 'Current Liabilities' under the head 'Interest accrued but not due pending execution of Agreement/Memorandum of Understanding (MOU) between GOI, GNCTD & DMRC in respect of JICA Loans.

12. The IDA pay revision of the employees of DMRC is due w.e.f. 01st January 2007. Pending implementation of the pay revision, provision of Rs 3,092.00 Lakhs (P.Y Rs 3,060.00 Lakhs) has been made towards the pay arrears on an estimated basis. During the year, an amount of Rs. 1,956.86 Lakhs (P.Y. Rs. 3060.00 Lakhs) has been charged to salaries including interim relief Benefits (Schedule -11).

13. To increase the ridership, DMRC has started Feeder Bus services to metro stations in collaboration with a private bus operator. As per the arrangement, the operator is to provide operating staff for operating the buses and be responsible for the maintenance. The buses are to ply on the designated routes and with stipulated fare as decided by DMRC with the approval of transport authority of GNCTD. The collections made by the operator are released to the bus operator after adjusting dues, if any, on daily basis.

DMRC is entitled only for the pre-determined amounts as stipulated in the agreement. The arrangement is cancellable by either party or on occurrence of the default. On successful completion of the arrangement for 5 years, the ownership of the bus is to be transferred to the operator. As per the composite agreement income from feeder bus service is recognized based on yearly attributable amount of the total income as agreed in the contract. During the year, Rs.265.91 lakh (P.Y. Rs.43.15 lakhs) has been accounted for as revenue from the feeder bus services and depreciation on feeder buses amounting to Rs. 178.12 lakhs (P.Y. Rs.35.61 lakhs) has been provided for.

14. Payment to the Statutory Auditors:-

(Rs. in Lakhs)

Particulars	2008-09	2007-08
Audit Fees	6.00	4.50
Tax Audit Fees	4.00	3.00
Certification fees	1.50	1.00
Reimbursements;		
- Travelling expenses	----	----
- Service Tax	1.22	1.05

15. Effects of changes in Accounting Policies

During the year, some of the Accounting Policies were added/reworded and modified and financial impact is disclosed hereunder:-

- 15.1 Till 31st March 2008, depreciation in respect of earlier years on assets, which form integral part of main assets capitalised earlier, was charged in the year of addition. During the year DMRC has charged depreciation on addition to the existing assets over the remaining useful life of that assets. Due to this, value of net fixed assets and profit is higher by Rs.598.14 Lakhs.
- 15.2 Till 31st March 2008, Income arising from carbon credit was accounted for on the final settlement of claim. During the year, DMRC has received certificate for Emissions Reduction of 3204 units from United Nations Framework Convention on Climate Change (UNFCCC) in respect of carbon credit and an agreement to sale has been entered with Japan Carbon Finance Limited. Accordingly, income arising from carbon credit is recognised on the determination of the entitled units where a sale agreement already exists or on the execution of sale of carbon credits. Due to this change in Accounting Policy, an amount Rs. 11.43 Lakhs (P.Y. Rs. NIL) has been recognised as income from sale of carbon credits.
- 15.3 Till 31st March 2008, Expenses of Corporate office, common to operation and construction were being allocated to Profit and Loss Account and Incidental Expenditure During Construction (IEDC) in proportion of revenue earned and accretion to Capital Work in Progress (CWIP). Consequent upon the withdrawal of Guidance Note on 'Treatment of Expenditure during Construction Period' by the Institute of Chartered Accountants of India (ICAI) during 2008-09, DMRC has changed the Accounting Policy 5. Accordingly, DMRC has systematized the allocation of expenses in a manner that all administrative expenditure directly attributed to project is accounted for as CWIP. The other administrative expenses of corporate office are accounted to Profit & Loss account. General Overheads of Corporate Office, common to operation and construction are allocated on a systematic basis to Profit and Loss account and CWIP in proportion of operation expenditure and accretion to CWIP. Due to this, profit for the year and capital work-in-progress is increased by Rs. 226.26 Lakhs.
- 15.4 Till 31st March 2008, Intangible Assets were amortised over a period of 10 years on straight Line Method. During the year expected useful life of the intangible assets was reviewed and accordingly Accounting Policy 6.5 was changed. As per new accounting policy Intangible Assets are amortised on Straight Line Method over a period of legal right to use or 5 years whichever is earlier. Due to this change, value of net intangible assets and profit of the year is decreased by Rs. 489.30 Lakhs.
- 15.5 Till 31st March 2008, Foreign Exchange differences were recognized in Profit & Loss Account as income or expenses in case of assets capitalized and to Incidental Expenditure During Construction prior to such capitalisation. Exchange differences in respect of monetary items arising out of transactions entered into prior to 01.04.2004 were adjusted to the carrying cost of respective fixed asset/Capital Work-in-Progress. Pursuant to the Central Government Gazette Notification No.193 dated 31st March 2009, amending Accounting Standard-11 on the effect of changing Foreign Exchange Rates, DMRC has exercised the option to adjust Foreign Exchange differences arising in respect of all monetary items relating to acquisition of fixed asset being adjusted to the carrying cost of related fixed asset/Capital Work-in-Progress prior to capitalization. Due to Change in Accounting policy there is no financial impact on accounts during the year.
- 15.6 As stated in Para 5.2, due to change in Accounting Policy 3.3, Fixed Asset-Lease-hold Railway land has increased by Rs. 11,784.42 lakhs and Current Assets - Loans and Advances and Capital Work in Progress have been decreased by Rs. 9,601.12 lakhs and Rs. 1,053.24 lakhs respectively and profit of the year is increased by Rs.1,130.06 lakhs.

16. Effects of changes in Foreign Exchange Rates Accounting Standard (AS)-11

The effect of foreign exchange fluctuation during the year is as under:-

- (i) The amount of exchange differences (net) debited to the Profit & Loss Accounts is Rs. 238.12 Lakhs (previous year Rs. Rs. 48.32 Lakhs)
- (ii) The amount of exchange differences debited to the carrying amount of fixed assets and Capital Work-in-Progress is Rs. 4,870.54 Lakhs (previous year credited Rs. 3,425.18 Lakhs).

17. Retirement Benefits Accounting Standard (AS)-15:

General description of various defined employees benefit schemes are as under:

a) Provident Fund:

DMRC's Provident Fund is managed by Regional Provident Fund Commissioner. DMRC pays fixed contribution to provident fund at pre-determined rate. The liability is recognised on accrual basis.

b) Gratuity:

DMRC has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to get gratuity at 15 days salary (15/26 x last drawn basic pay, dearness pay plus dearness allowance) for each completed year of service on superannuation, resignation, termination, and disablement or on death. A trust has been formed for this purpose. This scheme is being managed by the Life Insurance Corporation of India (LIC) for which DMRC has taken a Master Policy.

The scheme is funded by DMRC and the liability is recognized on the basis of actuarial valuation.

Pension: (c) Employee's Group Superannuation Pension Scheme is managed by LIC of India. This scheme is optional and DMRC's obligation is limited to pay 2.5% of Basic Pay of the enrolled employee.

The contribution to the scheme for the period is grouped under Employee Cost on accrual basis. In respect of deputationists employees, pension contribution is calculated as per Govt. of India Rules and is accounted for on accrual basis.

Post Retirement Medical Facility: (d) DMRC has Post-retirement Medical Facility (PRMF), under which retired employee and the spouse are provided medical facility for indoor treatment at the same rate as applicable to regular employee.

The liability on this account is recognized on the basis of actuarial valuation.

Terminal Benefits: (e) Terminal benefits include settlement at home-town or to the place where he or his family intends to settle in India including Baggage Allowance. Further DMRC has deputationists staff from other organisations for which DMRC is liable to pay exit benefits.

The liability on this account is recognized on the basis of actuarial valuation.

Leave: (f) DMRC provides for earned leave benefits (included compensated absence) and half-pay leave to the employees of DMRC, which accrue annually at 30 days & 20 days respectively. Only the leave in the encashable leave account is encashable once in a calendar year while in service and a maximum of 300 days on superannuation. Half pay leave is encashable up to the extent of half of such accumulated leave lying at the credit of the employee on his superannuation or on death while in service.

The liability on this account is recognized on the basis of actuarial valuation.

In respect of deputationists employees, Leave salary contribution is payable to their parent departments @ 1% of pay drawn (Basic Pay including Dearness Pay & Special Pay) and is accounted for on accrual basis.

LTC: (g) DMRC provides financial assistance to the employees in meeting the expenses of travel involved while availing of rest & recreation with their family away from the headquarters at the home town or elsewhere periodically as per DMRC's policy.

The liability on this account is recognized on the basis of actuarial valuation.

The summarized position of various defined benefits recognized in the profit & loss account and balance sheet is as under: (h)

(i) Expenses recognized in Profit & Loss Account;

(Rs. in Lakhs)

Particulars	C.Y.	P.Y.	Gratuity	PRMF	LTC	Leave	Terminal Benefits
Current Service Cost	190.89	158.15	69.64	89.52	57.12	342.66	30.32
Interest cost on benefit obligation	37.95	21.35	14.64	27.35	-	66.37	-
Expected return of plan assets	(21.23)	(15.75)	-	-	-	-	-
Net actuarial (gain)/loss recognized during the year	82.60	(98.22)	17.85	(18.50)	-	285.91	-
Expenses recognized in the Profit & Loss A/c	290.21	(7.23)	122.01	58.40	390.53	621.40	(11.94)
	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.

(ii) The amount recognized in the Balance Sheet:

(Rs. in Lakhs)

Particulars	C.Y.	P.Y.	Gratuity	PRMF	LTC	Leave	Terminal Benefits
Present value of obligation as at 31-03-2009 (i)	856.89	297.81	115.52	1301.77	30.32	42.26	-
Fair value of plan assets as at 31.03.09 (ii)	413.31	229.49	-	-	-	-	-
Difference (iii) - (i)	(443.58)	(297.81)	(305.04)	(948.18)	(30.32)	(42.26)	-
	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.

Net asset/(liability) recognized in the Balance Sheet

(312.66) (312.66) (305.04) (297.81) (115.52) (1301.77) (30.32) (42.26)

(iii) Changes in the present value of the defined benefit obligations:

(Rs. in Lakhs)

Particulars		Gratuity	PRMF	LTC	Leave	Terminal Benefits
Present value of obligation as at 01.04.08	C.Y.	542.15	305.04	57.12	948.18	42.26
	P.Y.	227.69	183.02	54.86	341.84	32.36
Interest cost	C.Y.	37.95	21.35	-	66.37	-
	P.Y.	18.22	14.64	-	27.35	-
Current Service Cost	C.Y.	190.89	69.64	58.40	342.66	(11.94)
	P.Y.	158.15	89.53	2.26	308.14	9.9
Benefits paid	C.Y.	(5.80)	-	-	(36.95)	-
	P.Y.	(6.90)	-	-	(15.06)	-
Net actuarial (gain)/loss on obligation	C.Y.	91.70	(98.22)	-	(18.50)	-
	P.Y.	144.99	17.85	-	285.91	-
Present value of the defined benefit obligation as at	31.03.09	856.89	297.81	115.52	1,301.77	30.32
	31.03.08	542.15	305.04	57.12	948.18	42.26

(iv) Changes in the fair value of plan assets:

(Rs. in Lakhs)

Particulars		Gratuity	PRMF	LTC	Leave	Terminal Benefits
Fair Value of plan asset as at 01-04-2008	C.Y.	229.49	-	-	-	-
	P.Y.	170.28	-	-	-	-
Expected return on plan assets	C.Y.	21.23	-	-	-	-
	P.Y.	15.75	-	-	-	-
Contributions by employer	C.Y.	159.29	-	-	-	-
	P.Y.	46.91	-	-	-	-
Benefit paid	C.Y.	(5.80)	-	-	-	-
	P.Y.	(6.90)	-	-	-	-
Actuarial gain/(loss)	C.Y.	9.10	-	-	-	-
	P.Y.	3.45	-	-	-	-
Fair value of plan assets as at 31.03.2009	31.03.09	413.31	-	-	-	-
	31.03.08	229.49	-	-	-	-

(C.Y.) Current Year, (P.Y.) Previous Year

(v) During the year, DMRC has provided liability towards contribution to the:

(Rs. in Lakhs)

Particulars	2008-09	2007-08
Gratuity	290.21	302.16
PRMC	(7.23)	122.01
LTC	58.40	57.12
Leave	390.53	621.40
Terminal benefits	(11.94)	42.26

i) Actuarial Assumptions:

Principal assumptions used for actuarial valuation are:

i	Method used	Projected Unit Credit Method
ii	Discount Rate	7.00%
iii	Expected rate of return on plan asset- Gratuity	9.25%
iv	Future salary increase	4.50%

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

j) The effect of one percentage in the medical cost of PRMF will impact the liability as under

• Cost increased by 1%	Rs. 335.80 Lakhs
• Cost decreased by 1%	Rs. 272.27 Lakhs

18. Borrowing Cost Accounting Standard (AS)-16:

As per Accounting Standard (AS)-16 during the year, DMRC has capitalised borrowing costs of Rs.342.60 Lakhs (P.Y. Rs. 240.44 Lakhs).

19. Segment Reporting Standard (AS)-17:
a) Business segment:

DMRC's principal business segments are Operations & Maintenance, Property Development and Consultancy.

b) Segment Revenue and Expense:

Operations & Maintenance - Revenue directly attributable to the segment including income from train operation, feeder bus earnings, rental income of space for kiosks, parking, Shops, Restaurant, Malls and advertisement, sale of tender forms, sale of carbon credit and interest earned are considered.

Property Development - Revenue directly attributable to the segment including rental from leasing of Land and Malls, sale of tender forms and interest earned are considered.

Consultancy - Revenue directly attributable to the segment including income from consultancy, sale of tender forms and interest earned are considered.

Expenses directly attributable to the each segment and common expenses allocated on systematic basis are considered as segment expenses.

c) Segment Assets and Liabilities:

Segment assets include all operating assets in respective segments comprising of net fixed assets and current assets, loans and advances and Capital Work in Progress, Construction stores & advances. Assets relating to corporate and construction are included in unallocated segments. Segment liabilities include liabilities and provisions directly attributable to respective segment.

PARTICULARS	2008-09		2007-08		2008-09		2007-08		2008-09		2007-08		2008-09		2007-08				
	OPERATIONS	REAL ESTATE	CONSULTANCY	UNALLOCATED	TOTAL	OPERATIONS	REAL ESTATE	CONSULTANCY	UNALLOCATED	TOTAL	OPERATIONS	REAL ESTATE	CONSULTANCY	UNALLOCATED	TOTAL	OPERATIONS			
A SEGMENT REVENUE	39,286.61	31,701.96	24,499.50	11,982.22	2,813.31	1,344.79	66,599.42	45,028.97	5,778.12	5,406.20	-	72,377.54	46,136.82	29,353.09	9,652.33	17,702.49	1,998.27		
Operating Income	3,486.22	2,188.38	1,923.59	2,986.43	368.31	231.39	-	-	-	-	-	1,576.18	1,208.10	0.06	4.75	272.77	14,045.14		
Other Income	3,486.22	2,188.38	1,923.59	2,986.43	368.31	231.39	-	-	-	-	-	1,576.18	1,208.10	0.06	4.75	272.77	14,045.14		
Inter Segment adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Revenue	42,772.83	33,890.34	26,423.09	14,968.65	3,181.62	1,576.18	72,377.54	50,435.17	5,778.12	5,406.20	-	72,377.54	46,136.82	29,353.09	9,652.33	17,702.49	1,998.27		
B SEGMENTS RESULTS (EBIT)	19,937.64	13,826.99	23,214.78	14,318.00	2,984.40	1,208.10	46,136.82	29,353.09	9,652.33	10,324.24	-	46,136.82	29,353.09	9,652.33	17,702.49	1,998.27	1,998.27	1,998.27	
Less: Interest & Finance Charges	10,325.69	9,652.18	2.37	0.09	(3.82)	0.06	10,324.24	9,652.33	10,324.24	-	-	10,324.24	9,652.33	10,324.24	17,702.49	1,998.27	1,998.27	1,998.27	
Depreciation	27,619.14	17,426.98	280.67	272.77	4.75	2.74	27,904.56	17,702.49	27,904.56	17,702.49	-	27,904.56	17,702.49	17,702.49	17,702.49	1,998.27	1,998.27	1,998.27	
C PROFIT BEFORE TAX (PBT)	(18,007.19)	(13,252.17)	22,931.74	14,045.14	2,983.47	1,205.30	7,908.02	1,998.27	7,908.02	-	-	7,908.02	1,998.27	1,998.27	1,998.27	1,998.27	1,998.27	1,998.27	1,998.27
Less: Provision for Taxes	--	--	--	--	--	--	4,911.68	7,440.54	4,911.68	7,440.54	--	4,911.68	7,440.54	7,440.54	7,440.54	7,440.54	7,440.54	7,440.54	7,440.54
Prior Period Adjustments	--	--	--	--	--	--	(1,135.71)	(616.35)	(1,135.71)	(616.35)	--	(1,135.71)	(616.35)	(616.35)	(616.35)	(616.35)	(616.35)	(616.35)	(616.35)
D OTHER INFORMATION	--	--	--	--	--	--	4,132.05	(4,825.92)	4,132.05	(4,825.92)	--	4,132.05	(4,825.92)	(4,825.92)	(4,825.92)	(4,825.92)	(4,825.92)	(4,825.92)	(4,825.92)
D.01 SEGMENT ASSETS	994,642.73	925,700.69	55,374.49	23,825.02	7,396.84	1,058.46	668,007.99	1,618,592.16	2,203,206.33	1,618,592.16	--	668,007.99	1,618,592.16	1,618,592.16	1,618,592.16	1,618,592.16	1,618,592.16	1,618,592.16	1,618,592.16
D.02 SEGMENT LIABILITIES	1,158,311.76	858,525.55	11,739.91	9,740.81	1,145.66	1,407.32	133,168.77	1,002,842.45	1,344,332.70	1,002,842.45	--	133,168.77	1,002,842.45	1,002,842.45	1,002,842.45	1,002,842.45	1,002,842.45	1,002,842.45	1,002,842.45
D.03 CAPITAL EXPENDITURE	95,770.71	34,504.61	3,201.27	1,441.55	27.55	8.43	2,990.52	38,945.11	118,227.66	38,945.11	--	2,990.52	38,945.11	38,945.11	38,945.11	38,945.11	38,945.11	38,945.11	38,945.11
Addition to Fixed Assets	95,770.71	34,504.61	3,201.27	1,441.55	27.55	8.43	2,990.52	38,945.11	118,227.66	38,945.11	--	2,990.52	38,945.11	38,945.11	38,945.11	38,945.11	38,945.11	38,945.11	38,945.11

20. Related Parties Disclosure Accounting Standard (AS)-18:

a) Key Management Persons:

Shri E. Sreedharan, Managing Director
 Shri Satish Kumar, Director (Electrical)
 Shri R.N. Joshi, Director (Finance)
 Shri Raj Kumar Director (Operations)
 Shri H. S. Anand, Director (Rolling Stock)
 Shri Mangu Singh, Director (Works)
 Shri Vijay Anand, Director (Project)

b) Disclosure of transactions of DMRC with related parties.

(Rs. in Lakhs)

Particulars	2008-09	2007-08
Salaries & Allowances	52.82	45.15
Contribution to Provident Fund and other Funds, Gratuity & Group Insurance	4.03	4.59
Other Benefits	14.59	11.17
Total (included in Employees Cost)	71.44	60.91

In addition to the above remuneration, the Whole Time Directors have been allowed to use the staff car (including for private journeys) subject to recovery as per DMRC's rules.

21. Lease Accounting Standard (AS)-19:

21.1 DMRC has taken on lease/rent premises for employees. These lease arrangements are usually renewable on mutually agreed terms but are not non-cancellable. During the year DMRC has paid lease rent (net of recoveries) in case staff amounting to 284.80 Lakhs (P.Y. Rs. 268.37 Lakhs) and included under the head Expenditure-Salaries & Wages/ Expenditure During Construction (EDC)

21.2 DMRC has leased space for shops, kiosks, etc. on stations and buildings at other sites on the basis of operating lease to various parties. Future minimum lease rentals receivable for all operating leases are as under:

(Rs. in Lakhs)

Operating Lease	Not later than one year	Later than one year and up to five years	Beyond five years
Current Year (2008-09)	7,419.00	15,840.95	2,945.21
Previous Year (2007-08)	8,331.11	20,654.94	5,164.76

Disclosure of Gross carrying Value and depreciation on lease business assets:

(Rs. in Lakhs)

Particulars of Assets	As on 31-03-2009	As on 31-03-2008
Gross Carrying value of Assets	33,637.25	24,052.81
Accumulated Depreciation	2,455.83	1,630.22
Depreciation for the year	825.61	490.09

22. Earning per Share (EPS) Accounting Standard (AS)- 20:

(Rs. in Lakhs)

Particulars	2008-09	2007-08
Profit after taxation, prior period adjustments & tax Adjustments for the earlier years as per Profit and Loss account (Rs. in Lakhs)	4,132.05	(4,825.92)
Weighted average number of equity shares outstanding		
Basic	53,357,156	41,636,497
Diluted	53,853,546	42,846,082
Basic Earning Per Share (in rupees) (Face value of Rs. 1,000/- per Share)	7.74	(11.59)
Diluted Earning Per Share (in rupees) (Face value of Rs. 1,000/- per Share)	7.67	(11.59)

23. Deferred Tax Assets / Liability Accounting Standard (AS)-22

Break-up of deferred tax asset/liability into major components is as under:

Particulars	As on 31.03.2009	As on 31.03.2008
A-Deferred Tax Liability		
I-Difference between Carrying Amount of Fixed Assets	1,05,947.42	86,587.31
Total - A	1,05,947.42	86,587.31
B-Deferred Tax Assets		
I-Unabsorbed Depreciation as per Income Tax Returns	81,924.38	66,115.25
II-Expenses Disallowed under Section 43 B of the Income Tax Act	281.97	475.41
Total - B	82,206.35	66,590.66
Net Deferred Tax Liability	23,741.07	19,996.65

(Rs. in Lakhs)

24. Impairment of Assets Accounting Standard (AS)-28:

During the year, DMRC assessed the impairment loss of assets and is of the opinion that assets of MRTS Project have been recently capitalized pursuant to its completion. As the project has a long life and there is no indication exists for the impairment loss of the assets, therefore, it is considered that during the year, there is no impairment loss of assets.

25. Movement of Provisions Accounting Standard (AS)-29:

Particulars	Opening balance as on 01.04.08	Additions during the year	Utilisation during the year	Written-back during the year	Closing balance as on 31.03.09
Land	2,851.80	714.18	316.75	11.73	3,237.50
Retirement Benefits	1,412.25	813.14	36.40	0	2,188.99
Wealth Tax	5.89	20.42	5.89	0	20.42
Expenses	4,946.40	2633.82	1,829.28	1,416.12	4,334.82

(Rs. in Lakhs)

26. Additional information pursuant to Schedule VI of the Companies Act, 1956:

Particulars	2008-09	2007-08
Value of imports calculated on CIF basis	*8,038.56	*21,842.52
Expenditure in Foreign currency on		
(i) Professional and consultancy fee	3,205.99	1,868.66
(ii) Tours and Travels	49.01	39.08
(iii) Contracts	*81,418.48	*53,398.68
(iv) Others	247.91	173.68
Earnings in Foreign Exchange		
(i) Consultancy	NIL	29.83
(ii) Interest	NIL	
(iii) Others	110.05	21.94
Value of Components, spare parts & store consumed:		
(i) Imported	982.13	609.34
(ii) Indigenous	167.04	94.99

*The values are calculated based on composite milestone payments, which includes expenditure on Design, Erection, Testing, Commissioning etc. The above amount was all net cash outgo made during the year.

27. DMRC is not a Manufacturing Undertaking, hence the provisions for disclosure of licensed and installed capacity are not applicable.

28. Environmental protection expenditure relating to utilities diversions, tree cutting and plantation etc. as and when accrued, is accounted for, in the normal course of events during execution of the project in terms of contractual provisions of the contract.

29. In respect of supply, installation, testing and commissioning contracts, expenditure is booked to Capital Work in Progress as per contractual milestones.

30. Some debit/credit balances of parties are subject to confirmation and reconciliation, consequential impact thereof, if any, remains unascertained.

31. Additional information in respect of sale of land (inventory): -

Details of land	2008-09		2007-08	
	Quantity (Acres)	Value (Rs. In Lakhs)	Quantity (Acres)	Value (Rs. In Lakhs)
Lease/ transfer				
Opening Balance	10.327	4,396.35	---	---
Purchase / (Transfer)	(2.597)	(1,460.74)	10.327	4,396.35
Sale / Lease	4.942	2,779.74	---	---
Closing Balance	2.788	155.87	10.327	4,396.35

32. Information in respect of Micro, Small and Medium Enterprises as at 31st March 2009:

(Rs. in Lakhs)

Sl.	Particulars	2008-09	2007-08
1	Amount remaining unpaid to any supplier: a) Principal Amount b) Interest due thereon	NIL NIL	NIL NIL
2	Amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount paid to the supplier beyond the appointed day;	NIL	NIL
3	Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	NIL	NIL
4	Amount of interest accrued and remaining unpaid	NIL	NIL
5	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	NIL	NIL

33. Previous year's figures have been regrouped/rearranged/reclassified, wherever necessary, to make them comparable to the current year's presentation.

34. Figures have been rounded to the nearest rupee.

**As per our report of even date annexed
For S N Nanda & Co
Chartered Accountants**

S.N. NANDA
Partner

P.K. GUPTA
Company Secretary

R.N.JOSHI
Director(Finance)

E.SREEDHARAN
Managing Director

Membership No:- 5909

Date: 01-07-2009

Place: New Delhi

Cash Flow Statement For The Year Ended 31.03.2009

DELHI
METRO

PARTICULARS	For the year ended 31.3.2009	For the year ended 31.3.2008
	Amount (Rs.)	Amount (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/Loss after tax	413,204,830	(482,592,067)
Adjustment for:-		
Loss due to Assets Written Off	15,409,369	2,442,203
Depreciation	2,790,456,173	1,770,249,687
Prior Period Expenses Adjustment	-	-
Net Deferred Tax Liability	374,441,782	711,986,883
Miscellaneous Expenditure written off	2,791,386	2,791,386
Interest & Finance Charges	1,032,423,680	965,232,730
Deferred Government Grant	(109,945,181)	(93,659,709)
Exchange rate variation	(510,866,289)	337,685,327
Operating Profit before Working Capital Changes	4,007,915,750	3,214,136,440
Adjustment for:-		
Inventories	280,048,317	(472,711,423)
Sundry Debtors	(1,225,035,855)	(85,142,191)
Other Current Assets	101,414,855	201,475,321
Loans and Advances	(578,706,011)	(2,129,429,140)
Provisions	113,242,154	288,506,075
Current Liabilities	4,765,475,414	(1,767,007,726)
Net Cash From Operating Activities	7,464,354,624	(750,172,644)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Fixed Assets	(11,848,301,692)	(3,922,659,140)
Capital Work In Progress	(43,169,040,592)	(16,122,305,381)
Construction stores & Advances	(1,198,870,042)	(12,575,719,701)
Net Cash From Investing Activities	(56,216,212,326)	32,620,684,222
C. CASH FLOW FROM FINANCING ACTIVITIES		
Share Capital & Share Application Money	16,055,000,000	10,374,900,000
Grants received during the year	7,576,900,000	3,396,500,000
Loans raised during the year	29,270,306,687	18,520,531,553
Interest & Finance Charges	(1,032,423,680)	(965,232,730)
Net Cash From Financing Activities	51,869,783,007	31,326,698,823
D. Net changes in cash & Cash equivalents (A+B+C)	3,117,925,305	(2,044,158,043)
E. Cash & Cash Equivalents (Opening Balance)	16,581,280,621	18,625,438,664
F. Cash & Cash Equivalents (Closing Balance)	19,699,205,926	16,581,280,621
For S N Nanda & Co		
Chartered Accountants		
S.N. NANDA		
Partner		
Membership No:- 5909		
Date: 01.07.2009		
Place: New Delhi		
P.K. GUPTA		
Company Secretary		
R.N.JOSHI		
Director(Finance)		
E.SREEDHARAN		
Managing Director		

1. Registration Details

Registration Number	68150	State Code	55
Balance Sheet Date	31.03.2009		

2. Capital Raised During the year**(In Rs. Thousand)**

Public Issue	NIL	Right Issue	17,480,000
Bonus Issue	NIL	Private Placement	NIL

3. Position of Mobilisation and Deployment of Funds**(In Rs. Thousand)**

Total Liabilities	222,073,624	Total Assets	222,073,624
Sources of Funds		Application of Funds	
Paid Up Capital	66,122,604	Net Fixed Assets	194,951,730
Reserves and Surplus	-	Investment	NIL
Deferred Govt. Grant	19,143,644	Net Current Assets	5,213,409
Secured Loans	NIL	Misc. Expenditure	560
Unsecured Loans	114,277,775	Accumulated Losses	1,752,431
Net Deferred Tax Liability	2,374,107		

4. Performance of the Company**(In Rs. Thousand)**

Turnover	7,237,754	Total Expenditure	6,333,381
Profit/Loss before Tax	904,373	Profit after Tax (-)	413,205
Earning per share (in Rs.)	7.74	Dividend Rate (%)	NIL

5. Generic Name of Principal Product of the Company (as per monetary terms)

RAIL BASED TRANSPORT COMPANY

For S N Nanda & Co
Chartered Accountants

S.N. NANDA
Partner

P.K. GUPTA
Company Secretary

R.N.JOSHI
Director(Finance)

E.SREEDHARAN
Managing Director

Membership No:- 5909

Date: 01.07.2009

Place: New Delhi



To,
The Members,
Delhi Metro Rail Corporation Ltd.,
New Delhi.

1. We have audited the attached Balance Sheet of DELHI METRO RAIL CORPORATION LIMITED, New Delhi as at 31st March 2009 and also the Profit & Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, and on the basis of such checks of the books and records of the company as are considered appropriate and according to information and explanations given to us we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in Annexure referred to in paragraph 3 above we draw attention to:
 - Note No. 13, in Notes on accounts regarding accounting of net income from feeder bus service and not complying with Accounting Standard 19 Leases issued by the Institute of Chartered Accountants of India.
 5. Further to the above we report that:
 - i) 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;
 - ii) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books;
- iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
- iv) In our opinion the Balance Sheet, Profit and Loss Account and Cash Flow Statement, dealt with by this report comply with the applicable Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 except as stated in para 4 above;
- v) According to the information and explanations given to us, the Company is a Government Company, therefore, provisions of Section 274(1)(g) of the Companies Act, 1956 are not applicable pursuant to the Gazette notification No. GSR 829(E) dated 21-10-2003 issued by Government of India.
- vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the accounting policies, notes thereon and our comments in para 4 above 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 principles generally accepted in India:
- (a) In the case of Balance Sheet of the State of Affairs of the Company as at 31st March, 2009,
- (b) in the case of Profit & Loss Account of the Profit for the year ended on that date.
- (c) In the case of Cash Flow Statement of the cash flows for the year ended on that date.

For S. N. Nanda & Co.
Chartered Accountants

(S. N. Nanda)
Partner
Membership No. 005909
Place: New Delhi
Date: 01.07.2009

**Annexure Referred to in paragraph 3 of our report of even date to the members On the Accounts
for the year ended 31st March, 2009**

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All the assets have been physically verified by the management during the year. No material discrepancies were noticed on such verification.
- (c) In our opinion and as per the information and explanations given to us, during the year the Company has not disposed off substantial part of its fixed assets affecting the going concern status of the Company.
- ii. (a) According to the information and explanations given to us, during the year the inventories have been got physically verified by the management through an independent professional firm. In our opinion, the frequency of verification of stores verified is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) On the basis of our examination of inventory records, in our opinion, the Company is maintaining proper records of inventory. As explained to us no material discrepancy were noticed on physical verification of inventory as compared to book records.
- iii. According to the information and explanations given and records produced before us, the company has not granted/taken any loans, secured or unsecured to/from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Hence no comments are required under para 4(iii) (b) to (g) of the Companies (Auditors' Report) Order, 2003.
- iv. According to the information and explanations given to us, in our opinion, there is adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventories, fixed assets, and sale/lease of land/building and sale of services. During the course of our audit, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v. According to the information and explanations given and the records produced before us, there are no contracts or arrangements, which are required to be entered in the register maintained under Section 301 of the Companies Act, 1956.
- vi. According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Section 58A & 58AA of the Act and the rules framed thereunder.
- vii. In our opinion, the Company has an internal audit system, commensurate with the size of the Company and the nature of its business. The internal audit system needs to be strengthened.
- 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(I)(d) of the companies Act, 1956.
- ix. (a) According to the information and explanations given to us and the records produced before us, in our opinion the Company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities. As per records produced before us there are no dues which were outstanding as on 31st March, 2009 for a period over six months from the date the same became payable.
- (b) According to the information and explanations given to us, the Company has no undisputed dues except the demand raised by the income tax department u/s 271 (1) (c) of the Income Tax Act 1961, amounting to Rs. 6202.56 Lacs has been dismissed by Income Tax Appellant Tribunal on the ground that approval of Committee on Disputes has not been obtained (Refer Note 3.2).
- x. In our opinion and according to the information and explanations given to us, the accumulated losses of the Company are less than 50% of its net worth. The company has not incurred cash losses in the current financial year nor in immediately preceding financial year.
- xi. In our opinion and according to the information and explanations given to us, during the year the Company has not availed any loan from financial institution or Bank or debenture holder attracting the provisions of this Paragraph.
- xii. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and securities.
- xiii. In our opinion, the provisions of any special statute applicable to chit fund, nidhi, mutual benefit fund/society are not applicable to the Company.
- xiv. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
- xv. As per the information provided and explanations given to us, the Company has not given any guarantees for loans

xxi. During the course of our examination of the books and records of the Company, carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have been informed of such case by the management.

For S. N. Nanda & Co.
Chartered Accountants

(S. N. Nanda)

Partner

Membership No. 5909

Place: New Delhi
Date: 01.07.2009

- taken by others from banks or financial institutions.
- xvi. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were obtained.
- xvii. According to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, in our opinion, the company has not raised any short-term funds. Hence, its usage for long-term investments is not applicable.
- xviii. According to the information given to us and records produced, the Company has not made any preferential allotment of shares to parties and companies listed in the register maintained under Section 301 of the Companies Act, 1956.
- xix. According to the information and explanations given to us, the Company has not issued any debentures.
- xx. The Company has not raised any money by issue of shares to public during the year.



सत्यमेव जयते

गोपनीय

स. / No. स.ले.प.॥३ / प्रति / अकाउंट्स / 31-2 / 2008-09 / 543

कार्यालय
प्रधान निदेशक, वाणिज्यिक लेखा परीक्षा
एवं पदेन सदस्य लेखा परीक्षा बोर्ड-॥३,
नई दिल्ली

OFFICE OF THE
PRINCIPAL DIRECTOR OF COMMERCIAL AUDIT
& EX-OFFICIO MEMBER, AUDIT BOARD-III,
NEW DELHI

दिनांक / Dated: 18.08.2009

सेवा में,

प्रबंध निदेशक,
दिल्ली मेट्रो रेल कॉर्पोरेशन लिमिटेड,
नई दिल्ली

विषय : कंपनी अधिनियम की धारा 619 (4) के अधीन दिल्ली मेट्रो रेल कॉर्पोरेशन लिमिटेड, नई दिल्ली, के वर्ष 2008-09 के लेखाओं पर भारत के नियंत्रक-महालेखापरीक्षक की टिप्पणियां।

महोदय,

मैं दिल्ली मेट्रो रेल कॉर्पोरेशन लिमिटेड, नई दिल्ली, के वर्ष 2008-09 की समाप्ति हेतु कंपनी अधिनियम 1956 की धारा 619 (4) के अधीन भारत के नियंत्रक-महालेखापरीक्षक की टिप्पणियां अग्रेषित करती हूँ। कृपया इस पत्र की संलग्नकों सहित प्राप्ति की पावजी भेजी जाए।

संलग्न: यथोपरि।

भवदीया,

गुजाला मीनाई
(गुजाला मीनाई)
प्रधान निदेशक

'ए' ब्लॉक हटमेंट्स, निकट साउथ ब्लॉक, नई दिल्ली-110 011

'A' BLOCK HUTMENTS, NEAR SOUTH BLOCK, NEW DELHI - 110 011

Tel : 23017027 Fax : 23017342 e-mail : mabnewdelhi3@cag.gov.in

Dated : 18, August 2009

Place : New Delhi

Principal Director of Commercial Audit & Ex-officio Member Audit Board-III,
New Delhi

(Ghazala Meenai)
Ghazala Meenai

For and on the behalf of the
Comptroller & Auditor General of India

The preparation of financial statements of Delhi Metro Rail Corporation Limited, New Delhi, for the year ended 31 March 2009 in accordance with the financial reporting framework prescribed under the Companies Act, 1956, is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956, are responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956, based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 01 July 2009.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 619(3) (b) of the Companies Act, 1956, of the financial statements of Delhi Metro Rail Corporation Limited, New Delhi, for the year ended 31 March 2009. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' report under Section 619(4) of the Companies Act, 1956.

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 YEAR ENDED 31 MARCH 2009







METRO BHAWAN



**DELHI METRO RAIL
CORPORATION LTD.**

REGISTERED OFFICE

Metro Bhawan, Fire Brigade Lane, Barakhamba Road
New Delhi-110001, India.

Board No.- 23417910/12 Fax No.- 23417921

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