



14th Annual Report
2019-20

Bangalore Metro Rail Corporation Limited
(A Joint Venture of Government of India and Government of Karnataka)



Bangalore Metro Rail Corporation Limited and Embassy Group signed a Memorandum of Understanding (MoU) on the 8th September 2020 in the august presence of Shri B. S. Yediyurappa, Hon'ble Chief Minister of Karnataka to take forward their joint efforts by way of a unique Public Private Partnership (PPP) with innovative financing mode to establish a metro station at Bettahalsuru on the ORR-Airport Metro Line

Bangalore Metro Rail Corporation Limited (BMRCL) and Bangalore International Airport Limited (BIAL) have signed a Memorandum of Understanding (MoU) on the 8th September 2020 in the august presence of Shri B. S. Yediyurappa, Hon'ble Chief Minister of Karnataka to take forward their joint efforts by way of a unique Public Private Partnership (PPP) with an innovative financing mode to establish the 4.95 km airport section of the ORR-Airport Metro Line



CSR Grant, Naming & Maintenance and CSR Facility Agreements were signed on December 6, 2019 at the Infosys Foundation, by Shri Ajay Seth, IAS, Managing Director, BMRCL and Smt. Sudha Murthy, Chairperson, Infosys Foundation.

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BOARD OF DIRECTORS

| | |
|----------------------------|--|
| Shri Durga Shanker Mishra | Chairman, BMRCL & Secretary - Ministry of Housing and Urban Affairs, Government of India |
| Shri Ajay Seth | Managing Director, BMRCL |
| Shri Jaideep | Director, BMRCL & OSD (UT) and Ex-Officio Joint Secretary, Ministry of Housing and Urban Affairs, Government of India |
| Shri K. K. Saberwal | Director, BMRCL & Director (Finance), Delhi Metro Rail Corporation Ltd |
| Shri Pradeep M Sikdar | Director, BMRCL & Executive Director-Signal (Development), Ministry of Railways, Government of India |
| Shri M. Nagaraj | Director, BMRCL & Director (Corporate Planning), Chairman & Managing Director i/c, Housing & Urban Development Corporation Limited (HUDCO) |
| Dr. E. V. Ramana Reddy | Director, BMRCL & Additional Chief Secretary to Chief Minister, Government of Karnataka |
| Shri Rakesh Singh | Director, BMRCL & Additional Chief Secretary to Govt., Urban Development Department, Government of Karnataka |
| Shri I. S. N. Prasad | Director, BMRCL & Additional Chief Secretary to Govt., Finance Department, Government of Karnataka |
| Smt. Vandita Sharma | Director, BMRCL & Additional Chief Secretary to Government & Development Commissioner, Government of Karnataka |
| Shri N. M. Dhoke | Director (Rolling Stock, Electrical, Signaling & Telecommunication), BMRCL |
| Shri D. Radhakrishna Reddy | Director (Project & Planning), BMRCL |
| Shri U. Jagadish Nayak | Company Secretary & Chief Vigilance Officer |
| Shri S. Vasudevan | Executive Director (Finance) & Chief Financial Officer |



STATUTORY AUDITORS

M/s. Badari Madhusudhan & Srinivasan,

Chartered Accountants,
132, Kantha Court, 2nd Floor,
Lalbagh Road, Bangalore - 560027

SECRETARIAL AUDITOR

M/s. S. Kedarnath & Associates

Corporate Law Advisors & Company Secretary
85, # 4, Ojus Apartments, 13th Cross, 4th Main Road,
Malleshwaram, Bengaluru - 560 003.

DEBENTURE TRUSTEE

Vistra ITCL (India) Limited

The IL & FS Financial Center
Plot No. C-22, G Block, 7th Floor,
Bandra Kurla Complex, Bandra (East),
Mumbai - 400 051.
Tel: +91 22 2659 3535 Fax: +91 22 2653 3297
Email: mumbai@vistra.com

REGISTRAR & TRANSFER AGENT FOR DEBENTURES

KFin Technologies Private Limited

Selenium Building, Tower B, Plot No. 31 & 32
Financial District, Nanakramguda,
Serilingampally Mandal, Hyderabad - 500 032.

REGISTRAR & TRANSFER AGENT FOR EQUITY SHARES

BgSE Financials Ltd.

No. 51, Stock Exchange Towers,
1st Cross, J. C. Road, Bengaluru - 560 027.

BANKERS

- | | | | |
|------------------|------------------------|--------------|---------------|
| 1. Bank of India | 2. State Bank of India | 3. IDBI Bank | 4. ICICI Bank |
| 5. Canara Bank | 6. HDFC Bank | | |

REGISTERED OFFICE

BANGALORE METRO RAIL CORPORATION LIMITED

3rd Floor, B.M.T.C. Complex, K. H. Road, Shanthinagar, Bengaluru - 560 027.



NOTICE

NOTICE IS HEREBY GIVEN THAT the 14thAnnual General Meeting of the members of Bangalore Metro Rail Corporation Limited will be held on **29th October, 2020 at 3.45 P.M.** at Registered office of the Company, 3rd Floor, BMTC Complex, Shanthinagar, K. H. Road, Bengaluru - 560 027 through Video Conferencing (“VC”) & Other Audio Visual Means (“OAVM”) to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial year ended March 31, 2020 and the Reports of the Board of Directors, Statutory Auditors and Comments of the Comptroller and Auditor General of India thereon and pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT the Audited Financial Statements of the Company for the Financial Year ended March 31, 2020 and the reports of the Board of Directors and Statutory Auditors and Comments of the Comptroller and Auditor General of India thereon, laid before this meeting, be and are hereby received, considered and adopted.”

2. To fix the remuneration of the Statutory Auditors appointed by the C&AG of India for the Financial Year 2020-21 and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Section 142 (1) of the Companies Act, 2013, the Board of Directors of the Company be and are hereby authorized to fix the remuneration and out of pocket expenses, statutory taxes and other ancillary expenses of the Independent Statutory Auditors appointed by the Comptroller and Auditor General of India for the Financial Year 2020-21 in terms of section 139 (5) of the Companies Act, 2013 as amended”

By Order of the Board
For Bangalore Metro Rail Corporation Limited

Sd/-
(U. Jagadish Nayak)
Company Secretary

Place : Bengaluru
Date : 15-10-2020



NOTES :

1. Considering the present Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 5, 2020 read together with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as “MCA Circulars”) permitted convening the Annual General Meeting through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”), without the physical presence of the members at a common venue. In accordance with the relevant MCA Circulars, provisions of the Companies Act, 2013, the Annual General Meeting of the Company is being held through VC/OAVM. The deemed venue for the Annual General Meeting shall be the Registered Office of the Company. Due to the ongoing Covid-19 Pandemic, the Registrar of Companies, Karnataka vide order dated 08.09.2020 has extended the time limit for holding the Annual General Meeting for the Financial Year ended on 31.03.2020 upto three months or within fifteen months from the date of last Annual General Meeting.
2. A member entitled to attend and vote at this Annual General Meeting is entitled to appoint proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however be deposited at the Registered office of the Company not less than 48 hours before the commencement of the meeting.

To :

1. All Shareholders
2. All Directors
3. Debenture Trustee
4. Statutory Auditors
5. Secretarial Auditors



CHAIRMAN'S SPEECH

Dear Shareholders,

It is my proud privilege to welcome you all to this 14th Annual General Meeting of your Company. The Audited Financial Statements, the Reports of the Board of Directors and Statutory Auditors, along with the Comments of the Comptroller and Auditor General of India, as well as the Notice to the shareholders have already been circulated and with your permission, I take them as read. It is my pleasure to inform you that the C&AG of India have once again issued 'NIL Comments' certificate on the Audited Financial Statements of the Company for the year ended March 31, 2020.

The Phase-1 of Bangalore Metro Rail Project has become fully operational since 18th June 2017 with a length of 42.3 Kms across two lines i.e. North-South and East-West comprising of 33 elevated and 7 Underground Stations. This has enabled the commuters to travel across the Central Business District areas of Bengaluru with ease and have given an overwhelming response to the Metro Services in these lines. The service is being well appreciated for its quality, efficiency and punctuality. As a result, the Phase-1 achieved average passenger boardings of 5,18,074 per day (January 2020). It is also heartening to note that since the commencement of operations across the entire Phase-1 Network, your Company has seen a sustained growth in ridership and revenue which helped achieve an Operational surplus of Rs.54.11 Crore during the Year under review i.e. 2019-20 with a marginal cash loss of Rs.54.85 Crore, as compared to the Cash Loss of Rs.29.00 Crore recorded in the previous year.

The Metro achieved its peak passenger boardings of 6,01,164 on 25th October 2019 and the highest per day Revenue of Rs.1.67 Crore on 2nd March 2020. With the trains operating at a punctuality of 99.8%, the Namma Metro services are rated as one of the best amongst all Metro Rail operators in the Country. But for the impact of the Covid 19 Pandemic and the consequent nationwide lockdown and suspension of train services thereafter i.e. since March 22, 2020, the revenues from operations for the Year would have been marginally higher. The average monthly revenue both from the Fare box as well as Non-fare box for the 11 months period upto February 2020, was Rs.36.87 Crore. For the month of March, 2020, the Ridership was comparatively lower than that of the previous month of February 2020 with the total revenue of Rs.24.35 Crore (both Fare Box and Non-Fare Box) as against the expected Rs.40 Crore.

Since March 22, 2020, Metro Train operations were suspended on account of the nationwide lockdown declared by the Government due to Covid-19 pandemic. However, in order to keep the systems, live on hot standby, test trains in the morning and evening were operational on daily basis, accompanied by few essential staff for carrying the fitness of system, so that in the event of



resumption of train service, same can be restarted without any loss of time. With the suspension of the Metro Rail Services, the Fare Box and Non Fare Box revenues for the months of April to August 2020 have been “NIL”. Due to suspension of Metro rail services, the Company had to offer concessions in the form of exemption of license fee for parking and leased space for the lockdown period from 22nd March, 2020 and until resumption of the Metro Operations. The Metro Rail Services have resumed from September 7, 2020 in a graded manner with limited number of passengers in each train after following strict SOP guidelines. During the period of suspension of train operations, the estimated revenue loss upto August 2020 in the current Financial year 2020-21 has been around Rs.170 Crore, both on account of Fare Box as well as Non-Fare Box revenues. Despite acute pressure on revenues, your Company has met all its debt obligations for servicing of the term loans and market borrowings.

With the suspension of Metro rail services, the Company had taken several steps to reduce the fixed overheads by optimum utilization of manpower especially the outsourced staff deployed at stations for housekeeping and security activities. This has helped in the overall reduction in outsource expenditure of about 63.53% compared to pre-COVID period i.e. from Rs.8.72 Crore per month to Rs.3.18 Crore per month. The Company also utilized the opportunity due to the suspension of train services, to take up and complete several maintenance related works in the operational network. As a measure to support the initiatives of the Government in controlling the spread of the Pandemic, your Company deputed its O&M Staff to the Bruhath Bengaluru Mahanagara Palike (BBMP) for assisting in COVID control duty such as contact tracing and home quarantine management activities.

On the Project implementation front, the Company is in the midst of implementation of Phase-2 of the Project and all the civil contracts for construction including the underground packages have already been awarded and are under execution. Both Government of India and Government of Karnataka, the Promoters have been releasing the sanctioned funds for the Project. During the year 2019-20, the Government of India signed the agreement with Asian Infrastructure Investment Bank (AIIB) on 4th June, 2019 for a sovereign loan of USD 335 Million. Both EIB & AIIB are Co-funding/Part funding Reach-6 (New Line) of Phase-2. The Company is also exploring other financial options for funding of the Phase-2 Project including tapping of the debt capital by issuance of new series of Secured, Non-convertible, debentures by way of private placement at attractive rates of interest after all regulatory compliances. The decision to raise the Senior Debt funds will be taken at the appropriate time based on the requirement of funds. The Company is confident that upon completion of Phase-2 of the Metro Project, there will be fast, comfortable, safe and affordable public transportation system, which will bring in its wake considerable reduction in traffic congestion in Bengaluru city.



Phase - 2A & 2B of Metro Project

The Company has initiated the process of setting up of a separate Metro line from Central Silk Board Junction to International Airport via K.R. Puram and Hebbal on the Outer Ring Road and thereafter by the side of National Highway-44 with a total length of 58 km and 30 Stations. The Government of Karnataka (GoK) has provided administrative approval for the project and also permitted pre-project activities, such as land acquisition, utility shifting, tying up of financing etc. Those activities have been taken up. The Company has sought approval of the Government of India for funding of this Project under the new Metro Rail Policy 2017, which is under active consideration and in the process for approval. It is planned to complete this Project in about 45 months' time from the final approval and tying up of finances.

I would like to take this opportunity to thank the various departments of the Government of India and Government of Karnataka, my colleagues on the Board and the various stakeholders for their unstinted support to the Metro Project.

Above all, I would like to thank the citizens of Bengaluru for their unstinted support and seek their whole hearted co-operation and patronage in the future also. Lastly, I would like to congratulate the BMRCL team for their dedication, team spirit and steadfast commitment to the cause of creating a world class Metro Rail facility for the City of Bengaluru.

(DURGA SHANKER MISHRA)
CHAIRMAN

(This does not purport to be the proceedings of the 14th Annual General Meeting of the Company)



BOARD'S REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 14th Annual Report of the Company together with the Audited Financial statements, Statutory Auditor's Report and Comments of the Comptroller and Auditor General of India thereon for the financial year ended 31st March, 2020.

Summarised Financial Highlights

(Rs. In Lakhs)

| Particulars | Financial year 2019-20 | Financial year 2018-19 |
|--|---------------------------|---------------------------|
| Revenue from Operations | 41,879.52 | 40,234.58 |
| Other Income | 5,743.27 | 13,351.07 |
| Profit/(Loss) Before Depreciation, Finance Costs, Exceptional Items and Tax Expense | 9,710.26 | 19,989.07 |
| Less: Depreciation/Amortisation/impairment | 58,380.38 | 58,393.92 |
| Profit/Loss before Finance Costs, Exceptional items and Tax Expense | (48,670.12) | (38,404.85) |
| Less: Finance Costs | 10,896.51 | 11,249.78 |
| Profit/Loss before Exceptional items and Tax Expense | (59,566.63) | (49,654.63) |
| Add/(Less): Exceptional items | - | - |
| Profit/Loss before tax Expense | (59,566.63) | (49,654.63) |
| Less: Tax Expense (Current & Deferred) | - | - |
| Profit/Loss for the year | (59,566.63) | (49,654.63) |
| Total Comprehensive Income/loss | (290.96) | (186.83) |
| Total | (59,857.59) | (49,841.46) |
| Balance of Profit/loss for earlier years | (2,17,625.45) | (1,67,340.77) |
| Less: Transfer to Debenture Redemption Reserve | - | - |
| Less: Transfer to Reserves | (59,566.63) | (49,654.62) |
| Less: Dividend paid on Equity Shares | - | - |
| Less: Dividend paid on preference Shares | - | - |
| Less: Dividend Distribution Tax | - | - |
| Balance Carried forward | (2,77,192.08) | (2,16,995.39) |



Financial progress as on March 31, 2020 Phase-1

As at the end of March 31, 2020, the cumulative Financial Progress was of the order of 98.86% out of total project cost of Rs.13,845.01 Crore. The details of the funding pattern and the payments/ release made are as follows:

Cumulative Financial Progress upto 31.03.2020 for Phase-1

(Rs. In Crore)

| As per funding pattern | Govt. of Karnataka | Govt. of India | Senior Debt | Total as per funding pattern | Actual releases |
|--|--------------------|-----------------|-----------------|------------------------------|------------------|
| Equity | 1,983.26 | 1,983.26 | - | 3,966.52 | 3,966.52 |
| Subordinate Debt | 3,077.56 | 1,089.94 | - | 4,167.50 | 4,167.50 |
| JICA (PTA through Gol) | - | - | 3,208.12 | 3,208.12 | 3,208.12 |
| AfD (PTA through Gol) | - | - | 873.29 | 873.29 | 873.29 |
| HUDCO Loan | - | - | 650.00 | 650.00 | 650.00 |
| KUIDFC Loan | - | - | 14.75 | 14.75 | 14.75 |
| NCDs (Namma Metro Bonds Series I) | - | - | 300.00 | 300.00 | 300.00 |
| Balance to be borrowed | - | - | 664.83 | - | - |
| Total | 5,060.82 | 3,073.20 | 5,710.99 | 13,845.01 | 13,180.18 |
| Others / Phase-2 Funds & other sources (temporarily used - Phase 1) | - | - | - | - | - |
| Total Sources | 5,060.82 | 3,073.20 | 5,710.99 | 13,845.01 | 13,180.18 |
| Total Payments (Provisional) | | | | | 13,686.53 |
| Total payments as a percentage of Sanctioned Cost (13,686.53 / 13,845.01) | | | | | 98.86% |
| Re-imbursment of State Taxes | 618.86 | - | - | - | 618.86 |

Financial Closure of Phase-1 of the Project

The Project Cost of Phase-1 was Rs.13,845.01 Crore as approved by Government of India and Government of Karnataka (excluding the reimbursement of state Taxes & Duties). Out of this, an amount of Rs.8,134.02 Crore was funded from contributions by both the Project Promoters viz., Government of India and Government of Karnataka by way of equity contribution and subordinate Debt. In addition, an amount of Rs.5,710.99 Crore was to be raised as senior term debt from



multi-lateral/foreign funding agencies and Banks/Financial Institutions. Your Company has raised an amount of Rs.5,046.16 Crore as on 31st March 2020 as Senior term debt out of the approved amount of Rs.5,710.99 Crore. Thus, there is space for borrowing upto Rs.481.02 Crore under senior term Debt, for Phase-1 of BMRC Project. This gap arose mainly due to reduction in JICA loan from Rs.3,689.14 Crore to Rs.3,208.12 Crore as the Government of India restricted the JICA loan amount based on exchange rates prevailed on the dates of the signing of the Loan agreement. In addition, the funding gap of Rs.183.81 Crore as per initial funding pattern is now proposed to be raised. The shortfall in release of JICA loan and gap in senior debt funding, will have to be met from fresh borrowings from Capital Markets through debt route by issuance of new series of privately placed Secured, Non-Convertible Debentures/Bonds which is being planned during the current Financial Year.

Indian Accounting Standards (IND - AS)

The Financial Statements for the year 2019-20 have been prepared in accordance with applicable mandatory provisions of IND-AS except to the extent disclosed by way of Notes on Accounts.

Dividend

The Operations during the year under review has not been able to generate any Profits and hence the Board is unable to recommend dividend on the Equity shares of the Company for the Financial Year 2019-20.

Share Capital

The Authorised Share Capital of the Company is Rs.12,000 Crore. The issued, subscribed and Paid-up Equity Share Capital of the Company as on March 31, 2020 stood at Rs.7239.30 Crore, with an amount of Rs.407.57 Crore shown as share application money from Government of India pending allotment upon receipt of matching equity contribution from Government of Karnataka, the co-promoter. M/s. BgSE Financials Limited has been appointed as Registrar & Transfer Agents (R&TA) and the dematerializing equity shareholding of Governor of Karnataka has been completed. The process of dematerialisation of Equity shareholding of President of India is under process.

Credit Rating

The Credit Rating agencies viz., India Ratings & Research Private Limited and Brickwork Ratings have re-affirmed “**AA stable**” rating for your Company’s 10 year 8.79% Secured, Non-Convertible privately placed Debentures “Namma Metro Bonds Series 1” issued by the Company in the year 2014 for Phase-1 Project and the semi-annual interest on these Debentures has been serviced on a timely manner during the year and no investor complaints have been received by the Company.



OPERATIONAL HIGHLIGHTS OF PHASE-1

Operations of East-West & North-South Corridors

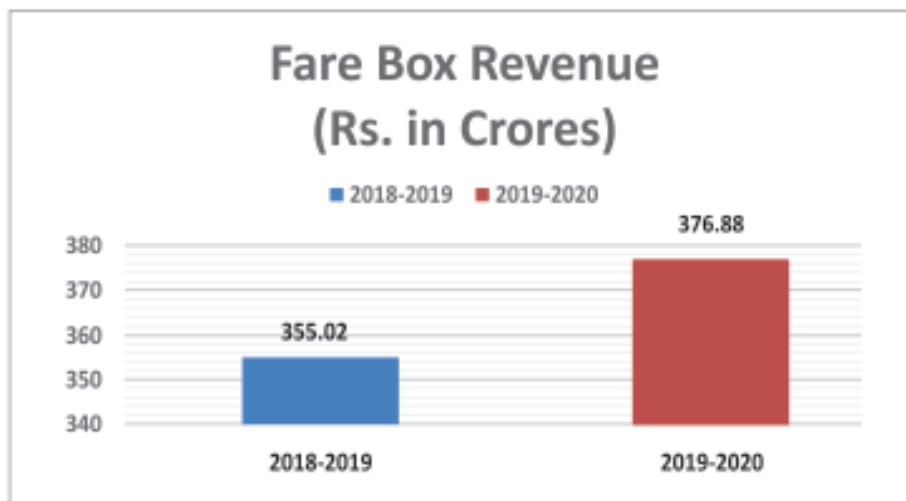
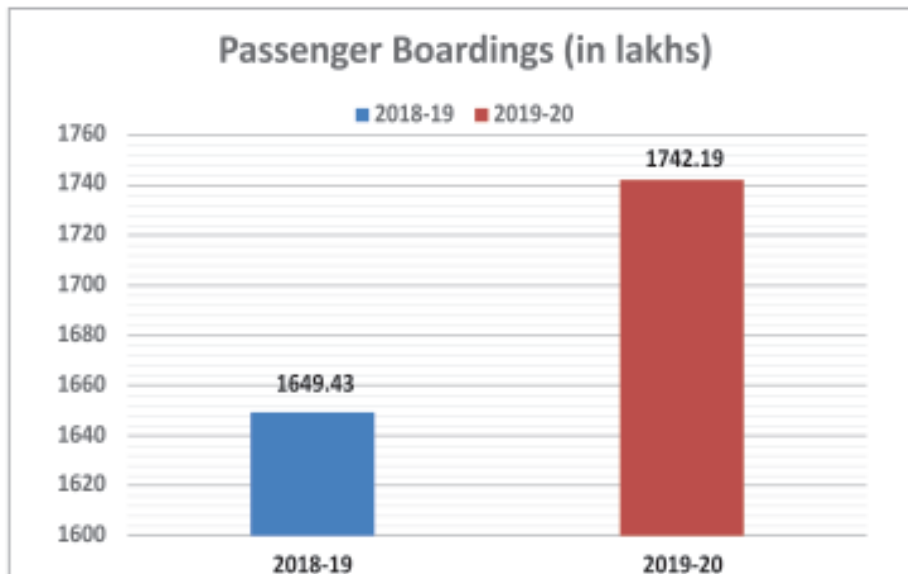
The Phase-1 of Bangalore Metro Rail Project having a route length of 42.3 Kms with two Lines viz, Line 1 (Purple Line) of 18.1 Kms and Line 2 (Green Line) of 24.2 Kms became fully operational from 18th June 2017. This has enabled the commuters to travel across the Central Business District areas of Bengaluru with ease. The commuters have given overwhelming response to the Metro Services in these lines. The service is being well appreciated for its quality, efficiency and punctuality. As a result, the Phase -1 achieved average passenger boarding of 5,18,074 per day (January-2020). Your Company is glad to report that the carrying capacity of the Trains has been doubled with the conversion of all the 50 trains into six (6) cars during the year, which has also helped achieve the increase in daily ridership in the latter half of the Financial Year. However, towards the end of the Financial Year i.e. during March 2020, due to the Covid 19 Pandemic affecting the Country, the daily ridership was substantially affected after 22nd March, 2020 the train operations were suspended owing to nationwide lockdown.

Ridership and Fare Box Revenue

Your Company has seen a continuous growth of ridership and Fare Box revenue ever since the commencement of operations. The Namma Metro network has recorded its highest passenger boardings of 6,01,164 on 25th October 2019 and highest Revenue of Rs.1.67 Crore on 2nd March 2020. The trains are being operated at a punctuality of 99.8% which is rated as one of the best amongst all Metro Rail operators in the Country. But due to the impact of the Covid 19 Pandemic during March 2020 and the consequent nationwide lockdown and suspension of train services, the revenues from operations would have been marginally higher. The average monthly revenue from the both Fare box & Non-fare box for the 11 months period upto February 2020, was Rs.36.87 Crore. The train operations were marginally affected upto March 21, 2020, with the Ridership comparatively lower than that of the previous month of February 2020. For the month of March 2020, the Revenue was Rs.24.35 Crore (both Fare Box and Non-Fare Box) as against the expected levels of about Rs.40 Crore.



The growth of passenger boardings and revenue collections from Fare box is depicted graphically below:



Summary of Financial Performance of Operations & Maintenance (O&M) Division for the Financial Year 2019-20, comprising of both the Purple and Green Lines of Phase-1 of the Network is as follows:

(Rs. In Crores)

| Particulars | 2019-2020 |
|--|---------------|
| 1) Revenue | |
| a. Fare box | 376.88 |
| b. Non-Fare box | 41.92 |
| c. Other Income | 14.43 |
| Total | 433.23 |
| 2) Expenditure (excluding Depreciation & Interest) | 379.12 |
| 3) Cash Profit/(Loss) | 54.11 |

With the patronage received from the commuters, your Company has achieved an Operational surplus of Rs.54.11 Crore for the Year under review i.e. 2019-20 with a marginal cash loss of Rs.54.85 Crore as compared to the Cash Loss of Rs.29.00 Crore recorded in the previous year.

Percentage contribution of type of tickets used by commuters:

| Ticket media type | LINE 1 (%) | | LINE 2 (%) | |
|-------------------|---------------|---------------|---------------|---------------|
| | FY 2019-20 | FY 2018-19 | FY 2019-20 | FY 2018-19 |
| CST | 35.48 | 37.27 | 42.25 | 43.53 |
| CSC | 64.43 | 62.63 | 57.67 | 56.40 |
| Group Ticket | 0.09 | 0.10 | 0.08 | 0.07 |
| TOTAL | 100.00 | 100.00 | 100.00 | 100.00 |

Other highlights of Operations

During the year under review, the Company undertook several customer friendly measures such as repositioning of AFC Gates, shifting of security arrangements to concourse level to facilitate increased shaded area for the waiting passengers and at the same time permitting Metro stations to be used as Foot Over Bridge (FOB) for pedestrian crossing. This has facilitated the Metro stations to be used for crossing the busy roads viz., Kanakapura Road, Tumkur Road, R. V. Road, S. V. Road and in West of Chord Road etc. Your Company has also taken other initiatives such as facilitating multi-modal integration of various transportation hubs at several Metro stations, opening of several entrances at Metro stations etc. Your Company has also taken measures to improve the Passenger amenities at Metro Stations by commissioning of eighteen escalators at fifteen Metro stations



and eleven more escalators will be provided in six more stations, thereby facilitating easy mobility of passengers within the station premises.

The augmentation of train sets to (six) 6 cars has facilitated public to get more travelling space in trains which provide better safety and comfort. It has also facilitated reserving the entire first car of the Train for ladies. In addition, the peak hour overcrowding of passengers has eased improving comfort which attracted more passengers to use Namma Metro. To facilitate Bengalureans to witness One-day International Matches, IPL, T-20 Cricket Matches and to celebrate the New Year eve, the Metro Train Service/Timings were extended on both the lines upto 00:30 Hrs.

UMI Award & Membership of NOVA Group of Metros

Your Company has received the Second Commendable initiative award for **“BEST PRACTICE PROJECTS IN URBAN TRANSPORT”** in 12th Urban Mobility India 2019 Conference held at Lucknow from 15th to 17th November 2019.

Comet and Nova.

Your Company has joined as member of NOVA Group of Metros. (Part of CoMET and NOVA World’s Metro Benchmarking Groups) from February 2020. CoMET is a consortium of fifteen of the world’s largest metros. Members have more than 500 million passenger journeys per annum. Nova is more diverse, comprised of fourteen small to medium metros with less than 500 million passenger journeys per annum.



Benchmark

The main objectives of the Metro benchmarking groups are:

- To share knowledge and identify best practices in a confidential environment.
- To support members in achieving their operational and strategic goals - focusing on improvements.



- To build systems of measures for use by management and to establish best practices for public transport.
- To prioritize areas for improvement and support decision-making for management, Boards, Government and other stakeholders.

Non-Fare Box revenue

During the Financial Year under review, the Company has been able to achieve Non-Fare box revenue of Rs.41.92 Crore as compared to Rs.47.33 Crore recorded during the previous year, contributed by License fee from retails outlets, ATMs, Parking lots, Royalty, Two wheeler rental service at Metro Stations etc. The Non-Fare Box Revenues were comparatively lower during the year mainly due to the revenue from advertisements on Piers & Portals not forthcoming due to the banning of outdoor advertisements by Bruhat Bengaluru Mahanagara Palike (BBMP) as per the orders of the Hon'ble High Court of Karnataka. With the concerted efforts taken and multi-pronged strategies adopted, the Non-Fare Box Revenue is likely to increase in the coming years which will contribute substantially towards the overall revenue growth of the Company. Your Company is also planning to generate Non-Fare Box revenues through co-branding of Metro Stations as one of the initiatives in this direction.

Impact of lockdown on account of Covid-19 Pandemic on the operations

The Metro Train operations on the Phase-1 Network of 42.3kms of the operational lines have been suspended since 22.03.2020 on account of the nationwide lockdown due to Covid-19 pandemic. However, in order to keep the systems, live on hot standby, test trains in the morning and evening were operational on daily basis, accompanied by few essential staff for carrying the fitness of system, so that in the event of resumption of train service, same can be restarted without any loss of time. With the suspension of the Metro Rail Services the Fare Box and Non Fare Box revenues for the months of April to August 2020 have been "NIL". In fact, the Company had to offer concessions in the form of exemption of license fee for the lockdown period from 22nd March 2020 and until resumption of the Metro Operations including 50% reduction in the license fee of the Parking Contractors and leased spaces from 01.03.2020 to 21.03.2020 as per the terms of the Contract with them, which impacted the operational revenues for the year. The Metro Rail Services have resumed from September 7, 2020 on a staggered basis with limited number of passengers in each train after following strict SOP guidelines. During the period of suspension of train operations, the estimated revenue loss upto August 2020 in the current financial year 2020-21 has been around Rs. 170 Crore, both on account of Fare Box as well as Non-Fare Box revenues. Despite acute pressure on revenues, your Company has met all its debt obligations except in the case of Loans contracted from HUDCO, for which moratorium for a period of one year was sought towards repayment of the annual instalment of Principal repayment and interest.



HUDCO has, however, approved moratorium for only one quarter i.e. upto August, 2020 and the Company has since paid the installment dues.

During the period of suspension of train services, several steps have been taken by your Company to reduce the fixed overheads by optimum utilization of manpower especially the outsourced staff deployed at stations for housekeeping and security activities. This has helped in the overall reduction in expenditure on account of outsourced services by about 63.53%. Thus, compared to the outsource expenditure of Rs. 8.72 Crore per month during the pre-COVID period, the expenditure has been reduced to Rs. 3.18 Crore per month. Several maintenance related works in the operational network were taken up and completed during this period of suspension of train services. Your Company has also deployed several of its O & M staff to the Bruhath Bengaluru Mahanagara Palike (BBMP), the Municipal Corporation of Bengaluru City, for assisting in COVID control duty like contact tracing and home quarantine management activities. In order to mitigate the burden on the State Government towards isolation and treatment of COVID infected persons in the City of Bengaluru, your Company also established a 100 bedded COVID Care Centre (CCC) as per the guidelines issued by Government of Karnataka, with a view to provide dedicated COVID care facility for the employees of BMRCL as well as for the workers employed by BMRCL Contractors in the Metro Project.

BMR Training Institute

Bangalore Metro Rail Training Institute (BMRTI) is a multi-disciplinary organization specializing in capacity building, consultancy and research support, particularly for the Metro Technology. The Training Institute comprising of 22,000 sq. ft., has classrooms which have facilities with the latest equipment such as smart boards, projectors, sound system, simulator, CBT and seminar hall to accommodate about few persons.

The BMRTI has advantage of imparting training with the available resources having had vast experience in training and maintenance for BMRCL personnel. Utilizing this resource, BMRTI is trying to contribute towards development of manpower.

During the Year 2019-20, BMRTI conducted following Training Programmes:

| | |
|-------------------------|------------------------------|
| Initial Training | Refresher Training |
| Reshuffle Training | Training on Promotion |
| Specialized Training | Disaster Management Training |
| Customer Care | Soft Skill Training |
| Spoken English Training | Yoga & Meditation |
| Customized Training | One day Trainings |



Other Activities

- Sports activities were conducted during Independence Day, Republic Day and International Women's Day.
- Blood Donation camp was held for all employees in the month of February, 2020.
- Eye screening camp was also conducted for Trainees.
- Engineers' Day was celebrated on 15th October, 2019.

Commemorative Activities in connection with the 150th Birth Anniversary of Mahatma Gandhi

To commemorate the 150th Birth Anniversary of Mahatma Gandhi, your Company has put up scrolling messages on the life of Mahatma Gandhi which is being displayed on Public Information Display System in all Metro trains on Green and Purple line as well in the stations along these lines. Further, an awareness message of Audio and visual public announcements on Swachh Bharat Abhiyan along with the logo as well as Campaign for Swachh Bharat Abhiyan is being carried out in all metro stations as well as the Baiyappanahalli depot. A painting competition / workshop for school children was organized at Rangoli Metro Art Centre on 2nd October 2019. A message on the topic of prohibition on single use plastic is also being displayed in the public information display boards at all metro stations as a part of the Swachh Bharat initiative.

Consultancy Works

The Company is continuing the consultancy work of providing manuals of all operations and maintenance departments of Gujarat Metro (GMRCL/MEGA). The expertise available with the Company is well recognized and is expected to complete the contractual obligations to facilitate expansion of Metro Services in the City of Ahmedabad.

Accessibility

The Company has taken several Disabled-friendly measures with all stations designed with special facilities for persons who are physically challenged. In fact, all BMRCL staff are very sensitive to the needs of the persons with disability. Disability audit too has been done by Mobility India and they have certified that the stations are disabled friendly. Wheelchairs are available at all stations and are kept at the ground level and also at the platform level. Persons who require wheel chair may contact the Station Controller at the Station and wheelchair will be made available at the ground level with an attendant to take them to the train. When the passengers de-board at the exit station, there is an attendant to assist the passenger to exit through another wheelchair. All the station entry and exits have ramp access; lifts have been provided with Braille key buttons.



From the ground level there are tactile flooring tiles for the visually challenged to help them to easily navigate to the platform level. The Company is also training its staff to learn sign language, in association with Enable India.

Security System

On the request of the Company, the Central Industrial Security Force (CISF) conducted a survey on all security aspects of Bangalore Metro Rail Project and has submitted its Report. Upon review of the proposal by the Company and since providing security cover through CISF is not cost effective, it was decided not to avail the security services from the CISF. The Government of Karnataka through the Home Department, constituted a committee for preparing a Security Plan for Bangalore Metro under the Chairmanship of DIG, ISD/KSISF. This Committee has submitted the plan to the Government of Karnataka.

At present, there are 192 KSISF personnel posted in the Company who have been deployed to look after the core security functions at Under Ground Metro Stations. The Company has in place a security system for its operational lines wherein at the lower level, private Security Agencies who are chosen through open tendering system are providing the services of security guards and supervisors including baggage scanning, frisking, general security duties etc. The baggage scanners, HHMDs and DFMDs are procured and provided by the Company for the Stations. There are about 738 Home Guards who have been deployed for providing security services at the Stations. The City Police are also conducting yearly security audit of Bangalore Metro Rail Network and extending assistance wherever required.

Special Security Programme

A special programme was organized to effectively face threat perception and put in place a passenger friendly security system to gain their confidence and to ensure security and safety of the commuters. During the year, 2660 security officers, ASOs and security guards were trained by the Security division, Karnataka Police from 20th May, 2019 to 29th June, 2019.

Last Mile Connectivity

The BMTC Feeder bus services is essential for the commuters to reach from origin point and thereafter to reach their final destination. Presently, BMTC is operating in 26 Metro routes with 107 schedules and 1299 trips connecting Metro stations. Further, BMTC is planning to operate mini buses from 10 Metro stations to cater to the needs of the commuters living in thickly populated residential areas having narrow roads. In addition, 1000 bike taxis from 36 Metro stations and 350 bicycles from 7 Metro stations are operating under bicycle sharing system.



Metro Fare

The Company has fixed the minimum single journey fare of Rs.10/- and the maximum fare is Rs.60/-. For Multiple Journeys on smart cards, 5% discount is available for stored value tickets. A minimum value of Rs.50/- is required to be stored in the Smart card. The Automatic Fare Collection (AFC) system being implemented in Phase-2 of the Project will support National Common Mobility Card (NCMC). The System will also enable QR code based mobile ticketing. These initiatives are ongoing and would be gradually introduced in the Phase-1 Stations as well.

Your Company has introduced several commuter friendly measures for ticketing. The regular commuters can use Smart Cards with Stored Value ticket. At stations, cashless payment for top-up of smart card using Credit/Debit card is available. In addition, payment through QR code using PAYTM App has also been introduced. Commuters can recharge smart cards through the Company's website without visiting Ticket counters at stations.

Communication facility in Underground stations and trains

Your Company has also developed a mobile application - Namma Metro Information App - for commuters in association with C-DAC. This application provides all the details to commuters regarding train timings, metro updates & services offered by BMRCL at stations. The commuters can access uninterrupted 4G mobile services in trains and stations including underground stations and tunnel sections. In the underground section, presently network coverage of all the Telecom Service providers is available.

Contribution to City Beautification and Public Spaces : Rangoli Metro Art Centre and Bengaluru Santhe

Rangoli Metro Art Centre

The Rangoli Metro Art Center (R-MAC) was developed by your Company after the civil and construction works of Namma Metro at the M.G Road, Bangalore was completed. It was inaugurated on 6th May, 2013 and made available for the public. Bangalore Metro Rail Corporation's redesigned the walkway with Bougainvillea which was available for the public before the Metro Rail station construction. While the erstwhile Boulevard had just pink variety of Bougainvillea, the Company planted seven different colours of Bougainvillea (Red, Yellow, Magenta, White, Purple, Orange & Pink), though not designed to synchronize with the brilliance of VIBGYOR, but in a way to bring to the Center the harmony of the seven colours of the rainbow and the seven musical notations - which, together inspired to brand the Metro Art center as "Rangoli", which is also the logo of the Namma Metro.

This space now includes art galleries, auditorium, play area for kids, Walk-way and more. This



unique space is designed to reach out to the common man and cultural community, both at the same time. R-MAC intends to bring in inter-cultural and inter-disciplinary interactions between various existing contemporary premises. R-MAC is now the space for various culturally interactive activities. Science Gallery, Bengaluru, in partnership with the Royal Society for Chemistry and the Jawaharlal Nehru Centre for Advanced Scientific Research presented ELEMENTS, a week long exhibition which celebrated the 150th anniversary of the Periodic Table. The Visitors engaged with the iconic periodic table and the nuances of the chemical substances at R-MAC.

During the Year, the Institute of Indian Interior Designers (IIID) had organized a festival called Design Uru at Rangoli Metro Art Centre on M.G. Road for the benefit of citizens and the growing design community in the city. The Srishti Institute of Art Design and Technology had conducted Thesis Project Exhibition for the lesser known people of the city and also an annual event to bring together ideas, people and locations to the students for interaction. The Finale had presentations, talks, conferences, exhibitions, installations and live performances at R-MAC. To save environment, Art for Cause on World Environment Day was organised by Art Matters. World Art Day was organised at R-MAC by Art Matters for Live Painting Event on a 100-foot canvas wherein Artists and public participated in large numbers.

Bengaluru Santhe

Your Company has also developed another space into a rural art centre which is christened as 'Bengaluru Santhe'. While R-MAC represents the best in Urban Arts, the Bengaluru Santhe, also called as Rural Haat, established at the Swami Vivekananda Road Metro Station, evokes the ethnic feel of the Country. The Rural Haat comprises a cluster of stalls along a central spine which creates a street like feel. The architecture is designed in such a way, which resembles the folk architecture of Karnataka and makes the location attractive to the tourists.

'SANJEEVINI'- Karnataka State Rural Livelihood Promotion Society has approached the Company for occupying total 65 stalls space at Bangalore Santhe to help rural artisans and craftsmen across India. In the coming days, it's expected that this activity will become more popular and bring more brand value to BMRCL.

Human Resource Development

Your Company invests considerable time, efforts and resources to be employer of choice and attract & retain best available talent. The Company has two wings viz. the Project Wing and the O&M Wing. All the staff in the Project Wing are appointed either on contract basis or drawn on deputation from Central Government Departments/Central PSUs, State Government and State PSUs. The Staff in the O&M Wing are generally appointed on regular/permanent basis.



Human Resources - Project Wing

The manpower strength of the Company as on 31-03-2020 was 923 consisting of 2 Functional Directors, 7 Executive Directors, 22 General Managers & Chief Engineers, 808 Engineers and 115 Non-Technical Staff/Officers. Out of this, 33 executives are working on deputation basis and 893 on contract basis. Additionally, the services of 401 personnel (consisting of DEOs, Attenders, Drivers, EAs, Security and House Keeping) has been availed from manpower supply agency. Additional Personnel have also been recruited against posts to be sanctioned for Phase-2 of the Project. During the year under review, expenditure on Salaries and emoluments to staff in the Project Wing was Rs.10.33 Crore.

Human Resources - Operations & Maintenance Wing

The manpower strength in the operations and maintenance wing as on 31-03-2020 was 1485 employees comprising of 1 Executive Director, 59 Executives and 1425 Non-Executive staff. This includes 1195 regular employees and 290 contract employees. During the year under review, the total expenditure on account of Salaries and emoluments to officers and staff in the O&M Wing was Rs.124.21 Crore.

Registration of Construction Workers

9117 construction workers have been registered under the Contract Labour Act as of March 31, 2020. A large number of construction workers are working with the contractors who are implementing the Metro Rail Project. These workers are registered under “The Building & Other Construction Workers (Regulation of employment & conditions of service) Act, 1996” and are entitled to various benefits like Medical facility, Accident compensation, disability pension, children education allowance through the “Karnataka Building and Other Construction Workers Welfare Board”, besides benefits under Employees Provident Fund and Miscellaneous Provisions Act, 1952, Employees State Insurance Act, 1948, etc.

As per the directions of the Hon’ble High Court of Karnataka, the Chief Labour Commissioner (Central) is conducting monthly meetings of the Company’s Contractors, representatives of Contract Labour, along with Representative of the Company and State Government Labour department. In the said meeting, the Chief Labour Commissioner gives advice to implement and adhere to statutory requirements, in order to facilitate the welfare of the construction workers. Your Company closely monitors the work of the Contractors to ensure that all Statutory compliances are met and adhered to by them and also collects compliance reports from them, which in turn are reported to the Board periodically.

Employee Relations

The employee relations in the Company were generally peaceful and cordial during the year.



Safety & well-being of Women employees

The Company is an equal opportunity employer and consciously strives to build a work culture that promotes dignity of all employees. As required under the provisions of Sexual Harassment of Woman at Workplace (Prevention, prohibition and Redressal) Act, 2013 and Rules framed thereunder, the Company has implemented the policy on prevention, prohibition and redressal of sexual harassment at the workplace. All women, permanent, temporary or contractual are covered under the Policy. The Company has set up Internal Complaints Committee in terms of Section 4 of the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013 comprising of a chairperson, who is a senior level women executive, one woman from NGO as a member and 8 members (6 women and 2 men) from BMRCL Project office and O&M Wing.

The Internal Complaints Committee was constituted for the first time on 27-01-2012 and thereafter it was reconstituted upon change in officers. Presently it is chaired by an Executive Director Level Woman Officer. The Committee meets once in (3) three months or as and when complaints are received. During the year 2019-2020, two (2) complaints were received. The cases were closed at the preliminary stage as Internal Complaints Committee found them to be more of shop floor indiscipline and both the parties apologized. Parties involved were issued with “advice” memo and the cases were closed.

Safety/Accidents

The Company in its Project execution process is adopting the SHE (Safety, Health and Environment) Manual in all its construction projects. During the year under review, five (5) fatal accidents occurred at different construction sites of Phase-2 of Metro project. Even though adequate safety measures were taken, it was unfortunate that these accidents resulted in fatality. Necessary precautions and stringent safety measures have been put in place in order to ensure that no such incidents/accidents occur in future.

Environment

Development of Lakes

The Government of Karnataka has requested the Company to take up the rejuvenation and over all development of Kengeri and Veerasandra lakes in Bengaluru as part of its CSR activity. Since BMRCL has no funds to undertake any CSR Activity, BMRCL has entered into an MoU with M/s. TITAN Industries Ltd for the development and maintenance of the Veerasandra lake as per the DPR approved by the Karnataka Lake Development Authority and M/s. Titan Industries Ltd will spend around about Rs.8 Crore for the lake development under its CSR activity. Major works like desilting, pitching, bund, walkway, fencing, etc., comprising about 80% of the work has already been completed and the balance work is likely to be completed at the earliest.



Similarly, the Company had approached M/s. Toyota Kirloskar Motor for the overall development of Kengeri lake. M/s. Toyota Kirloskar Motor has evinced interest to sponsor the development of Kengeri Lake, but due to heavy floods in the State, the Company has diverted the CSR funds to the Flood Relief. In view of the circumstances, the work of rejuvenation of the Kengeri Lake has been handed over to the BBMP.

Water Harvesting

Out of 42.3 kms stretch of the Metro alignment of Phase-1, 33.42 kms is Elevated Viaduct with 33 stations. Since the Viaduct is litter free, it is possible to collect the Rain Water, through “Rain Water Harvesting” and sell the same to interested parties to further filter it and make it potable. Initial studies on the quality of rain water collected from the Viaduct reveals that if the same is subjected to normal filtering process, the rain water can be made potable.

Rain water absorption wells have been provided at every alternative span of the Viaduct, covering almost the entire length of the Viaduct. This Rain Water Harvesting (RWH) measure has resulted in recharge of the ground water resources across the Metro alignment in the City.

Green Cover

Your Company is aware of and is sensitive to the public concern regarding preservation of trees which provides green cover to the garden city of Bengaluru. The Namma Metro project has ensured that the cutting of trees is limited to the barest minimum. This concern extends to tree pruning as well. Your Company undertook several environmental friendly initiatives. More than 2000 nos. of saplings were planted. Use of plastic was dispensed with in most of the offices and gardens have been developed in Metro stations. Rain water harvesting has been provided in 123 locations to improve the ground water level.

Phase-2 of Metro Project

The Phase-2 of Metro Rail Project comprises of extension of existing two corridors viz., East-West and North-South Corridors which are Elevated sections. The East-West Corridor is extended from Mysore Road terminal to Challagatta upto 6.45 kms in the West end and from Baiyappnahalli to Whitefield upto 15.50 kms in the East end. Similarly, the North-South Corridor is extended from Nagasandra to BIEC upto 3.77 kms in the North side and from Yelechenahalli to Anjanapura upto 6.29 kms in the south side. While the Four Extensions will give the much needed Metro connectivity to the commuters to these areas, the two new lines from Bommasandra to R. V. Road (18.82 kms) and Kalenagrahara to Nagawara (21.20 kms) will traverse through some of the dense and most traffic affected areas of Bengaluru. The Phase-2 of the Project will bring the much needed connectivity to the Electronics Industry hub of Bengaluru. Both Phase-1



(42.3 km) and Phase-2 (72.09 km) together will create a Metro Network of 114.39 kms, with 101 Stations. The estimated project cost sanctioned for Phase- 2 of the Metro Project is Rs.30,695 Crore. The Phase-2 will be completed in stages from 2020 onwards and the entire network is programmed to be completed by June 2024.

Physical progress & Status of implementation of Phase-2:

The Physical progress of Phase-2 upto September, 2020 was 47.00%. The construction of Phase-2 is under progress at various Reaches. The Reach-wise physical progress as follows:

Reach-1 Extension

The Reach-1 Extension has been divided into 2 packages one from Baiyappanahalli Station to Visvesvaraya Industrial Area Station (Reach 1A) and another from Visvesvaraya Industrial Area Station to Whitefield Station (Reach 1B)

Reach-1A Extension - Baiyappanahalli Station to Visvesvaraya Industrial Area Station

M/s. ITD CEMINDIA JV were awarded the contract for Construction of elevated structures (viaduct & stations) of length 8.03 Km from Baiyappanahalli station to Visvesvaraya Industrial Area Station including Road Widening & allied works with six elevated stations during April 2017 and the status upto September 2020 is as follows:

- Overall progress : 70.80%
- Pile/Pile Cap - 87% completed
- Pier & Pier Cap - 86% completed
- Segment Erection - 78% completed
- Stations - 56% Civil Works Completed

Reach-1B Extension - Visvesvaraya Industrial Area Station to Whitefield Station

M/s. ITD CEMINDIA JV were awarded the contract for Construction of elevated structures (viaduct & stations) of 7.21 Km length from Visvesvaraya Industrial Area Station to Whitefield Station including Viaduct Line Entry to Whitefield Depot, road widening & allied works with seven elevated stations during April 2017 and the status upto end of September 2020 is as follows:

- Overall progress : 85.10%
- Pile/Pile Cap - 96% completed
- Pier & Pier Cap - 86% completed
- Segment Erection - 96% completed
- Stations - 58% Civil Works Completed



Reach-2A Extension - Nayandahalli Station to Pattanagere Station

M/s. IL & FS Engineering and Construction Company Ltd., were awarded the contract for construction of elevated structure (viaduct) of length of 3.94 km from Nayandahalli Station to Pattanagere Station with four elevated stations during April 2015 and the status upto end of September 2020 is as follows:

- Overall progress : 97.43%
- Pile/Pile Cap - 100% completed
- Pier & Pier Cap - 100% completed
- Segment Erection - 100% completed
- Stations - 93% Civil Works Completed

Reach-2B Extension - Pattanagere Station to Challagatta

M/s. Soma Enterprises Ltd., were awarded the contract for construction of Elevated Structures (Viaduct) of length 4.86 Km from Pattanagere station to beginning of Challagatta Depot with two elevated Stations during August 2016 and the status upto end of September 2020 is as follows:

- Overall progress : 86.75%
- Pile/Pile Cap - 99% completed
- Pier & Pier Cap - 98% completed
- Segment Erection - 89% completed
- Stations - 69% Civil Works Completed

Reach-3C Extension - Nagasandra Station to BIEC Station

M/s. Simplex Infrastructures Limited, Bangalore has been awarded the contract for construction of elevated structures (viaduct & stations) of length 3.03 km from Hesaraghatta cross station to BIEC station including road widening works & allied works with three (3) elevated Stations. The tender was awarded during April 2017 and the status upto end of September 2020 is as follows:

- Overall progress : 63.03%
- Pile/Pile Cap - 88% completed
- Pier & Pier Cap - 83% completed
- Segment Erection - 74% completed
- Stations - 48% Civil Works Completed



Reach-4B Extension - Yelachenahalli Station to Anjanapura Station

M/s. NCC Ltd., were awarded the contract for Construction of Elevated Structures of length 6.52 km from Puttenahalli Cross station to Anjanapura Township Station and further viaduct for Depot Lines with five (5) Elevated Stations during January, 2016 and the status upto end of September, 2020 is as follows:

- Overall progress : 91.55%
- Pile/Pile Cap - 99% completed
- Pier & Pier Cap - 96% completed
- Segment Erection - 95% completed
- Stations - 99% Civil Works Completed

Reach-5 - New Line:

The Reach-5 has been divided into three (3) packages from Bommasandra Station to Hosa Road Station, Hosa Road Station to Bommanahalli and from Bommanahalli to R.V.Road Station.

Reach-5 - Package 1

M/s. ITD CEMINDIA JV has been awarded the contract for Construction of Elevated structures (Viaduct & Stations) of length 6.41 Km from Bommasandra to Hosa Road station including Depot entry line to Hebbagodi Depot, Road widening & allied works with five elevated Stations during June, 2017 and the status upto September, 2020 is as follows:

- Overall progress : 81.41%
- Pile/Pile Cap - 94% completed
- Pier & Pier Cap - 88% completed
- Segment Erection - 82% completed
- Stations - 62% Civil Works Completed

Reach-5 - Package 2

M/s. ITD CEMINDIA (JV) were awarded the contract for construction of Elevated structures (Viaduct & Stations) of length 6.38 Km from Hosa road station to Bommanahalli including Road widening & allied works with six (6) elevated Stations. The tender was awarded during June 2017 and the status upto September, 2020 is as follows:

- Overall progress : 84.22%
- Pile/Pile Cap - 100% completed
- Pier & Pier Cap - 100% completed



- Segment Erection - 88% completed
- Stations - 64% Civil Works Completed

Reach-5 - Package 3

M/s. HCC-URCC (JV) were awarded the contract for construction of Elevated structures (Metro viaduct, stations and road cum rail flyover bridge) of length 6.340 Km from Bommanahalli (excluding) to RV Road Station (including) and till dead end including road widening & allied works with five (5) elevated stations, during June, 2017 and the status upto end of September, 2020 is as follows:

- Overall progress : 55.14%
- Pile/Pile Cap - 85% completed
- Pier & Pier Cap - 73% completed
- Segment Erection - 65 % completed
- Stations - 27% Civil Works Completed

Reach-6 - Elevated line : Kalenagrahara to Tavarekere

M/s. Simplex Infrastructures Limited were awarded the contract for construction of the Elevated Line of length 7.05 kms from Kalenagrahara to Tavarekere comprising of five (5) Stations, during June 2017 and the status upto end of September, 2020 is as follows:

- Overall progress : 29.28%
- Pile/Pile Cap - 63% completed
- Pier & Pier Cap - 55% completed
- Segment Erection - 28% completed
- Stations - 14% Civil Works Completed

Reach-6 - Underground line : Tavarekere to Nagawara

The line from Tavarekere to Nagawara which is the underground section is having a total length of 14 kms. The entire UG section has been divided into four (4) packages in order to equitably distribute the work keeping in view the costs and the timely execution of the works.

Reach-6 - Underground - Package-1 : Tavarekere to Richmond Town

M/s. AFCONS Infrastructure Limited were awarded the contract of Design & Construction of Underground structures (Tunnels & Stations) consisting of a length of 3.655 Kms from South ramp (incl.) to Richmond Town (excl.) including allied works and 3 nos. of UG Metro Stations viz., Bangalore Dairy, Lakkasandra (MICO Industries) and Langford Town, during December, 2019 and the status upto end of September, 2020 is as follows:

- Overall progress : 3.67%



Reach-6 - Underground - Package-2 : Richmond Town to Shivajinagar Station

M/s. Larsen & Toubro Ltd were awarded the contract of Design & Construction of Underground structures (Tunnels & Stations) consisting of a length of 2.755 Kms from Richmond Town Station (including) to Shivajinagar Station (including) including allied works and 3 nos. of UG Metro Stations viz., Richmond Town, M.G. Road and Shivajinagar, during March, 2019 and the overall progress as at the end of September, 2020 is as follows :

- Overall progress : 15.54%

Reach-6 - Underground - Package-3 : Shivajinagar Station to Tannery Road Station

M/s. Larsen & Toubro were awarded the contract of Design & Construction of Underground structures (Tunnels & Stations) consisting of a length of 2.884 Kms from Shivajinagar Station (excluding) to Tannery Road Station (excluding) including allied works and 2 nos. of UG Metro Stations Viz. Cantonment and Pottery Town. The tender was awarded during March, 2019 and the overall progress as of end of September, 2020 is as follows :

- Overall progress : 13.46%
- Tunnel Boring progress : 1.89%

Reach-6 - Under Ground - Package-4 : South of Tannery Road to Nagawara

M/s. ITD CEMINDIA (JV) were awarded the contract of Design & Construction of Underground structures (Tunnels & Stations) of length 4.591 Kms from South of Tannery Road station to North Ramp including allied works and 4 nos. of UG Metro Stations viz., Tannery Road, Venkateshpura, Kadugondanahalli and Nagawara, during December, 2019 and the overall progress as of end of September, 2020 is as follows :

- Overall progress : 2.23%

CONSTRUCTION OF DEPOTS

Hebbagodi Depot - Reach-5 new line

M/s. Parnika Commercial & Estates (P) Ltd. has been awarded the contract of Construction of Hebbagodi Metro Rail Depot Structures, site development works, internal roads & drainage works in depot area, during July, 2019 and overall progress status upto end of September, 2020 stood at 11.88%.

Kadugodi Depot - Reach-1 Extension line

M/s. Vascon Engineers Limited has been awarded the contract of construction of Kadugodi Metro Rail Depot Structures, site development works, internal roads & drainage works in depot area, during October, 2019 and the overall progress status upto end of September, 2020 stood at 4.68%.



Kothnur Depot - Reach-6 new line

M/s. ISGEC Heavy Engineering Ltd has been awarded the contract of construction of Kothnur Metro Rail Depot Structures, site development works, internal roads & drainage works in depot area during July, 2020.

Track work for Phase-2

M/s. Texmaco Rail & Engineering Limited were awarded the contract of Design, supply, installation, testing and commissioning of ballast less track of standard gauge in elevated viaduct section and underground section along and depots, during July, 2018 and the status upto end of September, 2020 is as follows:

- Overall Progress - 19.59%
- Reach 4 Extn - 93.00% Completed
- Reach 2 Extn - 49.01% Completed

Major contracts awarded during the year for Phase-2 of the BMRC project

Supply of Standard Gauge Metro Cars 126 nos. (DTG signalling) and 90 cars (CBTC signalling) including Design, Manufacture, Testing, Commissioning and Training of Personnel under BMRCL Phase-2 Project has been awarded to M/s. CRRC Nanjing Puzhen Co. Ltd, China and the contract agreement was executed on 07.02.2020 for a contract value of Rs.1,578.58 Crore.

Status of Land Acquisition for Phase-2

The land acquisition process for Phase-2 of the Project in both the extension lines as well as new lines is done through KIADB under the Karnataka Industrial Areas Development Act 1966. The total lands required for Phase-2 of the BMRC Project is 126.23 hectares, out of which 84.04 hectares is private land and 42.19 hectares is Government land. A total amount of Rs.6293.00 Crore has been earmarked towards cost of land acquisition and rehabilitation for this Phase, which is being entirely borne by Government of Karnataka by way of Subordinate debt. The major portions of the lands required for Phase-2 is for 5 depots. The land required for Hebbagodi depot is 14.12 hectares, for Kothnur depot 12.4 hectares and for Challaghatta depot 17.10 hectares. The acquisition process for these lands has been completed. However, the land acquisition for Anjanapura depot of 2.90 hectares is in the final stages of acquisition. In the case of Kadugodi Depot, 18.08 hectares of forest land is required, for which the Ministry of Ecology, Environment and Climate change have accorded Stage - 2 Clearance. The area required for viaduct and stations have been fully acquired.

Financial progress as of March 31, 2020 - Phase-2

As at the end of 31st March 2020, the Financial Progress of Phase-2 works is to an extent of Rs.14,029.59 Crore out of Rs.30,695.12 Crore. The details in this regard are as follows:



Cumulative Financial Progress upto 31.03.2020 for Phase-2

(Rs. In Crore)

| Cumulative Releases | Government of Karnataka | Government of India | Senior Term Debt | Total |
|---|-------------------------|---------------------|------------------|------------------|
| Equity | 2,092.23 | 2,543.96 | - | 4,636.19 |
| Subordinate Debt | 7,044.16 | 1,412.65 | - | 8,456.81 |
| PTA through Gol (AfD, EIB & AIIB) | - | - | 2,631.02 | 2,631.02 |
| Total Releases | 9,136.39 | 3,956.61 | 2,631.02 | 15,724.02 |
| Total payments | | | | 14,029.59 |
| Total payments as a Percentage of funds received (14,029.59 / 15,724.02) | | | | 89.22% |

Financial Progress for the year 2019-20 for Phase-2

| Releases during 2019-20 | Government of Karnataka | Government of India | Senior Term Debt | Total |
|---|-------------------------|---------------------|------------------|-----------------|
| Equity | 1,094.00 | 1,033.33 | - | 2,127.33 |
| Subordinate Debt | 838.33 | 349.48 | - | 1,187.81 |
| PTA through Gol (AfD, EIB & AIIB) | - | - | 2,022.87 | 2,022.87 |
| Total Releases | 1,932.33 | 1,382.81 | 2,022.87 | 5,338.01 |
| Total payments | | | | 5,206.03 |
| Total payments as a Percentage of funds received (5,206.03/5,338.01) | | | | 97.53% |

Financial Closure for Phase-2

The Project Cost of Phase-2 is Rs.26,405.14 Crore as on 31.3.2020. The revised project cost stands at Rs.30,695.12 Crore, due to increase in land cost. GoK has approved the increase in land cost during September 2017. Most of the civil contracts have been awarded and are under execution. Both Government of India and Government of Karnataka have been releasing the sanctioned funds for the Project. During the year, Asian Infrastructure Investment Bank (AIIB) and Government of India have signed for sovereign loan of USD 335 Million on 4th June, 2019. EIB & AIIB are (Co-funding/Part funding) Reach-6 (New Line) of Phase-2. The Company is also exploring other financial options for funding of the Phase-2 Project including tapping of the debt capital by issuance of new series of Secured, Non-convertible, debentures by way of private placement at attractive rates of interest. The decision in this regard will be taken at the appropriate time based on requirement of funds and after due compliance of all applicable statutory formalities and regulatory approvals.



Innovative Measures for mobilization of resources for Metro Projects

In order to supplement the resources for financing the Mega Project like the Metro Project, your Company has approached large Corporates for financing the construction of Metro Stations and other Metro Infrastructure through innovative financing with suitable concessions extended to such participating Corporates. M/s. Infosys Foundation, the CSR arm of Infosys Ltd., is the first of such large Corporate to come forward and provide a grant of Rs.100 Crore for construction of the Konappana Agrahara Metro Station in the R.V. Road to Bommasandra Metro Corridor (Line 5 of Phase-2). Definitive Agreements have been signed and Infosys Foundation has already paid Rs.40 Crore out of the agreed contribution of Rs.100 Crore. The Government of Karnataka has recognising their contribution in public space, named the said Konappana Agrahara Metro Station as 'Infosys Foundation-Konappana Agrahara Metro Station'. The Company has entered into Memorandum of Understanding (MoU) with Bangalore International Airport Limited (BIAL) under PPP arrangement for construction of two metro stations within the Airport boundary and these Metro stations will be developed, managed and maintained by Bangalore International Airport Limited (BIAL). The Company has also entered into an MoU with M/s. Embassy Group, one of the leading real estate groups, for the development of one of the proposed metro stations along this line with capital contribution of Rs.140 Crore by them, which will be one of the endeavors towards private participation in the Project.

Other large Corporates like Intel, Biocon, Bagmane Tech park, etc., have evinced keen interest in partnering with your Company by providing grants for construction of Metro Stations and the Metro Infrastructure. The Government of Karnataka has already approved the grant to be received from M/s. Biocon Foundation for Hebbagodi Metro Station. Your Company is exploring the possibility of inclusion of many more such Corporates for contributing to the construction of Metro Stations and Metro Infrastructure for various Phases of the Metro Project, as a Public-Private Partnership initiative.

Phase-2A : Central Silk Board Junction to K.R. Puram (ORR Line)

Your Company has initiated the process of setting up of separate Metro line on the Outer Ring Road (ORR) from Central Silk Board Junction to K.R. Puram with an operational length of 17.13 Kms (Line length of 19.75 km including Depot Connectivity and Pocket track of 0.3 km with thirteen (13) elevated Stations. As per Ministry of Housing and Urban Affairs, (MoHUA) benchmarking of cost under Metro Rail policy, 2017 of GoI, the estimated project cost is Rs.5,227.39 Crore. The Government of Karnataka has sanctioned and released an amount of Rs.271.97 Crore as Subordinate Debt during the financial year. The Company has made payment towards land acquisition an amount of Rs.376.48 Crore. Government of Karnataka (GOK) has provided administrative approval for the project and also permitted pre-project activities. The Company



has sought approval of the Government of India for funding of this Project under the new Metro Rail Policy 2017, which is under consideration. The formal approval of Government of India for this Project under equity sharing model as envisaged in Metro Rail Policy 2017 is awaited and it is planned to be completed in about 45 months' time from the final approval subject to availability of the finances. The Ministry of Housing & Urban Affairs (GoI) through Department of Economic Affairs (DEA), has consented to the project for loan assistance of USD 500 million from Asian Development Bank (ADB) for civil works and USD 318 million from JICA for Equipment and Rolling stock. ADB has conveyed in-principle internal approvals for financing the project and has agreed for retroactive financing. ADB has also agreed to provide technical assistance for knowledge support for development of TOD plans, MMI infrastructure and Capacity Building. The pre-construction activities such as land acquisition, identification and shifting of utilities, geo-technical investigation and permissions from other stakeholder agencies were taken up and are in advanced stage of completion. Statutory clearances for removal of trees along the alignment has been taken up with BBMP. Detailed Design consultancy (DDC) for the project has been awarded and work has commenced. The Tender for the Civil works had been invited in December 2019 and evaluation of the tenders is in progress.

Status of land Acquisition (Phase-2A)

The Land acquisition process has been initiated for Phase-2A (ORR line) for which the total requirement of land is about 4.82 hectares. Out of this, 2.18 hectares of land is Government land and 2.64 hectares is private land. The land to the extent of 4.04 hectares has already been acquired and the acquisition of the remaining area is likely to be completed in about a month's time.

Phase-2B Metro link to Airport (Airport Line)

Your Company has initiated actions for implementation of Airport line as an extension of the ORR Line from K.R. Puram to Kempegowda International Airport, Bengaluru via Hebbal as Phase-2B of Metro Project. This revised alignment will increase the total length of this line from 29.06 kms to 38 kms and increase the number of stations from 7 Nos. to 17 Nos. The revised Project cost for this line works out to Rs.9616.51 Crore. The Government of Karnataka has sanctioned and released an amount of Rs.614.70 Crore as Subordinate Debt during the financial year. The Company has made payment of Rs.449.54 Crore towards land acquisition. The revised Project proposal has been approved by the Government of Karnataka with revised alignment and cost including funding of the Project through equity route as envisaged in the new Metro Rail Policy for 50:50 JV Companies and funding through multilateral/bilateral lending agencies. For this Project also the Company has approached Government of India for extending financial support under the new Metro Rail Policy 2017, which is under consideration. While the preliminary pre-project activities including



land acquisition for this Project have commenced, the main project work will commence upon receipt of formal approval of Government of India.

Status of land Acquisition (Phase-2B)

The Government of Karnataka has permitted acquisition of land for Phase-2B (Airport line). The total requirement of land for this Phase of the Metro Project is 31.88 hectares, out of which 12.5 hectares is Government land and 19.3 hectares is private land. The final notifications under Section 28(4) of Karnataka Industrial Areas Development Act, 1966 in respect of all the private lands have been issued. An area of 9.25 hectares acquired earlier by National Highway Authority of India (NHAI) for setting up of viaduct from Hebbal to Trumpet junction near the Kempegowda International Airport has been taken possession of by the Company.

Phase-3

The Preparatory work for Phase-3 of Metro Project has concurrently been taken up. The preparation of Detailed Project Report (DPR) for two corridors of 42 km from JP Nagar to Hebbal (Corridor-1) along Outer Ring Road (ORR West) and on Magadi road from Toll gate (Hosahalli Metro Station) to Kadabagere (Corridor-2) on Peripheral Ring Road has been assigned to M/s. RITES Ltd and work is being commenced at site. The consultant for the Detailed Project Report (DPR) has been asked to analyse various options regarding the type of Metro system and viability of PPP models. The DPR is expected to be available during first quarter of 2021.

GENERAL INFORMATION

Organizational set-up

The Board of Directors of the Company comprised of Twelve (12) Directors out of a maximum of fifteen (15) as provided in the Articles of Association of the Company. Government of India and Government of Karnataka to nominate Five (5) Directors each with the Secretary, Ministry of Housing and Urban Affairs, Government of India appointed as the non-executive Chairman of the Company. The Managing Director is the nominee of Government of Karnataka with prior concurrence of Government of India and appointed by the Board of Directors. The Managing Director is the Chief Executive Officer of the Company and is presently assisted by two (2) Functional Directors, Executive Directors, Company Secretary/Chief Vigilance Officer, Chief Financial Officer, Chief Engineers, General Managers, Chief Security Officer, Project Manager and other Officers working on deputation/contract basis. The tasks are monitored periodically by the Managing Director and the Functional Directors assisted by a team of competent and dedicated officers drawn substantially from the Central and State Governments. Progress made in the implementation of the Project as also the performance in respect of operations is reported for review to the Board of Directors and prompt corrective measures are taken wherever necessary.



Directors & Key Managerial Personnel (KMP)

The following changes among the Directors took place during the Financial year under review:

- Shri Jaideep, OSD (UT) and Ex-Officio Joint Secretary, Ministry of Housing and Urban Affairs, Govt. of India was appointed as Director and Nominee of Government of India with effect from 6th December, 2019 in place of Shri M. K. Sinha.
- Shri M. Nagaraj, Director (Corporate Planning) and Chairman & Managing Director, i/c, HUDCO, was appointed as Director and Nominee of Government of India with effect from 28th January, 2020 in place of Dr. M. RaviKanth.
- Shri Rakesh Singh, Additional Chief Secretary to Government, Urban Development Department, Government of Karnataka was appointed as Director and Nominee of Government of Karnataka with effect from 29th February, 2020 in place of Dr. E. V. Ramana Reddy.

Appointment of Director after the end of the financial year

- Dr. E. V. Ramana Reddy, Additional Chief Secretary to Chief Minister, Government of Karnataka was appointed as Director and Nominee of Government of Karnataka with effect from 7th September, 2020 in place of Shri P. Ravikumar

The Board welcomes the new Directors on the Board and acknowledges the contribution made and guidance given by Shri M. K. Sinha, Dr. M. RaviKanth and Shri P. Ravikumar during their tenure as Directors on the Board of the Company.

During the year under review, the Board reviewed to expedite decisions for implementation of the project and also to review project performance as well as the performance of the Operation & Maintenance wing among other things. The Company has at present one Woman Director on the Board in compliance of the requirements of Section 149(1) of the Companies Act, 2013. With regard to appointment of Independent Directors in terms of Section 149(6) of the Companies, 2013 read with Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014, this requirement is no longer applicable to Joint Venture Companies like BMRCL as per the amendment made to Rule 4 of the said Companies (Appointment and Qualification of Directors) Rules, 2014. Consequently, and as advised by the Ministry of Housing and Urban Affairs, Government of India, your Company has not appointed 'Independent Directors' on its Board.

Number of Board Meetings held during the financial year

The Board of Directors met three (3) times during the financial year from 1st April, 2019 to 31st March, 2020. The dates on which the meetings were held are - 2nd May, 2019, 9th August, 2019, and on 2nd December, 2019. One Meeting of Board of Directors which was scheduled on 30th March, 2020 has to be postponed due to CoVID -19 lock down.



Subsidiaries & Associate Companies

Your Company does not have any Subsidiary or Associate Companies as at the end of the Financial Year under review and also on the date of this Report.

High Power Committee Meetings (HPC)

The High Power Committee (HPC), under the Chairmanship of Chief Secretary, Government of Karnataka has been recently reconstituted by the Government of Karnataka vide G.O. No. UDD 83 PRJ 2019 (P1) Bengaluru, dated 25.05.2019 with enlarged mandate including powers to approve transfer of Government Lands for the Metro Project by the concerned departments. The HPC meets at periodic intervals and gives various decisions/directions resulting in the smooth and speedy implementation of Bangalore Metro Rail Project. During the year 2019-20, Two (2) High Power Committee meetings were held on 5th November, 2019 and on 7th March, 2020 to discuss and decide on various project implementation related issues, including land acquisition, utility shifting etc.

Fraud Reporting & Vigil Mechanism

There were no incidents of fraud reported during the year under review. Your Company has however, put in place a vigil mechanism with a Whistle Blower Policy which permits any person to report any form of complaints as per the procedure laid down there. The Whistle Blower Policy is placed in the Company's website www.bmrc.co.in.

Related Party Transaction

There were no Related Party Transactions reported during the year under review, as contemplated under the Companies Act, 2013 (as amended) and the Rules thereof.

BMRC Newsletter

The Company, as part of its endeavor to disseminate information, brings out Monthly Newsletter "BMRC Newsletter", which is published on the Company's Website: www.bmrc.co.in.

STATUTORY COMPLIANCES

Compliances under Right to Information Act

The Company has been ensuring compliance under the Right to Information Act, 2005 in its true spirit and during the year under review, out of 456 RTI applications received, information was furnished in a timely manner to all the applicants. There were 35 Appeals referred to the First Appellate Authority, which were also disposed off as per the provisions of the Act, in a timely manner. Your Company takes adequate care to monitor the compliances under various statutory enactments affecting the Company and endeavors to achieve strict enforcement of the applicable regulations in a most transparent manner.



Public Deposits

During the year under review, your Company has not accepted any deposits from the Public within the meaning of Section 73 of the Companies Act, 2013 read with the applicable Rules in this regard.

Foreign Exchange Transactions

During the year under review, there are no reportable foreign exchange earnings. The details regarding foreign exchange outgo during the year 2019-20 was Rs.533.36 Crore (Previous year: Rs.332.64 Crore)

AUDITORS

Statutory Auditors

The Comptroller & Auditor General of India has appointed M/s. Badari, Madhusudhan & Srinivasan, Chartered Accountants, Bengaluru, as Independent Statutory Auditors of the Company for the year 2019-20. The Notes on Financial Statements referred to in the Auditor's Report are self-explanatory and, therefore, do not call for any further comments. The Auditor's Report do not contain any qualification, reservation, adverse remark or disclaimer. The Comments of the Comptroller & Auditor General of India on the Accounts for the year ended 31st March, 2020 is being placed separately alongside this Report for the consideration of Members.

Secretarial Auditor

The Board of Directors of your Company have appointed M/s. S. Kedarnath & Associates, Company Secretaries in Practice, Bengaluru, (CP No.4422) to undertake the secretarial audit of the Company for the Financial Year 2019-20. The Secretarial Audit Report issued by the Secretarial Auditor for the year 2019-20 in the prescribed Form MR-3 is at **Annexure I** of this Report. The replies to the observations/qualifications in the Secretarial Audit Report are given below:

- a) With regard to the submission of unaudited financial results for the half year ended 30th September, 2019 vide Regulation 52 (1) and 52 (2) of SEBI (LODR) Regulations 2015, there has been delay in filing the same which is reportedly due to delay in holding of Board Meeting.

Since there was delay in holding the Board meeting the Unaudited financial results were not submitted to the stock exchange within the due date.

- b) As per Secretarial Standards SS-1, the draft minutes of the Board Meeting have not been circulated to the Board of Directors within 15 days of the Board Meeting.

The minutes of the respective Board Meeting after approval by the Chairman is



circulated to the Directors for their comments/observations on the same. The comments/observations if any of the Directors are placed before the Board at the subsequent meeting for consideration before conformation of the minutes.

Internal Auditors

M/s. Chandrasekar LLP, Chartered Accountants, Bengaluru, were appointed as Internal Auditors for a period of one year with effect from 1st August, 2019. Your Company has also appointed M/s. Niranjana & Co. Chartered Accountants, as Internal Auditors for post audit work for a period of one year with effect from 01.02.2020, as advised by the Finance & Audit Committee of the Board. The functioning of Internal Auditors of the Company and their reports are reviewed by the Finance & Audit Committee from time to time.

Cost Auditor

As of now there is no mandatory requirement of maintaining Cost records and get the same audited as contemplated in Section 148 of the Companies Act, 2013 read with the relevant Rules in this regard.

Extract of Annual Return

The details forming part of the extract of the Annual Return in Form MGT-9 is at **Annexure-II** to this Report.

Risk Management/Fraud Prevention Policy/Whistle Blower Policy

Your Company is in the process of formulating a Risk Management Policy based on various operational risks upon commencement of operations of the entire Phase-1 Network of the Project. As far as risks to assets and certain liabilities are concerned, these are mitigated by obtaining Insurance Cover for adequate value from an IRDA Licensed Public Sector Insurance Company. As regards financial risks, adequate internal control measures are put in place by engaging external firm of chartered accountants as Internal Auditors on concurrent basis apart from regular audit by both the Statutory Auditors as well as audit by C&AG of India in different Phases. Your Directors have approved the BMRCIL Fraud Prevention Policy and BMRCIL Whistle Blower Policy which are available on the Company's official website www.bmrc.co.in. The Company has an approved Foreign Exchange Risk Management Policy for assessing Foreign Exchange related risks to obtain hedge cover against currency fluctuations. However, since the matter regarding sharing of foreign exchange fluctuations during repayment period of sovereign loans taken by Government of India for BMRCIL Project, hedging of foreign exchange risks is not considered appropriate at this stage. Forward Cover is being taken wherever payments are to be made in Foreign exchange for its imports.



Finance & Audit Committee

The Finance & Audit Committee constituted by the Board in accordance with the provisions of the Section 177 of the Companies Act, 2013, comprises five (5) members who are non-whole time members of the Board. During the financial year 2019-20, the Finance & Audit Committee met on 2nd May, 2019, 3rd August, 2019, 9th August, 2019 and on 4th November, 2019. All the recommendations made by the said Finance & Audit Committee have been accepted by the Board. The Composition and meetings held during the year are detailed in Corporate Governance report which is annexed to this Report.

Nomination and Remuneration Committee

Your Company has constituted the Nomination and Remuneration Committee as per Section 178 of the Companies Act, 2013, read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 headed by a non-Whole Time Director. During the Financial Year 2019-20, the Nomination and Remuneration Committee met once on 3rd August, 2019. The Composition and details of meetings held during the year are given in the Corporate Governance Report which is annexed to this Report.

Corporate Social Responsibility

Being a responsible and responsive corporate citizen, your Company is committed to its stakeholders viz., the shareholders, the employees, the management, the suppliers, the customers and the community at large. Namma Metro is emerging as an environment friendly alternate transport service for the City of Bengaluru and acknowledging its responsibility towards the society, your Company has been voluntarily undertaking initiatives to improve the standard of living and to enhance the quality of life of the people in Bengaluru. Further, since the Company is not earning profits, there is no mandatory requirement for expending any amounts towards specific projects falling under stipulated areas of Corporate Social Responsibility in terms of Section 135 of the Companies Act, 2013 and applicable Rules/Schedules thereunder. Hence, the expenditure under this Head is 'NIL' for the year. Your Company has however, constituted a CSR Committee comprising of six (6) Directors in compliance of the requirements in this regard. The composition of the CSR Committee of the Board is detailed in Corporate Governance report which is also annexed to this Report.

Compliance Report

The Company has generally complied with the requirements of various Corporate and other Laws applicable and the extent of compliances are being reviewed by the Board periodically. Your Company is an Unlisted Public Limited Company. However, as a measure of best practice, your Directors are happy to place a "Corporate Governance Report" as detailed in the Corporate Governance section annexed to this Report.



Information on Energy Conservation Measures Implemented in BMRCL

Your Company has incorporated various conservation measures right at the designing stage, besides selection of various systems, enabling the Company to ensure utmost optimal use of energy. Based on the experience gained on the commissioned corridors, designing of the stations have been done with good natural lighting during day time. Further following additional measures have been taken:

Rolling Stock

- 40% energy saving in traction is obtained due to the regenerative braking with light weight design of 15T Axle load in Rolling Stock.
- Use of HVAC with coefficient of performance in the range of 2.5 and above with vent mode operation.

Traction System

- All equipment including traction, auxiliary transformer and rectifier are of high efficiency and are equipped with naturally (Air) cooled system.
- Aluminum composite third rail are used instead of steel rail in order to reduce the resistance from 0.029 Ohms/KM to 0.007 Ohms/KM.

Station Lighting and Other Systems

- LED based lights are installed at all stations of Phase-1 in place of CFL & Conventional lightings, resulting in saving of power consumption up to 25 kW (approx) per station. Also, stations are designed to utilize the natural lighting during day time, hence lights installed at public areas are not required to be switched ON during day time and it saves Rs.3.63 Crore per annum.
- Operation of Major Electrical Equipment and lighting are monitored and are operated through BMS as per requirement, to save the electricity.
- Road Level/Street lights and High Masts are controlled using timers which will save around Rs.8.7 lakhs per annum.
- Thermostat based control are equipped in all the Air-conditioning equipment. In Under Ground Stations, operation of Environmental Control system is automated as per temperature and relative humidity through Building Management system which will save around Rs.2.90 Crore per annum.
- In year 2019-20, conversion of 35,264 conventional lights to LED lights has been done in 40 metro stations resulting in 1154.8 KW energy saving.



Technology absorption on energy Conservation Measures

- Adaptation of Inverter based VRV/VRF system for air conditioning at Elevated Stations & depots in Phase-2. Thus, resulting in energy savings upto 40%.
- Implementation of Variable Frequency Drives (VFD) for underground stations in ECS/ TVS equipment for Phase-2 Project works.
- Adaptation of Platform Screen Doors in UG stations of Phase-2 to reduce Air Conditioning load from 900 T to 400 T per station and hence reducing the Electrical Power consumption.
- Improved braking characteristic of the train by extending constant torque zone. With recent improvement in the design of High-Speed Circuit Breaker, it will be possible to extend the constant torque zone in the new trains to obtain increased regenerative power.
- Planning to install Solar based Power systems at the locations like Stations and Depot areas is under progress.
- saving of 32 lakhs litres of water per month by implementing Air Cooled Chiller instead of water-cooled Chiller.

Directors' Responsibility Statement

Pursuant to Sub-section (5) of Section 134 of the Companies Act, 2013, your Directors state:

- (a) that in the preparation of the annual accounts for the year ended March 31, 2020 the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (b) that such accounting policies as mentioned in Notes to the Financial Statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the Profit or Loss of the Company for the year ended on that date;
- (c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 as amended for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) that the annual financial statements have been prepared on a going concern basis;
- (e) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- (f) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.



Acknowledgements

Your Directors are thankful for the valuable co-operation, advice and support received from the various Ministries of Government of India especially the Ministry of Housing and Urban Affairs, the various Ministries/Departments of Government of Karnataka including the Urban Development Department, Finance Department etc., the Multi-lateral lending agencies viz., JICA, AfD, EIB/AIIB and other Financial Institutions like HUDCO, KUIDFC & Commercial Banks, Investors in Debt Security (NCDs/Bonds), Vistra ITCL (India) Limited (Debenture Trustee), Financial Advisors, Credit Rating Agencies, DULT, BBMP, BDA, KIADB, BESCO, BMTC, KPTCL, K-FIN Technologies Private Limited - Registrar and Transfer Agents for Bonds, BgSE Financials Limited - Registrar and Transfer Agents for Equity Shares and the BangaloreTraffic Police (BTP).

Your Directors also appreciate the contribution made by various Corporates like Infosys, Biocon, NTT, Embassy Group, BIAL to name a few who have participated in the setting up of the Project in one form or the other which is deeply acknowledged. Your Directors also appreciate the participation of Corporates like Titan Industries Ltd., in the development of the Veerasandra Lake as part of their CSR initiative and look forward to many more such private participation in building and conservation of the eco system of this great City.

Your Directors wish to acknowledge their deep sense of appreciation and sincere thanks to all the Government Agencies, Departments, Bankers, Comptroller & Auditor General of India, Statutory Auditors, Internal Auditors and each and every stakeholder, for their wholehearted and continued support, guidance, advice, assistance and co-operation extended from time to time, during the year and hope to receive same kind of co-operation in the future as well.

Your Directors would also like to thank each and every one of the Company's Contractors, for their contribution and sincere efforts as also to all others who were/are associated with the implementation of this Mega infrastructure Project.

Your Directors thank the Media and Members of the Public for their continued support, despite the inconveniences caused in the areas affected by the Metro alignment, in the course of execution of the Project without which the implementation of this prestigious Project in the City of Bengaluru would not have been possible.

Your Directors wish to also place on record their appreciation for the co-operation extended by all the Officers and Employees of the Company in the progress and execution of the Project and for the smooth conduct of the operations by the Company during the year.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Date : 06-10-2020
Place : New Delhi

Sd/-
(DURGA SHANKER MISHRA)
CHAIRMAN



CORPORATE GOVERNANCE REPORT FOR THE YEAR 2019-2020

Your Company is committed to the adoption of best corporate governance practices and its adherence to integrity, governance and good business practices are extremely high. The Company strives for excellence by adoption of best governance and disclosure practices & ensures that the interests of all its stakeholders are protected. The Board of Directors of the Company continues to seek, identify and formalise best practices for adoption by the Company keeping in view such similar practices of other Metro Rail Companies especially that of Delhi Metro Rail Corporation (DMRC).

This Report describes the Corporate Governance practices that the Company has adopted and specifically highlights how the Company has applied the principles and practices of good Corporate Governance. Even though BMRCL is an Unlisted Public Company, keeping in view the underlying principles of Corporate Governance i.e. value, ethics and commitment to follow best practices, your Directors place the following Corporate Governance Report before the Shareholders of the Company.

In the performance of its functions, BMRCL is guided by various statutory enactments applicable to it, with special reference to the KTPP Act, 1999, CVC guidelines, the Companies Act, 2013 and Rules thereof, as amended from time to time, the Memorandum and Articles of Association of the Company, applicable Indian Accounting (Ind-AS) and Secretarial Standards (SS), regulations prescribed/instructions issued by different regulatory authorities like the C&AG, provisions of the Right to Information Act, 2005 and Rules made thereunder, to name a few. In addition, all the applicable statutes governing the functioning of the organization in respect of safety, health, environment, welfare of the employees as well as those engaged through contractors and the provision for fair compensation, rehabilitation and resettlement of project affected persons are also being complied with.

Board of Directors

As per the Articles of Association of the Company, the strength of the Board shall not be less than three (3) Directors and not more than fifteen (15) Directors excluding alternate Directors and Directors nominated by Public Financial Institutions or other lending institutions. These Directors may be either whole-time functional Directors or Part-time Directors nominated by the Government(s).

Constitution of the Board

Your Company is a Government Company within the meaning of Section 2(45) of the Companies Act, 2013 ('the Act') and a 50:50 joint venture of Government of India and Government of Karnataka. Presently, 100% of total subscribed & paid up equity share capital of the Company is held in equal proportion (50:50) by Government of India and Government of Karnataka. Both the



Governments have the right to nominate five (5) Directors each on the Board of Directors. The Government of India has the right to appoint the part-time non-executive Chairman and the Government of Karnataka, has the right to appoint the full-time Managing Director & Chief Executive Officer of the Company.

Composition of the Board

The nominee Directors and whole time Functional Directors are senior officers, who have wide range of experience in the functioning of Government and possess top order administrative skills, financial and technical expertise. As at the end of the financial year 2019-20, the Board comprised of the following Directors:

| Sl. No. | Name | Designation |
|---------|---------------------------|---|
| 1. | Shri Durga Shanker Mishra | Chairman |
| 2. | Shri Ajay Seth | Managing Director |
| 3. | Shri Jaideep | Director |
| 4. | Shri Pradeep M. Sikdar | Director |
| 5. | Shri K. K. Saberwal | Director |
| 6. | Shri M. Nagaraj | Director |
| 7. | Shri P. Ravi Kumar | Director |
| 8. | Shri I. S. N. Prasad | Director |
| 9. | Smt. Vandita Sharma | Director |
| 10. | Shri Rakesh Singh | Director |
| 11. | Shri N. M. Dhoke | Director (Rolling Stock, Electrical, Signaling & Telecommunication) |
| 12. | Shri D.Radhakrishna Reddy | Director (Projects & Planning) |

Responsibilities

The primary role of the Board is that of being a guiding force to ensure 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 objectives. The Board oversees the Company's strategic direction, reviews corporate performance, authorizes and monitors strategic decisions, ensures regulatory compliance and safeguards interests of various stakeholders. The Board also ensures that the Company is managed in a professional manner that fulfils stakeholders' aspirations and societal expectations. The Members of the Board also ensure that their other responsibilities do not impinge on their responsibilities as Directors of the Company.



BOARD/COMMITTEE MEETINGS AND PROCEDURE

a) Institutionalized decision making process

With a view to institutionalise all corporate affairs and setting up systems and procedure for advance planning on matters requiring discussion and decision by the Board, the Company has a well-defined procedure for conducting meetings of the Board of Directors and Committees thereof whereby it is ensured that the information is disseminated in an informed and efficient manner.

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

- i. The meetings of Board/Committee are convened by giving appropriate notice after obtaining approval of the Chairman of the Board/Committee. Detailed agenda notes, management information reports and other explanatory statements are circulated in advance among the members in respect of all important matters. This facilitates meaningful, informed and focused discussions and decisions in the Board/Committee meetings.
- ii. To address any special or urgent need, meetings are also convened at shorter notice and through video conferencing facility made available for members to participate from remote locations, if requested, subject to the laid down procedures under the Act and compliance of relevant Rules in this regard. The Board also passes Resolution by Circulation but only for such matters, which are of utmost urgency and those which are so permitted under the Act and the Rules thereof.
- iii. The agenda papers are prepared by the concerned Heads of Departments and submitted to the concerned Functional/Executive Directors for obtaining their concurrence, before being submitted to the Managing Director for approval for circulation among Directors. Thereafter, the duly approved agenda papers/notes are circulated to the Board Members by the Company Secretary who is the Secretary to the Board.
- iv. 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 and the Chairman. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are taken up for discussion with the permission of the Chairman of the Board.
- v. The meetings are held either at Bangalore or at New Delhi or any other place depending on the convenience of the Chairman & Directors. Three (3) meetings of the Board were held during the financial year 2019-20, out of which two (2) meetings were held



in Bengaluru and one (1) meeting through Video Conferencing from New Delhi and Bengaluru. One more meeting scheduled during March 2020 could not be held due to the nationwide lockdown by the Government and had to be postponed.

- vi. Action Taken Report on Board decisions, Physical & Financial Progress, details regarding Train Operations, Minutes of Board Committee Meetings etc., are some of the regular items of agenda which are normally brought up before the Board in each of its meetings.
- vii. The Members of the Board have complete access to all information regarding the operations and other aspects of the Company.
- viii. The Board Meetings are generally conducted in line with the applicable Secretarial Standards.

c) Briefing by the Managing Director

The Managing Director briefs the Board Members about the key developments including status of the project and other important achievements/developments relating to the Company in various areas at every Board Meeting.

d) Recording minutes of proceedings at the Board Meeting

The Minutes of the meeting are circulated in accordance with the provisions of the Companies Act, 2013 and the applicable secretarial standards. Minutes of the proceedings of each Board Meeting are recorded and are entered into the Minutes Book maintained, signed by the Chairman. The minutes of each Board Meeting are submitted for confirmation at the next Board meeting. Similarly, the minutes of the Board Committee Meetings are also recorded and circulated to members of Committee after approval and signature of the Chairman of the Committee.

e) Compliance

Every Head of Department and Functional Director, Executive Director while preparing agenda notes ensures adherence to all the applicable provisions of law, rules, guidelines, etc. In Agenda Notes, where financial implications are involved, the views of the Finance Division of the Company are included, wherever necessitated. The Company Secretary ensures compliance of all applicable provisions of the Companies Act, 2013 in this regard along with applicable Rules and Standards.

During the Financial Year 2019-20, Three (3) Board Meetings were held on 02.05.2019, 09.08.2019 and on 02.12.2019. However, the Meeting scheduled in the month of March 2020 could not be held due to the nationwide lockdown by the Government owing to Covid 19 Pandemic and had to be postponed.



Details of designation, category of Directors, Director Identification Number (DIN), Meetings held during respective tenures of Directors, number of Board meetings attended and attendance at last AGM by them during the year 2019-20 are tabulated below:

| Sl. No. | Directors | Category | Director Identification Number (DIN) | Meetings held during respective tenures of Directors | No. of Board meetings attended | Attendance at the last AGM (held on 30.09.2019) |
|---------|--|---------------------|--------------------------------------|--|--------------------------------|---|
| (1) | (2) | (3) | (4) | (5) | (6) | (7) |
| 1. | Shri Durga Shanker Mishra, Secretary, MoHUA & Chairman, BMRCL | Nominee of GoI | 02944212 | 3 | 3 | No |
| 2. | Shri Ajay Seth, Managing Director, BMRCL | Managing Director | 02294494 | 3 | 3 | Yes |
| 3. | Shri M. K. Sinha, OSD (UT) & Ex-Officio Joint Secretary, MoHUA & Director, BMRCL | Nominee of GoI | 06774923 | 3 | 1 | No |
| 4. | Shri K. K. Saberwal, Director (Finance), DMRCL & Director, BMRCL | Nominee of GoI | 03428873 | 3 | 2 | No |
| 5. | Shri Pradeep M. Sikdar, Executive Director-Signal Development, Ministry of Railways, GoI & Director, BMRCL | Nominee of GoI | 08178025 | 3 | 1 | No |
| 6. | Dr. M. Ravi Kanth, Ex-Chairman & Managing Director, HUDCO & Director, BMRCL (Upto 28.01.2020) | Nominee of GoI | 01612905 | 3 | 2 | No |
| 7. | Shri Mahendra Jain, Additional Chief Secretary, (UDD), GoK & Director, BMRCL (Upto 25.07.2019) | Nominee of GoK | 01660388 | 1 | 1 | Not applicable |
| 8. | Shri B. H. Anilkumar, Additional Chief Secretary, (UDD), GoK & Director, BMRCL (Upto 16.09.2020) | Nominee of GoK | 00327717 | 1 | 1 | Not applicable |
| 9. | Shri I. S. N. Prasad, Additional Chief Secretary, (Finance Dept.), GoK & Director, BMRCL | Nominee of GoK | 01469651 | 3 | 3 | Yes |
| 10. | Smt. Vandita Sharma, Additional Chief Secretary to Govt. & Development Commissioner, GoK & Director, BMRCL | Nominee of GoK | 02854972 | 3 | 3 | Yes |
| 11. | Dr. E. V. Ramana Reddy, Additional Chief Secretary to Hon'ble CM, GoK & Director, BMRCL (Upto 03.08.2019) | Nominee of GoK | 02935216 | 2 | 1 | Yes |
| 12. | Shri P. Ravikumar, Additional Chief Secretary to Hon'ble CM, GoK & Director, BMRCL (From 03.08.2019) | Nominee of GoK | 02285126 | 2 | 1 | Yes |
| 13. | Shri N. M. Dhoke, Director (RSE), BMRCL | Whole time Director | 06900265 | 3 | 3 | Yes |
| 14. | Shri D. Radhakrishna Reddy, Director (P&P), BMRCL (From 26.04.2019) | Whole time Director | 08436314 | 3 | 3 | No |



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

All matters, except matters delegated to the Managing Director by the Board, are being brought before the Board and the same, inter alia, include the following:

- Detailed Budget Estimates and cash flow statements
- Annual Financial Statements and Board's Report
- Decisions/Minutes of meetings of Finance & Audit Committee and other Committees of the Board
- New proposals which involve operation of Metro Rail network beyond Phase-2 i.e. Phase-2A and Phase-2B
- All proposals which involve change in technology/technology parameters other than those contemplated in DPR
- Any significant development in Human Resources / Industrial Relations front and/or any HR related policy issues
- Significant Property Development matters
- Compliance Certificate of statutory provisions
- Short-term investment of surplus funds, which are not otherwise delegated to the MD
- Appointment of Internal and Secretarial Auditors
- Remuneration payable to the Independent Statutory Auditors appointed by C&AG of India
- Information relating to major legal disputes
- Other materially important information
- Other matters as directed/advised by the Board from time to time.

COMMITTEES OF THE BOARD OF DIRECTORS

The Board has constituted the following sub-committees which are commensurate with the size and nature of the operations of the Company. The Board has established the following Committees:

- i. Finance & Audit Committee
- ii. Nomination & Remuneration Committee
- iii. Corporate Social Responsibility Committee

In addition to the above, the following Standing Committees have also been established by the Board viz.:

- i. Project Management Committee
- ii. Operations & Maintenance Committee

The Company Secretary is the Secretary to the Committees of the Board. Quorum for the Committee meeting is one-third of the total strength of the Committee members subject to a minimum of two members. During the year 2019-20, depending upon the requirement, various Committee Meetings were held from time to time.



1. Finance & Audit Committee

The constitution and scope etc., of the Finance & Audit Committee is in line with the provisions of Companies Act, 2013. All the members of Finance & Audit Committee are qualified and have insight to interpret and understand financial statements.

During the end of the financial year 2019-20, the Finance & Audit Committee comprised of the following members:

- i. Shri I. S. N. Prasad, Additional Chief Secretary to Govt., (Finance Dept.), GoK & Director, BMRCL, as Chairman of the Committee.
- ii. Shri Jaideep, OSD (UT) & Ex-Officio Joint Secretary, MoHUA, & Director, BMRCL, as Member of the Committee.
- iii. Shri K. K. Saberwal, Director (Finance), Delhi Metro Rail Corporation Limited (DMRC) and Director, BMRCL as Member of the Committee.
- iv. Shri P. Ravikumar, Additional Chief Secretary to Govt. to Hon'ble Chief Minister, GoK & Director, BMRCL, Member of the Committee.
- v. Shri Rakesh Singh, Additional Chief Secretary to Govt., Urban Development Department, Govt. of Karnataka & Director, BMRCL, Member of the Committee.

MD & CEO, CFO, GM (F&A), Internal Auditors, Statutory Auditors appointed by C&AG are also invited to the Finance & Audit Committee Meetings without conferring any right to vote.

Meeting and Attendance

During the Financial Year 2019-20, (4) Four Meetings of the Finance & Audit Committee were held on 2nd May, 2019, 3rd August, 2019, 9th August, 2019 and on 4th November, 2019. The details of the Meetings of the Finance & Audit Committee attended by the members during their tenure are as under:

| Sl. No. | Members of the Finance & Audit Committee | Meetings held during respective tenure of Directors | No. of Meetings Attended |
|---------|--|---|--------------------------|
| 1. | Shri I. S. N. Prasad | 4 | 4 |
| 2. | Shri M. K. Sinha (Upto 06.12.2020) | 4 | 1 |
| 3. | Shri K. K. Saberwal | 4 | 3 |
| 4. | Dr. E. V. Ramana Reddy (Upto 29.02.2020) | 3 | 1 |
| 5. | Shri P. Ravikumar (From 03.08.2019) | 2 | 1 |
| 6. | Shri Mahendra Jain (Upto 25.07.2019) | 1 | 1 |
| 7. | Shri B. H. Anil Kumar (Upto 16.09.2019) | 2 | 2 |



2. Nomination & Remuneration Committee

As per Section 178 of the Companies Act, 2013, read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended, the Board has constituted a Nomination and Remuneration Committee.

Composition

During the end of the financial year 2019-20, the Nomination and Remuneration Committee comprised of the following members:

- i. Shri Rakesh Singh, Addl. Chief Secretary, UDD, Govt. of Karnataka & Director, BMRCL, as Chairman of the Committee.
- ii. Shri I. S. N. Prasad, Additional Chief Secretary, (Finance Dept.), GoK & Director, BMRCL, Member of the Committee.
- iii. Shri Jaideep, OSD (UT) & Ex-Officio Joint Secretary, MoUD, & Director, BMRCL, as Member of the Committee.
- iv. Smt. Vandita Sharma, Additional Chief Secretary, to Govt. & Development Commissioner, GoK & Director, BMRCL as Member of the Committee.
- v. Shri Ajay Seth, Managing Director, BMRCL, as Member of the Committee.

Meeting and Attendance

During the Financial Year 2019-20, One (1) meeting of Nomination & Remuneration Committee was held on 3rd August, 2019. The details of the Meeting of Nomination and Remuneration Committee attended by the members during their tenure are as under:

| Sl. No. | Members of the Nomination & Remuneration Committee | Meetings held during respective tenure of Directors | No. of Meetings Attended |
|---------|--|---|--------------------------|
| 1. | Shri B. H. Anil Kumar (Upto 16.09.2019) | 1 | 1 |
| 2. | Shri I. S. N. Prasad | 1 | 1 |
| 3. | Smt. Vandita Sharma | 1 | 1 |
| 4. | Shri Ajay Seth | 1 | 1 |

3. Corporate Social Responsibility Committee (CSR Committee)

Even though the provisions of Companies Act, 2013 regarding Corporate Social Responsibility are not attracted to the Company, yet the Company has over years been pursuing as part of its corporate philosophy, an unwritten CSR policy voluntarily which goes much beyond mere philanthropic gestures and integrates interest, welfare and aspirations of the community with those of the Company itself in an environment of partnership for inclusive development. The Company has constituted a CSR Committee of the Board to formulate a suitable CSR Policy for the Company.



Composition

During the end of financial year 2019-20, as there were no item for consideration of the Committee, no meeting of the Committee was necessary. The Board has re-constituted CSR Committee as stipulated in the Companies Act 2013, with the following members:

- i. Shri Rakesh Singh, Additional Chief Secretary to Govt., UDD, Govt. of Karnataka & Director, BMRCL as Chairman of the Committee.
- ii. Shri I. S. N. Prasad, Additional Chief Secretary, (Finance Dept.), GoK & Director, BMRCL as Member of the Committee.
- iii. Smt. Vandita Sharma, Additional Chief Secretary, to Govt. & Development Commissioner, GoK & Director, BMRCL as Member of the Committee.
- iv. Shri K. K. Saberwal, Director (Finance), Delhi Metro Rail Corporation Limited (DMRC) & Director, BMRCL as member of the Committee.
- v. Shri Ajay Seth, Managing Director, BMRCL as Member of the Committee
- vi. Director (Finance), BMRCL as Member of the Committee.

4. RELATED PARTY DISCLOSURES

All the transactions with related parties were in the ordinary course of business and on an arms' length basis. There are no related party transactions entered into by the Company with its Promoters, Directors or Management, their subsidiaries or relatives, etc. which had potential conflict with the interest of the Company at large. Transactions with the related parties are disclosed in Notes to the financial statements in the Annual Report.

5. ANNUAL GENERAL MEETING

| AGM | 11 th AGM | 12 th AGM | 13 th AGM |
|------------------------------------|---|---|---|
| Date & Time | 28.09.2017 at 12.00 Noon | 28.09.2018 at 5:45 P. M. | 30.09.2019 at 10:00 A.M. |
| Venue | MoUD, Nirman Bhawan, Dr. Maulana Azad Road, New Delhi - 110 011 | MoUD, Nirman Bhawan, Dr. Maulana Azad Road, New Delhi - 110 011 | Room No.331, 3 rd Floor, Vidhana Soudha, Bengaluru - 560 001 |
| Special Resolution (if any) | Increase in Borrowing limit of the Company from Rs.13,200 Crore to Rs.22,000 Crore. | NIL | NIL |



6. COMPANY'S WEBSITE

The Company's official Website is www.bmrc.co.in. All major information pertaining to the Company including new project, project status, contracts, jobs, recruitment process and financial results etc., are given in the Company's official website. BMRCL has appointed a Public Information Officer under the Right to Information Act, 2005 and an Appellate Authority under the said Act, the details of which are available on the Official website of the Company. Moreover, the Company hosts all its tenders on the Website to disseminate timely information about all procurements of goods and services mandated under the KTPP Act, 1999. The Website also provides all important events, activities and progress of the Metro Rail Project and other significant developments apart from various operation related information for the public and users of metro rail, which is continuously updated.

| Registered Office | Company Secretary & Compliance Officer |
|---|--|
| CIN : U16286KA1994GOI016286 Bangalore Metro Rail Corporation Ltd., 3 rd Floor, BMTC Complex, K.H. Road, Shanthinagar, Bengaluru - 560 027. Ph : 080-22969300/01 Fax : 080-22969222 Website : www.bmrc.co.in | Shri U. Jagadish Nayak Bangalore Metro Rail Corporation Ltd., 3 rd Floor, B.M.T.C Complex, K.H. Road, Shanthinagar, Bengaluru - 560 027. Ph : 080-22969251 E-Mail: cs@bmrc.co.in |
| Depots at: | |
| Baiyappanahali Swami Vivekananda Road Near NGEF, (Old Madras Road) Bengaluru - 560 038. | Peenya Metro Train Depot cum Workshop Peenya Industrial Area 1 st Stage, Peenya Bengaluru - 560 058. |



FORM NO. MR-3

SECRETARIAL AUDIT REPORT

(FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2020)

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
BANGALORE METRO RAIL CORPORATION LIMITED,
Bengaluru - 560 027

We have conducted the Secretarial Audit of the compliance of the applicable statutory provisions and the adherence to good corporate practices by **BANGALORE METRO RAIL CORPORATION LIMITED having CIN : U16286KA1994GOI016286** (herein after called the company). Secretarial Audit was conducted in a manner that provided us the reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion the Company has, during the audit period covering the Financial year ended on 31st March 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

The Company is a wholly owned Government Company and is engaged in mass Rapid Rail Transit System meeting the urban transport needs of Bangalore City. The compliances reported herein are based on the specific provisions of law as applicable to a wholly owned Government Company.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on 31st March 2020, according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the Rules made there under;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;



IV. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act').

- a. SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015. (LODR Regulations) including the requirements with regard to the disclosure of information on Company's website and other disclosure and reporting requirements to the Stock Exchanges during the Financial Year, having regard to the fact that the Company is a Debt Listed Company and applicability of Part B of SEBI (LODR) Regulations.

There were no occasions during the financial year requiring specific compliance under the provisions of the following Regulations and Guidelines:

- a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended till date;
- b) The Securities and Exchange Board of India (Share Based Employees Benefits) Regulations, 2014, as amended till date;
- c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended till date;
- d) The Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2009; and
- e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998, as amended till date;
- f) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- g) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- h) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- i) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended till date;
- j) Foreign Exchange Management Act, 1999 and the Rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

V. We further report that based on the information and explanations received including the Industry Specific Laws as applicable to the Company, and also based on the records maintained, the Company has, in our opinion, complied with the provisions of:

1. Industry Specific Laws

- a) The Railways Act, 1989.
- b) The Metro Railways (Operation and Maintenance) Act, 2002.
- c) The Metro Railway General Rules, 2013.
- d) The Opening of Metro Railway for Public Carriage of Passengers Rules, 2013.



- e) The Metro Railways (Notices of Accidents and Inquiries) Rules, 2014.
- f) The Metro Railways (Construction of Works) Act, 1978.
- g) The Metro Railways (Carriage and Ticket) Rules, 2014.
- h) Legal Metrology Act, 2009
- i) Contract Labour (Regulation & Abolition) Act, 1970

2. General Laws

- a. All Industrial and Labour laws as applicable having regard to the nature of the Industry.
- b. Laws relating to the benefits of woman workers including Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- c. Registration and Stamp Laws
- d. Transfer of property Act, 1882
- e. Policies such as Risk Management Policy, etc.,

We further report that the Company has developed and implemented adequate systems and processes which are in place to monitor and effectively ensure compliances with the General Laws mentioned above. The said systems and processes are commensurate with the size and nature of operations.

We have also examined compliance with respect to:

- (i) The Secretarial Standards SS-1 and SS-2 issued by the ICSI and as notified by the Ministry of Corporate Affairs and report that the Company has mostly complied with the said Standards, having regard to the fact that the Company is a wholly owned Government Company.
- (ii) The Debt Listing Agreement Part B entered into by the Company with NSE (National Stock Exchange) as applicable to the Company and report that the Company has complied with the requirements to the extent reported herein:

We further report cumulatively, and having regard to the COVID-19 situation in the country, that the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, and Standards mentioned above except as mentioned below:

- a) *With regard to the submission of Unaudited Financial Results for the half year ended 30th September 2019 vide Regulation 52 (1) and 52 (2) of SEBI (LODR) Regulations 2015, there has been delay in filing the same which is reportedly due to delay in holding of Board Meeting.*



- b) *As per Secretarial Standards SS-1, the draft minutes of the Board Meeting have not been circulated to the Board of Directors within 15 days of the Board Meeting.*

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors. The changes in the Composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all the Directors to schedule the Board/committee Meetings, agenda and detailed notes on agenda was sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Sub Committees of Board reconstituted during the financial year by following necessary provisions governing the same. Majority decisions were carried through by the Board at its meetings and minutes of meetings are self-explanatory with regard to dissenting member's views, if any.

There are also processes and adequate procedures in place for minimizing exposure to risks which may threaten the very existence of the Company.

We further report that during audit period the following events took place which have bearing on the affairs of the Company in pursuance of the above referred laws, rules, regulations etc.:

1. The Company has received budgetary funds from the Government of India and Government of Karnataka to an extent of Rs.707.76 Crores (Rupees Seven Hundred and Seven Crores and Seventy-Six Lakhs Only) against which the Company has issued and allotted 70.77 Crore (Seventy Crores Seventy-Seven Lakhs) Equity Shares of Rs.10/-each to the respective Governments, the existing equity shareholders of the Company.

For S. Kedarnath & Associates

Sd/-

S. Kedarnath

Company Secretary

FCS No. 3031, C.P. No. 4422

Date : 11-07-2020

Place : Bengaluru

UDIN : F003031B000439555

Note : This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.



To,
The Members,
BANGALORE METRO RAIL CORPORATION LIMITED,
Bengaluru - 560 027

Our report (2019-20) of even date is to be read along with this letter.

1. Secretarial Audit was conducted using Information Technology tools and on a random test check basis which was necessitated in view of the prevailing COVID-19 Pandemic and in compliance of directions of the State Government and as per Para 3 of the ICSI Guidance dated 4th May 2020.
2. Maintenance of secretarial record is the responsibility of the Management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.
3. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. I believe that the processes and practices, we followed provide a reasonable basis for my opinion.
4. I have not verified the correctness and appropriateness of any of the financial records and Books of Accounts of the Company including the records pertaining to Goods and Service Taxes, Income Tax, Customs and other related enactments applicable to the Company.
5. Wherever required, I have obtained Management Representation about the compliance of laws, rules and regulations and happening of events etc.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For S. Kedarnath & Associates

Sd/-

S. Kedarnath

Company Secretary

FCS No. 3031, C.P. No. 4422

Date : 11-07-2020
Place : Bengaluru
UDIN : F003031B000439555



EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March 2020

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

FORM NO. MGT - 9

I. REGISTRATION AND OTHER DETAILS :

| | |
|--|---|
| Corporate Identification No: | U16286KA1994GOI016286 |
| Registration Date [DDMMYY] | 21/09/1994 |
| Name of the Company | Bangalore Metro Rail Corporation Limited |
| Category of the Company | Public Company |
| Sub Category of the Company | Government Company/ Limited by shares |
| Address of the Registered office and contact details | 3 rd Floor, B.M.T.C Complex , K.H. Road, Shanthinagar, Bangalore-560027 Ph : 080-22969300, Fax : 080-22969222 |
| Whether Listed Company | No |
| Name, Address & contact details of Registrar & Transfer Agents (RTA) | M/s.BgSE Financials Limited Stock Exchange Towers, 51, 1 st Cross, J.C. Road, Bengaluru - 560 027 Ph : 080-41575234 Fax : 080-41575229 |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated

| Sl. No. | Name and Description of main products/services | NIC Code of the Product/service | % to total turnover of the company |
|---------|--|---------------------------------|------------------------------------|
| 1. | Transport of urban sub-urban including underground and elevated railways | 99532124 | 90% |
| 2. | Real Estate activities on fee or Contract Basis | 99722120 | 10% |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| SL. No. | NAME AND ADDRESS OF THE COMPANY | CIN/GLN | HOLDING/ SUBSIDIARY/ ASSOCIATE |
|---------|---------------------------------|---------|--------------------------------|
| NIL | | | |



IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

i) Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year | | | No. of Shares held at the end of the year | | | % change during the year |
|--|---|-----------------------|-----------------------|---|-----------------------|-----------------------|--------------------------|
| | Demat | Physical | Total | Demat | Physical | Total | |
| A. Promoters | | | | | | | |
| 1. Central Govt. (Pol) | - | 2,91,18,90,000 | 2,91,18,90,000 | - | 3,61,96,50,000 | 3,61,96,50,000 | 24.30 |
| 2. State Govt. (GoK) | 2,91,18,90,000 | - | 2,91,18,90,000 | 3,61,96,50,000 | - | 3,61,96,50,000 | 24.30 |
| SUB TOTAL | 2,91,18,90,000 | 2,91,18,90,000 | 5,82,37,80,000 | 3,61,96,50,000 | 3,61,96,50,000 | 7,23,93,00,000 | |
| Total Shareholding of Promoter | 2,91,18,90,000 | 2,91,18,90,000 | 5,82,37,80,000 | 3,61,96,50,000 | 3,61,96,50,000 | 7,23,93,00,000 | 24.30 |
| B. PUBLIC SHAREHOLDING | | | | | | | |
| SUB TOTAL : | - | - | - | - | - | - | |
| Total Public Shareholding | - | - | - | - | - | - | |
| C. Shares held by Custodian for GDRs & ADRs | | | | | | | |
| Grand Total (A+B+C) | 2,91,18,90,000 | 2,91,18,90,000 | 5,82,37,80,000 | 3,61,96,50,000 | 3,61,96,50,000 | 7,23,93,00,000 | 24.30 |

Presently, 100% of the total paid up share capital is held by Government of India (GoI) and Government of Karnataka (GoK) in the 50:50 ratio.



ii) Shareholding of Promoter

| Sl. No. | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in shareholding during the year |
|---------|-----------------------|---|----------------------------------|---|-------------------------------------|----------------------------------|---|--|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged/ encumbered to total shares | No. of Shares | % of total Shares of the company | % of Shares Pledged/ encumbered to total shares | |
| 1. | President of India | 2,91,18,90,000 | 50 | - | 3,61,96,50,000 | 50 | - | 24.30 |
| 2. | Governor of Karnataka | 2,91,18,90,000 | 50 | - | 3,61,96,50,000 | 50 | - | 24.30 |
| | Total | 5,82,37,80,000 | 100 | - | 7,23,93,00,000 | 100 | - | 24.30 |

iii) Change in Promoters' Shareholding (please specify, if there is no change)

| Sl. No. | | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------|--|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1. | At the beginning of the year | | | | |
| | President of India | 2,91,18,90,000 | 50 | 2,91,18,90,000 | 50 |
| | Governor of Karnataka | 2,91,18,90,000 | 50 | 2,91,18,90,000 | 50 |
| | Total | 5,82,37,80,000 | 100 | 5,82,37,80,000 | 100 |
| 2. | Change in shareholding | | | | |
| | President of India (Change during the year) | 70,77,60,000 | 24.30 | | |
| | Governor of Karnataka (Change during the year) | 70,77,60,000 | 24.30 | | |
| 3. | At the end of the year | | | | |
| | President of India | 3,61,96,50,000 | 50 | 3,61,96,50,000 | 50 |
| | Governor of Karnataka | 3,61,96,50,000 | 50 | 3,61,96,50,000 | 50 |
| | Total | 7,23,93,00,000 | 100 | 7,23,93,00,000 | 100 |

iv) Shareholding Pattern of top ten Shareholders : (other than Directors, Promoters and Holders of GDRs and ADRs)

Not Applicable, since the shares are equally held by Government of India (GoI) and Government of Karnataka (GoK).



v) Shareholding of Directors

| Sl. No. | Shareholding of each Directors and each Key Managerial Personnel | Shareholding at the beginning of the year | | Date | Increase/ Decrease in shareholding | Reason | Cumulative Shareholding during the Year (01/04/2019 to 31/03/2020) | |
|---------|--|---|----------------------------------|------------|------------------------------------|-----------|--|----------------------------------|
| | | No. of shares | % of total shares of the Company | | | | No. of shares | % of total shares of the Company |
| 1. | Shri Durga Shanker Mishra | 10 | - | 01/04/2019 | 0 | No change | 10 | - |
| | | 10 | - | 31/03/2020 | | | | |
| 2. | Shri Ajay Seth | 10 | - | 01/04/2019 | 0 | No Change | 10 | - |
| | | 10 | - | 31/03/2020 | | | | |
| 3. | Shri K.K.Saberwal | 10 | - | 01/04/2019 | 0 | No Change | 10 | - |
| | | 10 | - | 31/03/2020 | | | | |
| 4. | Shri Pradeep M Sikdar | 10 | - | 01/04/2019 | 0 | No Change | 10 | - |
| | | 10 | - | 31/03/2020 | | | | |
| 5. | Shri M.K.Sinha | 10 | - | 01/04/2019 | 0 | No Change | 10 | - |
| | | 10 | - | 31/03/2020 | | | | |
| 7. | Shri Mahendra Jain | 10 | - | 01/04/2019 | 0 | Transfer | 0 | - |
| | | 0 | - | 31/03/2020 | | | | |
| 8. | Shri B.H.Anil Kumar | 10 | - | 01/04/2019 | 10 | Transfer | 10 | - |
| | | 0 | - | 31/03/2020 | | | | |
| 9. | Dr.E.V.Ramana Reddy | 0 | - | 01/04/2019 | 10 | Transfer | 0 | - |
| | | 10 | - | 31/03/2020 | | | | |
| 10. | Shri P.Ravikumar | 0 | - | 01/04/2019 | 10 | Transfer | 10 | - |
| | | 10 | - | 31/03/2020 | | | | |
| 11. | Shri I.S.N. Prasad | 10 | - | 01/04/2019 | 0 | No Change | 10 | - |
| | | 10 | - | 31/03/2020 | | | | |



V) INDEBTEDNESS OF THE COMPANY INCLUDING INTEREST OUTSTANDING/ACCRUED BUT NOT DUE FOR PAYMENT.

(Rs. In Lakhs)

| Particulars | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|-------------------------------------|---------------------|----------|-----------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 68,852.68 | 15,74,003.41 | - | 16,42,856.09 |
| ii) Interest due but not paid | - | 598.18 | - | 598.18 |
| iii) Interest accrued but not due | 1019.85 | - | - | 1019.85 |
| Total (i+ii+iii) | 69,872.53 | 15,74,601.59 | - | 16,44,474.12 |
| Change in Indebtedness during the financial year | | | | |
| * Addition | | | | |
| i) Principal Amount | - | 4,10,021.28 | - | 4,10,021.28 |
| ii) Interest due but not paid | | 265.36 | - | 265.36 |
| iii) Interest accrued but not due | 15.76 | - | - | 15.76 |
| * Reduction | | | | |
| i) Principal Amount | 5,812.77 | 17,133.91 | - | 23,103.87 |
| ii) Interest due but not paid | - | 25.60 | - | 25.60 |
| iii) Interest accrued but not due | 47.96 | - | - | 47.96 |
| Net Change | (5,844.97) | 3,93,127.02 | - | 3,98,971.99 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 63,039.91 | 19,66,890.68 | - | 20,29,930.59 |
| ii) Interest due but not paid | - | 837.94 | - | 837.94 |
| iii) Interest accrued but not due | 987.65 | - | - | 987.65 |
| Total (i+ii+iii) | 64,027.56 | 19,67,728.61 | - | 20,31,756.16 |



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (In Rs.)

| SN. | Particulars of Remuneration | Name of Managing Director/ Whole-time Director | | | Total Amount |
|-----|---|--|---|---------------------------------|--------------------|
| | | Ajay Seth Managing Director | D.Radhakrishna Reddy Director (P&P) (With effect from 26.04.2019) | N. M. Dhoke Director (R.S.E) | |
| 1 | Gross salary | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 32,77,500 | 45,00,071 | 53,28,875 | 1,31,06,446 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - | - | - | - |
| | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | - | - | - | - |
| 2 | Stock Option | - | - | - | - |
| 3 | Sweat Equity | - | - | - | - |
| 4 | Commission - as % of profit | - | - | - | - |
| 5 | Others, please specify | - | - | - | - |
| | Total (A) | 32,77,500 | 45,00,071 | 53,28,875 | 1,31,06,446 |



B. Remuneration to other Directors - NIL

C. Remuneration to Key Managerial Personnel Other than MD/MANAGER/WTD

(In Rs.)

| Sl. No. | Particulars of Remuneration | Key Managerial Personnel | | | Total Amount |
|---------|---|--|---|--|------------------|
| | | U. Jagadish Nayak Company Secretary | S. Vasudevan Chief Financial Officer | | |
| 1 | Gross salary | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 25,62,972 | 20,94,212 | | 46,57,184 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - | 2,02,440 | | 2,02,440 |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | - | - | | - |
| 2 | Stock Option | - | - | | - |
| 3 | Sweat Equity | - | - | | - |
| 4 | Commission - as % of profit | - | - | | - |
| 5 | Others, please specify | - | - | | - |
| | Total | 25,62,972 | 22,96,652 | | 48,59,624 |



VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BANGALORE METRO RAIL CORPORATION LIMITED

Report on the Audit of the Financial Statements

Opinion

- 1.01 We have audited the accompanying financial statements of the Bangalore Metro Rail Corporation Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").
- 1.02 In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its loss, and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

- 2.01 We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Emphasis of Matter

- 3.01 We draw attention to the following notes to the financial statements:
- a) Note 2.1(2) relating title of lands acquired through the KIADB deemed to be transferred to the Company on publication of final notification in the Gazette and shown as land asset at the notification value, land area and amount paid for acquisition under reconciliation and pendency of khata transfer in the name of the Company for 1229 properties out of 3753 properties acquired for Phases 1 & 2 of the Metro Rail Project, in the BBMP records;



- b) Note 2.43 relating to lands acquired through the KIADB by way of acquisition proceedings and from other Government organisations, capitalized on the basis of provisional cost as per notifications and possession, pending finalisation and giving effect to land acquisition/ consent awards/rehabilitation costs, interest etc.,
- c) Note 2.15 C) relating to interest free subordinate debt received from the Promoters' viz. Government of India (Rs 250259 lakh as at 31.3.2020) and Government of Karnataka (Rs 1087838 lakh as at 31.3.2020) forming part of the non-current financial liabilities, for which repayment schedule has not been fixed by the Promoters', not considered for fair valuation as per Ind AS 109- Financial Instrument, in view of uncertainty of repayment and non-availability of readily comparable discounting rates for similar long term debts in the Indian Banking system;
- d) Note 2.15 D) to H) relating to clarification by the Controller of Aid Accounts & Audit(CAAA), Department of Economic Affairs, Government of India in March 2015 that only in case of external loans guaranteed by the Government, exchange and other risks are to be borne by the borrower and the Company not required to bear the exchange rate variation in respect of the sovereign loans from the external funding agencies received as Pass Through Assistance(PTA) from the Government of India, for the Metro Rail Project under the Tripartite Agreement between the Gol, GoK and Company, which is servicing the interest and loan principal in rupee terms to the Gol. However, pending examination of the matter at the Government of India level on a reference, the foreign currency equivalent of loan outstanding at the close of the year has not been restated as per Ind AS 21-Effects of Change in Foreign Exchange Rates & Ind AS 109-Financial Instruments and exchange variation towards interest & loan servicing and loan outstanding not quantified for necessary accounting adjustments;
- e) Note 2.42 relating to deviation from the Ind AS 101 requirement, in the matter of disclosure of historical cost of the Property, Plant and Equipment as Gross Block on the transition date of 01.04.2015 to Ind AS and thereafter, the same not resulting in any change in the net block value;
- f) Note 2.54 relating to significant disruptions worldwide due to COVID-19 Pandemic outbreak and suspension of the metro rail operations by the Company along the 42 Kms stretch in the Phase I due to nationwide lockdown from 22nd March 2020 with consequential reduction in the fare and non-fare box revenue in March 2020 and expected loss of revenue from April 2020;
- g) Note 2.60 relating to unsecured special advance outstanding of Rs.63.89 Crore (including interest of Rs 2.67 Crore) in the names of two JV contractors forming part of the Capital Advance under Note 2.11 being considered good, pending non submission of the final bill by the contractors and conciliation proceeding proposed for the claims and counter claims by the Company/Contractors, and in a corporate insolvency resolution process, one of the JV partner ordered to be liquidated by the Kolkata Bench of the National Company Law Tribunal vide its order dated 6.12.2018.



3.02 Our opinion on the financial statements is not modified in respect of the above matters.

Key Audit Matters

4.01 Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters for incorporation in our report:

| Sl. No. | Key Audit matter | How our audit addressed the Key Audit Matter |
|---------|--|---|
| 1. | <p>Capital Work in Progress</p> <p>In relation to the Metro Rail Project under implementation, the Company is in the process of executing civil works (Viaducts and Stations) under different Reaches and extension of existing Reaches simultaneously, as also other allied works, procurement of rolling stock, testing & certification thereof, which involve substantial period of time to get ready for the intended use, coordination at various levels and key management judgements and decision making related to technical specifications/parameters, contract processes and management</p> | <p>The audit procedure among others included an understanding and evaluation of the systems of internal controls over capital work in progress, identification and testing of key controls, review of the accounting policies relating to capital work in progress, capitalization of interest on borrowed funds and related expenses, assessment of the progress of civil and other allied works and intention of the management to carry forward capital works in progress to its eventual conversion to assets, for being ready for its intended use and relied upon the management judgements and decision making in relation to the technical and commercial aspects of the contract processes and management.</p> |
| 2. | <p>Property, Plant & Equipment (PPE)</p> <p>Due to the materiality of the PPE component in the context of the size of the balance sheet, capitalisation of assets along with capitalisation of expenses, borrowing costs, determination of asset life and impairment of the asset with significant impact on the carrying value of the PPE and depreciation thereon, requires use of complex and highly technical management assumptions, estimates and decision making</p> | <p>We reviewed and assessed the judgements made by the management and evaluated the controls in place, appropriateness of the capitalisation process, performed tests of details on costs capitalised, timeliness of assets capitalisation, criteria adopted for derecognition, nature of underlying costs capitalised, appropriateness of the useful life of certain assets as per the management decision based on the life followed by other metros, where useful life of the assets prescribed in Schedule II of the Companies Act, 2013 was not applied, with its impact on depreciation and relied upon the management estimates and expert opinion obtained in this regard.</p> |



| Sl. No. | Key Audit matter | How our audit addressed the Key Audit Matter |
|---------|--|--|
| 3. | <p>Provisions and Contingent Liabilities</p> <p>The Company is subject to a number of legal/arbitration and tax disputes/claims/cases, final outcome thereof with the likely accompanying impact on the finances and working of the Company which may not be amenable for measurement with reasonable degree of certainty, is based on complex assumptions and management judgement of the risk perception and assessment and management's disclosure with regard to Contingent Liabilities not Provided for are presented in Note No. 2.31(A) to the financial statements.</p> | <p>We have reviewed the summary of legal/arbitration and tax disputes/claims/cases provided by the Company and discussed with the relevant Company management team of the processes implemented/in place for identification and defence of the Company in the disputes/claims/cases, status of the most significant disputes/claims/cases included in the Note under Contingent Liabilities, management judgement and assessment of the liability that may arise in the disputes/claims/cases and amount of provisions recorded therein and exercised professional judgement to assess the adequacy of disclosure in the financial statements, based upon the records and information provided to us and developments to date.</p> |

Information other than the Financial Statements and Auditors' Report thereon

- 5.01 The Company's management and Board of Directors are responsible for the preparation of other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our audit report thereon.
- 5.02 Our opinion on the financial statements does not cover the other information and we do not express any form of assurance/conclusion thereon.
- 5.03 In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the management and those charged with governance for the Financial Statements

- 6.01 The Company's Board of Directors' is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance,



total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

- 6.02 In preparing the financial statements, the Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going concern basis of accounting unless the management of the Company either intends to liquidate the Company or cease operations, or has no realistic alternative but to do so.
- 6.03 Those Board of Directors' is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

- 7.01 Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
- 7.02 As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls
 - obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section



143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls

- evaluate the appropriateness of the accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management
- conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

7.03 Materiality is the magnitude of misstatements in the Financial Statement that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statement may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our Audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

7.04 We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in the internal controls that we identify during our audit.

7.05 We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

7.06 From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our Auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Report on Other Legal and Regulatory Requirements

- 8.01 As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure A**" a statement on the matters specified in Paragraphs 3 and 4 of the Order, to the extent applicable.
- 8.02 As required by Section 143(3) of the Act, we report that:
- (a) we have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss (including Other comprehensive income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 *other than (1) interest free Subordinate Debts from the Promoters' viz. Government of India and Government of Karnataka not considered for fair valuation in view of uncertainty of repayment and non-availability of readily comparable discounting rates for similar long term debts in the Indian Banking system vide Note 2.15 C); (2) pending examination of the matter by the Government of India, non restatement of the outstanding foreign currency equivalent of the sovereign project loans received as Pass Through Assistance from the Gol and exchange variation relating to interest & loan servicing not quantified vide Note 2.15 D) to H); and (3) disclosure of historical cost of the Property, Plant and Equipment as Gross Block on the transition date of 01.04.2015 to Ind AS and thereafter, the same not resulting in any change in the net block value vide Note 2.42;*
 - (e) As per Notification No. GSR 463(E) dated June 5, 2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of Section 164(2) and 197(16) of the Companies Act, 2013 are not applicable to the Company;
 - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we give a separate Report in "**Annexure B**";
 - (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and



to the best of our information and according to the explanations given to us:

- i) the Company has disclosed the impact of pending litigations on its financial position in its financial statements vide Note 2.31 A to the financial statements;
- ii) the Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
- iii) there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

8.03 On the basis of such checks of the books and records of the Company, as we considered appropriate and according to the information and explanations given to us, we give in the “**Annexure C**” a report on the directions and sub directions issued by the Comptroller and Auditor General of India in terms of section 143 (5) of the Companies Act, 2013, which is applicable to the Company.

**For Badari, Madhusudhan & Srinivasan
Chartered Accountants
(Firm Registration Number:005389S)**

**Sd/-
(T. V. Sudarshan)
(Partner)
(Membership Number : 019108)
UDIN : 20019108AAAABL8590**

Place : Bengaluru
Date : 03-09-2020



Annexure “A” to the Independent Auditor’s Report on the financial statements to the members of the Bangalore Metro Rail Corporation Limited for the year ended 31st March 2020

(Referred to in Paragraph 8.01 under the “Report on Other Legal and Regulatory Requirements” section of our report of even date)

- (i)
 - (a) According to the information and explanations given to us, the Company has maintained proper records showing particulars of the PPE except quantitative details and situation of the PPE;
 - (b) Though the Company has a program of physical verification of its assets in a phased manner over a period of three years, according to the information and explanations given to us, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets, *no portion of the fixed assets were covered under the phased program of physical verification by the management in the year under report as also in the previous years. In view of physical verification having not been carried out, discrepancies, if any, are not ascertainable for suitable adjustments, if any;*
 - (c) According to the information and explanations given by the management, the title deeds of immovable properties are in the name of Company except for pending transfer of title/khata of lands acquired/received from the Government in the name of the Company as disclosed in Notes 2.1.2 to the financial statements;
- (ii) As explained to us, inventories including the stock of printed contactless smart cards held for issue to the passengers have been physically verified by the management during the year. Further, as informed to us, no material discrepancies have been reported, on such verification.
- (iii) As per Notification No. GSR 463(E) dated June 5, 2015 issued by the Ministry of Corporate Affairs, Government of India, Government companies are exempted from the provisions of Section 188 of the Act in respect of contracts or arrangements entered into between the Government companies. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships or Other Parties covered in the Register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company;
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees and securities given by the Company in respect of which provisions of section 185 and 186 of the Companies Act 2013 are attracted and provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company;
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public. Hence the directives issued by the Reserve Bank of India and provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies[Acceptance of Deposit] Rules, 2015 with regard to deposits accepted from the public, are not applicable. We are informed by the Management that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal in this regard;



- (vi) The Central Government has not prescribed maintenance of the cost records under section 148(1) of the Act for the nature of the operations in which the Company is engaged;
- (vii) (a) According to the information and explanations given to us, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Customs Duty, Goods & Service Tax, Cess, Professional Tax and any other statutory dues as applicable to it;
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of the statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Customs Duty, Goods & Service Tax, Cess, Professional Tax and other material statutory dues were outstanding at the year end, for a period of more than six months from the date they became payable;
- (c) According to the information and explanation given to us, following are the disputed statutory dues and the forum before which they are disputed:

| Name of the Statute | Nature of Dues | Period to which the dues pertain | Amount Demanded | Amount Paid / deposited (Including Interest) | Forum where dispute is pending |
|---------------------|--|----------------------------------|-----------------|--|--------------------------------|
| Income Tax Act 1961 | Tax on Interest Income | AY 2007-08 & AY 2008-09 | 1,457.39 | 1,768.26 | High court of Karnataka |
| | Tax on Interest Income | AY 2009-10 | 1,090.49 | 1,254.11 | ITAT, Bengaluru |
| | Tax on Interest Income | AY 2010-11 | 1,222.12 | 1,262.83 | ITAT, Bengaluru |
| | Default in Deduction of Tax at source | AY 2010-11 | 2,148.80 | - | CIT (Appeals), Bengaluru |
| | Non- Recovery of TDS | AY 2011-12 | 2,293.97 | 123.00 | ITAT, Bengaluru |
| | Reimbursement of State taxes assessed as Income from Other Sources | AY 2011-12 | 3,441.14 | - | ITAT, Bengaluru |

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of the loans or borrowings availed from the external funding agencies through the Government of India or Financial Institutions or Government or Debenture holders in the year under report;
- (ix) As per the explanations provided to us, monies received towards issue of shares to the existing shareholders and term loans from the external funding agencies through the Government of India or Financial Institutions or Government or Debenture holders, have been used/are in the process of being utilized for the purposes for which they have been raised;
- (x) To the best of our knowledge and according to the information and explanations provided by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year;



- (xi) As per Notification No. GSR 463(E) dated June 5, 2015 issued by the Ministry of Corporate Affairs, Government of India, the Government companies are exempted from the provisions of Section 197 of the Act. Accordingly, the question of reporting whether the payment of managerial remuneration by the Company is in accordance with the requisite approvals mandated by the provisions of section 197 of the Act read with Schedule V to the Companies Act, 2013 does not arise;
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company as per the Act. Accordingly, provisions of clause 3(xii) of the order is not applicable;
- (xiii) As per Notification No. GSR 463(E) dated June 5, 2015 issued by Ministry of Corporate Affairs, Government of India, Government companies are exempted from the provisions of Section 188 of the Act in respect of contracts or arrangements entered into between the Government companies. Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, transactions with the related parties are in compliance with sections 177 & 188 of the Companies Act, 2013 to the extent applicable and details have been disclosed in the notes to the financial statements, as required by the applicable Accounting Standards;
- (xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Hence, reporting requirements under clause 3(xiv) are not applicable;
- (xv) According to the information and explanations given by the management, the Company has not entered into any noncash transactions with the Directors' or persons connected with them as referred to in section 192 of Companies Act, 2013 during the year; and
- (xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under the provisions of section 45-IA of the Reserve Bank of India Act, 1934.

**For Badari, Madhusudhan & Srinivasan
Chartered Accountants
(Firm Registration Number:005389S)**

**Sd/-
(T. V. Sudarshan)
(Partner)
(Membership Number : 019108)
UDIN : 20019108AAAABL8590**

Place : Bengaluru
Date : 03-09-2020



Annexure “B” to the Independent Auditor’s Report on the financial statements to the members of the Bangalore Metro Rail Corporation Limited for the year ended 31st March 2020

Report on the Internal Financial Controls under Section 143(3) (i) of the Companies Act, 2013 (“the Act”)

(Referred to in Paragraph 8.02 (f) under the “Report on Other Legal and Regulatory Requirements” section of our report of even date)

- 1.01. We have audited the internal financial controls over financial reporting of the Bangalore Metro Corporation Limited (“the Company”) as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for the Internal Financial Controls

- 2.01 The Company’s Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company’s policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of the reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

- 3.01 Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
- 3.02 Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating



effectiveness of internal control based on the assessed risk. The procedures selected depend on the Auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

- 3.03 We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to the Financial Statements.

Meaning of Internal Financial Controls with reference to the Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to the Financial Statements

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

Opinion

- 6.01 In our opinion, the Company has, in all material respects, an adequate internal financial control system with reference to the financial statements and such internal financial controls over financial statements were operating effectively as at March 31, 2020, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.



Other Matter Paragraph

7.01 According to the information and explanation given to us and based on our audit, (i) non verification of a portion of the fixed assets in the year under report as also in the previous years, as part of the phased program of verification over three years wherein all the fixed assets are to be covered under verification and (ii) non linking of advances paid, deposits received/deducted, amount payable etc., to the same vendor through the software for error free account adjustment/settlement, continued to be areas of weakness as at 31st March, 2020.

**For Badari, Madhusudhan & Srinivasan
Chartered Accountants
(Firm Registration Number:005389S)**

**Sd/-
(T. V. Sudarshan)
(Partner)
(Membership Number : 019108)
UDIN : 20019108AAAABL8590**

Place : Bengaluru
Date : 03-09-2020



Annexure “C” to the Independent Auditor’s Report on the financial statements to the members of the Bangalore Metro Rail Corporation Limited for the year ended 31st March 2020

(Referred to in Paragraph 8.03 under the “Report on Other Legal and Regulatory Requirements” section of our report of even date)

| Sl. No. | Directions issued by the Comptroller & Auditor General of India | Auditor’s Report |
|---------|--|---|
| 1. | Whether the Company has a system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated. | <p>Yes.</p> <p>The Company uses AXPERT software for its’ accounting transactions.</p> <p>For metro rail revenue collection, the Company uses “Contactless Smart Card (CSC) based Automatic Fare Collection (AFC)” software. Data generated by the AFC software acts as the control record for the daily accounting of fare box revenue in the AXPERT software.</p> <p>Untraveled portion of the revenue under the CSC is derived from the AFC software and monthly adjustment entries are passed manually in the AXPERT software.</p> <p>On the basis of test check and review of the external internal auditors’ report, no instance of lack of integrity of the accounts involving financial implication has been noted/reported.</p> |
| 2. | Whether there is any restructuring of an existing loan or cases of waiver/ writeoff of debts/loans/interest etc., made by a lender to the Company due to the Company’s inability to repay the loan? If yes, the financial impact may be stated. | As per the information and explanations obtained there was no restructuring of an existing loan or cases of waiver/write off debts/ loans/interest, etc., made by a lender to the Company due to the Company’s inability to repay the loan. |



| Sl. No. | Directions issued by the Comptroller & Auditor General of India | Auditor's Report |
|---------|---|---|
| 3. | Whether funds received/receivable for specific schemes from Central/ State agencies were properly accounted for /utilized as per its term and conditions ? List the cases of deviation. | As per the information and explanations obtained, checks applied by us during the course of our audit and based upon the external internal auditors' reports, we are of the opinion that funds received for specific schemes from the Central/State agencies were properly accounted for/utilized as per the term and conditions. |

**For Badari, Madhusudhan & Srinivasan
Chartered Accountants
(Firm Registration Number:005389S)**

**Sd/-
(T. V. Sudarshan)
(Partner)
(Membership Number : 019108)
UDIN : 20019108AAAABL8590**

Place : Bengaluru
Date : 03-09-2020



INDIAN AUDIT AND ACCOUNTS DEPARTMENT
OFFICE OF THE DIRECTOR GENERAL OF
COMMERCIAL AUDIT AND EX-OFFICIO MEMBER,
AUDIT BOARD, HYDERABAD

DGCA/A/c/Desk/2019-20/BMRCL/1.59/141

06 October 2020

To
The Managing Director,
Bangalore Metro Rail Corporation Limited,
BMTC Complex, 3rd Floor,
K H Road, Shantinagar,
Bengaluru - 560 027

Sub : Comments of the C&AG of India under Section 143(6)(b) of the Companies Act, 2013 on the accounts of Bangalore Metro Rail Corporation Limited, Bangalore for the year ended on 31 March 2020

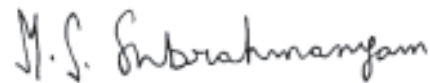
Sir,

I forward herewith the 'Nil Comments' Certificate of Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act 2013 on the accounts of Bangalore Metro Rail Corporation Limited, Bangalore for the year ended on 31 March 2020.

2. The date of placing the comments along with Annual Accounts and Auditor's Report before the shareholders of the Company may please be intimated and a copy of the proceedings of the meeting may be furnished.
3. The date of forwarding the Annual Report and Annual Accounts of the Company together with Auditor's Report and comments of the Comptroller and Auditor General of India to the Central Government for being placed before the Parliament may please be intimated.
4. Ten copies of the Annual Report for the year 2019-20 may please be furnished in due course.

The receipt of this letter along with the enclosures may please be acknowledged.

Yours faithfully,



(M. S. SUBRAHMANYAM)
Director General

Ecnl : As above



COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF BANGALORE METRO RAIL CORPORATION LIMITED, BANGALORE FOR THE YEAR ENDED 31 MARCH 2020

The preparation of financial statements of Bangalore Metro Rail Corporation Limited, Bangalore for the year ended 31 March 2020 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on the independent audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 03 September 2020.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Bangalore Metro Rail Corporation Limited, Bangalore for the year ended 31 March 2020 under Section 143(6)(a) of the Act. 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 supplementary audit, nothing significant has come to my knowledge, which would give rise to any comment upon or supplement to Statutory Auditor's Report under Section 143 (6) (b) of the Act.

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

M. S. Subrahmanyam

**(M. S. SUBRAHMANYAM)
Director General of Commercial Audit
Hyderabad**

Place : Hyderabad
Date : 06 October 2020



Balance Sheet As at 31st March 2020

(Amount in Rs.)

| | Particulars | Note No. | As at 31 st March 2020 | As at 31 st March 2019 |
|-----------|---------------------------------------|----------|--------------------------------------|--------------------------------------|
| I | ASSETS | | | |
| 1 | Non-current assets | | | |
| (a) | Property, Plant and Equipment | 2.1 | 1,91,19,13,65,336 | 1,68,31,13,39,656 |
| (b) | Capital Work-In-Progress | 2.2 | 53,96,07,64,687 | 27,89,59,64,994 |
| (c) | Intangible Assets | 2.1 | 1,57,45,206 | 1,20,97,201 |
| (d) | Intangible Assets under Development | 2.2 | - | 68,93,983 |
| (e) | Financial Assets | | | |
| (i) | Deposit | 2.3 | 7,42,45,257 | 2,77,05,979 |
| (f) | Other Non-Current Assets | 2.4 | 12,96,53,97,779 | 4,95,10,79,762 |
| | Total Non - Current Assets (A) | | 2,58,20,75,18,265 | 2,01,20,50,81,575 |
| 2 | Current assets | | | |
| (a) | Inventories | 2.5 | 6,06,56,948 | 4,01,72,601 |
| (b) | Financial Assets | | | |
| (i) | Trade Receivables | 2.6 | 2,66,00,096 | 2,86,44,100 |
| (ii) | Cash and Cash Equivalent | 2.7 | 7,21,66,42,998 | 2,66,63,55,530 |
| (iii) | Bank Balances Other than (ii) above | 2.8 | 12,34,45,030 | 5,26,60,23,023 |
| (iv) | Others Receivables | 2.9 | 1,53,96,66,636 | 59,39,24,308 |
| (c) | Current Tax Assets | 2.10 | 63,54,36,871 | 79,51,27,214 |
| (d) | Other Current Assets | 2.11 | 5,67,54,51,130 | 8,87,72,97,080 |
| | Total Current Assets (B) | | 15,27,78,99,709 | 18,26,75,43,856 |
| | Total Assets (A+B) | | 2,73,48,54,17,974 | 2,19,47,26,25,431 |
| II | EQUITY AND LIABILITIES | | | |
| 1 | Equity | | | |
| (a) | Equity Share Capital | 2.12 | 72,39,30,00,000 | 58,23,78,00,000 |
| (b) | Other Equity | 2.13 | (12,10,79,70,243) | (13,17,73,06,606) |
| | Total Equity (A) | | 60,28,50,29,757 | 45,06,04,93,394 |



| | Particulars | Note No. | As at 31 st March 2020 | As at 31 st March 2019 |
|----------|---|----------|-----------------------------------|-----------------------------------|
| 2 | Deferred Grants | | | |
| | (a) Deferred Grant /Income | 2.14 | 2,48,10,51,568 | 2,53,22,90,130 |
| | Total Deferred Grants (B) | | 2,48,10,51,568 | 2,53,22,90,130 |
| 3 | Non-Current Liabilities | | | |
| | (a) Financial Liabilities | | | |
| | (i) Borrowings | 2.15 | 1,99,97,77,77,562 | 1,61,97,64,98,747 |
| | (ii) Other Financial Liabilities | 2.16 | 6,27,50,142 | 5,14,54,097 |
| | (b) Provisions | 2.20 | 3,70,43,996 | 2,66,47,534 |
| | (c) Other Non-Current Liabilities | 2.17 | 5,02,02,000 | 5,02,02,000 |
| | Total Non-Current Liabilities (C) | | 2,00,12,77,73,700 | 1,62,10,48,02,378 |
| 4 | Current Liabilities | | | |
| | (a) Financial Liabilities | | | |
| | (i) Borrowings | 2.15 | 3,01,52,82,072 | 2,30,91,10,231 |
| | (ii) Trade and Other Payables | 2.18 | 13,27,56,236 | 9,86,24,917 |
| | (iii) Other Financial Liabilities | 2.19 | 18,25,57,650 | 16,23,88,830 |
| | (b) Provisions | 2.20 | 21,94,65,918 | 14,56,95,652 |
| | (c) Current Tax Liabilities | 2.21 | 7,72,26,083 | 21,87,59,323 |
| | (d) Other Current Liabilities | 2.22 | 6,96,42,74,990 | 6,84,04,60,576 |
| | Total Current Liabilities (D) | | 10,59,15,62,949 | 9,77,50,39,529 |
| | Total Equity and Liabilities (A+B+C+D) | | 2,73,48,54,17,974 | 2,19,47,26,25,431 |

Significant Accounting Policies - Note no. 1.

The accompanying notes are an integral part of the Financial Statements .

Sd/-
Ajay Seth
Managing Director

Sd/-
D. Radhakrishna Reddy
Director (P&P)

In accordance with our report attached
For Badari, Madhusudhan & Srinivasan
Chartered Accountants
Firm Registration No: 005389S

Sd/-
U. Jagadish Nayak
Company Secretary

Sd/-
S. Vasudevan
Chief Finance Officer

Sd/-
(T. V. Sudarshan)
Partner
Membership No: 019108

Place : Bengaluru
Date : 03-09-2020



Statement of Profit and Loss for the year ended 31st March 2020

(Amount in Rs.)

| | Particulars | Note No. | Year ended 31 st March 2020 | Year ended 31 st March 2019 |
|------------|---|----------|---|---|
| I | Income | | | |
| | Revenue From Operations | 2.23 | 4,18,79,52,422 | 4,02,34,57,789 |
| | Other Income | 2.24 | 14,43,26,282 | 17,12,07,179 |
| | Reimbursement of Cash Losses Received from GOK | | 43,00,00,000 | 1,16,39,00,000 |
| | Total Income | | 4,76,22,78,704 | 5,35,85,64,968 |
| II | Expenses | | | |
| | Operating Expenses | 2.25 | 2,25,88,17,625 | 2,20,69,27,946 |
| | Employee Benefits Expense | 2.26 | 1,34,54,01,145 | 1,00,07,57,388 |
| | Finance Costs | 2.27 | 1,08,96,50,971 | 1,12,49,78,361 |
| | Depreciation and Amortisation Expense | 2.28 | 5,83,80,38,063 | 5,83,93,91,680 |
| | Other Expenses | 2.29 | 18,70,33,957 | 15,19,71,724 |
| | Total Expenses | | 10,71,89,41,761 | 10,32,40,27,099 |
| III | Profit/Loss Before Exceptional Items | | (5,95,66,63,057) | (4,96,54,62,131) |
| | Exceptional Items | | - | - |
| IV | Profit/loss Before Tax | | (5,95,66,63,057) | (4,96,54,62,131) |
| V | Tax Expenses | | | |
| | Current Tax | | - | - |
| VI | Profit for the Period from Continuing Operations | | (5,95,66,63,057) | (4,96,54,62,131) |
| | Other Comprehensive Income: | | | |
| | Items that will not be reclassified subsequently to profit or loss : | | | |
| | Remeasurement of the Net Defined Benefit Liability | | (2,90,95,544) | (1,86,83,031) |
| VII | Total Other Comprehensive Income / (Loss) for the Period, Net of Tax | | (2,90,95,544) | (1,86,83,031) |



| | Particulars | Note No. | Year ended 31 st March 2020 | Year ended 31 st March 2019 |
|------|---|----------|--|--|
| VIII | Total Comprehensive Income for the Period | | (5,98,57,58,601) | (4,98,41,45,162) |
| IX | Earnings Per Share (In Rupees) | | | |
| | Basic | | (0.94) | (0.91) |
| | Diluted | | (0.94) | (0.91) |

Significant Accounting Policies - Note no. 1.

The accompanying notes are an integral part of the Financial Statements .

Sd/-
Ajay Seth
Managing Director

Sd/-
D. Radhakrishna Reddy
Director (P&P)

In accordance with our report attached
For Badari, Madhusudhan & Srinivasan
Chartered Accountants
Firm Registration No: 005389S

Sd/-
U. Jagadish Nayak
Company Secretary

Sd/-
S. Vasudevan
Chief Finance Officer

Sd/-
(T. V. Sudarshan)
Partner
Membership No: 019108

Place : Bengaluru
Date : 03-09-2020



Statement of Changes in Equity for the year ended 31st March 2020

(Amount in Rs.)

| A. Equity Share Capital | |
|---|------------------------|
| Particulars | Amount |
| Balance as at 1st April 2018 | 53,62,98,00,000 |
| Equity Share Capital Issued During the Year | 4,60,80,00,000 |
| Balance as on 31st March 2019 | 58,23,78,00,000 |
| Equity Share Capital Issued During the Year | 14,15,52,00,000 |
| Balance as on 31st March 2020 | 72,39,30,00,000 |

| B. Other Equity | | | | | |
|---|--------------------------|--|--|----------------------------|--------------------------|
| | Retained Earnings | Capital Reserve (Grant in Aid-GOK-Land) | Share Application Money pending allotment* | Other Comprehensive Income | Total |
| Balance as at 1st April 2018 | (16,00,31,39,931) | 63,29,00,000 | 2,30,40,00,000 | (1,49,27,228) | (13,08,11,67,159) |
| Prior Period Income/Expenses | (73,09,37,516) | - | - | - | (73,09,37,516) |
| Fair Value Adjustment | - | 1,40,69,43,226 | - | - | 1,40,69,43,226 |
| Total Comprehensive Income for the year | (4,96,54,62,131) | 5 | - | (1,86,83,031) | (4,98,41,45,157) |
| Share Application Money Received | - | - | 8,82,00,00,000 | - | 8,82,00,00,000 |
| Equity Share Capital Issued | - | - | (4,60,80,00,000) | - | (4,60,80,00,000) |
| Balance as at 31st March 2019 | (21,69,95,39,578) | 2,03,98,43,231 | 6,51,60,00,000 | (3,36,10,259) | (13,17,73,06,606) |
| Prior Period Income/Expenses | (6,30,05,036) | - | - | - | (6,30,05,036) |
| Fair Value Adjustment | - | - | - | - | - |
| Total Comprehensive Income for the year | (5,95,66,63,057) | - | - | (2,90,95,544) | (5,98,57,58,601) |



| | Retained Earnings | Capital Reserve (Grant in Aid-GOK-Land) | Share Application Money pending allotment* | Other Comprehensive Income | Total |
|-------------------------------------|--------------------------|--|---|-----------------------------------|--------------------------|
| Share Application Money Received | - | - | 21,27,33,00,000 | - | 21,27,33,00,000 |
| Equity Share Capital Issued | - | - | (14,15,52,00,000) | - | (14,15,52,00,000) |
| Balance as at 31* March 2020 | (27,71,92,07,671) | 2,03,98,43,231 | 13,63,41,00,000 | (6,27,05,803) | (12,10,79,70,243) |

* Share Application Money, received from Government of India for Phase II amounting to Rs.9,07,57,00,000/- (FY 2018-19 Rs. 582,00,00,000/-) and from Government of Karnataka for Phase II amounting to Rs.4,55,84,00,000/- (FY 2018-19 Rs. 69,60,00,000/-) is retained as share application money pending equal contribution by the concerned Governments to maintain joint venture status of the Company. Shares shall be issued on receipt of matching contribution from GoK. The Interest earned on Share Application money is considered as Project funds hence the same is adjusted to Capital Work In Progress.

Fair Valuation Adjustments has been reclassified in the FY 2019-20 and regrouped under Retained earnings.

Significant Accounting Policies - Note no. 1.

The accompanying notes are an integral part of the Financial Statements .

Sd/-
Ajay Seth
Managing Director

Sd/-
D. Radhakrishna Reddy
Director (P&P)

**In accordance with our report attached
For Badari, Madhusudhan & Srinivasan**
Chartered Accountants
Firm Registration No: 005389S

Sd/-
U. Jagadish Nayak
Company Secretary

Sd/-
S. Vasudevan
Chief Finance Officer

Sd/-
(T. V. Sudarshan)
Partner
Membership No: 019108

Place : Bengaluru

Date : 03-09-2020



Statement of Cash Flow for the year ended 31st March 2020

(Amount in Rs.)

| Particulars | Year Ended on 31 st March 2020 | Year Ended on 31 st March 2019 |
|---|--|--|
| Cash flow from Operating Activities | | |
| Profit before Tax Income for the year | (5,95,66,63,057) | (4,96,54,62,131) |
| Adjustment for: | | |
| Non-cash adjustment to reconcile profit before tax to net cash flows | | |
| Prior Period Expenses | (6,30,05,036) | (73,41,19,263) |
| Fair Valuation Adjustment | (37,89,336) | 72,61,834 |
| Amortization of Grant | (5,12,38,562) | (5,43,63,305) |
| Depreciation and amortisation | 5,83,80,38,063 | 5,83,93,91,680 |
| Profit on Sale of Assets | (97,479) | - |
| Interest income | (1,58,19,618) | (35,60,922) |
| Interest expenses | 1,08,27,62,636 | 1,11,77,16,527 |
| Operating profit before Working Capital Changes | 83,01,87,611 | 1,20,68,64,421 |
| Movements in Working Capital : | | |
| Increase/ (decrease) in Trade payable | 3,41,31,319 | 8,55,40,074 |
| Increase/ (decrease) in other current liabilities | 9,47,18,870 | 77,88,84,447 |
| Increase/ (decrease) in Other financial liabilities | 3,52,54,201 | (41,59,75,365) |
| Increase/ (decrease) in Other financial liabilities (Borrowings) | 70,61,71,841 | 4,03,90,625 |
| Decrease / (increase) in other current assets | 3,20,18,45,951 | (3,83,82,08,183) |
| Decrease / (increase) in other Financial Current assets | (94,57,42,328) | (12,25,05,184) |
| Decrease / (increase) in Current tax assets | 15,96,90,343 | (10,74,08,546) |
| Decrease / (increase) in Trade Receivables | 20,44,004 | 3,70,01,791 |
| Decrease / (increase) in Inventories | (2,04,84,347) | (3,91,51,458) |
| Increase / (decrease) in Other Non Current liabilities (NCL) | 1,03,96,462 | - |
| Increase / (decrease) in provisions (CL) | (6,77,62,974) | 6,83,60,270 |
| Cash generated from /(used in) operations | 4,04,04,50,953 | (2,30,62,07,109) |
| Direct taxes paid (net of refunds) | - | - |
| Net Cash Flow from/ (used in) Operating Activities (A) | 4,04,04,50,953 | (2,30,62,07,109) |



| Particulars | Year Ended on 31 st March 2020 | Year Ended on 31 st March 2019 |
|---|--|--|
| Cash flows from Investing Activities | | |
| Purchase of fixed assets, including CWIP and capital advances (Net) | (62,84,13,09,076) | (37,84,50,80,793) |
| Deposits with Bank (more than three months) | 5,14,25,77,993 | 2,04,93,05,084 |
| Sale of fixed assets | 9,31,803 | - |
| Interest received | 1,58,19,618 | 35,60,922 |
| Net cash flow from/ (used in) Investing Activities (B) | (57,68,19,79,662) | (35,79,22,14,787) |
| Cash flows from Financing Activities | | |
| Proceeds from long-term borrowings | 38,00,12,78,813 | 24,76,45,03,459 |
| Proceeds from Share Capital/Share Application Money | 21,27,33,00,000 | 8,82,00,00,000 |
| Other borrowing costs paid | (1,08,27,62,636) | (1,11,77,16,527) |
| Grant Received From SUTF (State Urban Transport Fund) | - | 2,18,94,678 |
| Net cash flow from/ (used in) in Financing Activities (C) | 58,19,18,16,177 | 32,48,86,81,610 |
| Net increase/(decrease) in cash and cash equivalents (A + B + C) | 4,55,02,87,468 | (5,60,97,40,286) |
| Cash and cash equivalents at the beginning of the year | 2,66,63,55,530 | 8,27,60,95,816 |
| Cash and cash equivalents at the end of the year | 7,21,66,42,998 | 2,66,63,55,530 |
| Cash and Cash Equivalents | | |
| Cash on hand | 13,84,292 | 91,86,364 |
| Cash in Transit | - | 99,03,951 |
| With banks | | |
| - on current account | 3,64,80,589 | 79,92,36,485 |
| - on Treasury Token-In-Hand | - | - |
| - on deposit account maturity period of less than three months | 7,17,87,78,117 | 1,84,80,28,730 |
| Total Cash and Cash Equivalents | 7,21,66,42,998 | 2,66,63,55,530 |

Significant Accounting Policies - Note no. 1.

The accompanying notes are an integral part of the Financial Statements .

Sd/-
Ajay Seth
Managing Director

Sd/-
D. Radhakrishna Reddy
Director (P&P)

In accordance with our report attached
For **Badari, Madhusudhan & Srinivasan**
Chartered Accountants
Firm Registration No: 005389S

Sd/-
U. Jagadish Nayak
Company Secretary

Sd/-
S. Vasudevan
Chief Finance Officer

Sd/-
(T. V. Sudarshan)
Partner
Membership No: 019108

Place : Bengaluru
Date : 03-09-2020



BANGALORE METRO RAIL CORPORATION LIMITED

Notes forming part of Balance Sheet for the year ended March 31, 2020

Nature of operations / Corporate Information

Bangalore Metro Rail Corporation Limited ('BMRCL' or 'the Company') incorporated under the erstwhile Companies Act, 1956 is a Government Company within the meaning of Section 2(45) of the Companies Act, 2013 (formerly Section 617 of the Companies Act, 1956). It is promoted as a Joint Venture Company by the Government of India (GoI) and Government of Karnataka (GoK) to implement the Metro Rail Project in the city of Bangalore.

Basis of Preparation of financial statements

The financial statements are prepared on accrual basis under the historical cost convention except as otherwise stated and in accordance with the Indian Accounting Standard (Ind- AS) as notified by the Ministry of Corporate Affairs, Government of India under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereof as well as with the additional requirements applicable to the financial statements as set forth in the Companies Act, 2013.

Financial Statements are presented in the functional currency of Indian Rupee and amount is rounded to the nearest lakh, unless otherwise indicated.

Accounting Policies are consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the accounting policy hitherto in use.

1. Significant Accounting Policies

1.1. Use of Estimates and Judgment

The preparation of the financial statements in conformity with the Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, revenue and expenses and disclosure of contingent liabilities at the end of the reporting period. Estimates and underlying assumption are reviewed on an ongoing basis and revision to accounting estimates are recognized prospectively.

1.2. Revenue Recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and can be measured reasonably, regardless of when the payment is received.

1.2.1. Fare Box Revenue

Revenue from fare collection is recognized on the basis of use of tokens, money value used in case of Smart Cards and direct fare collection.



1.2.2. Non Fare Box Revenue

Non Fare Box Revenue including royalty from Bank for permission to issue combo cards, advertisement, property development, providing space for events, sponsorship and others are recognised on time proportion basis. One time receipt like upfront fee, non refundable deposit etc., in respect of contracts/arrangements for period not exceeding 10 years, is recognised as revenue in the year of receipt, while in other instances, the revenue is recognised on straight line basis over the period of the contract/arrangement.

1.2.3. Interest Income

Interest income is recognized using the effective interest method.

1.3. Expenditure

Expenses accruing in the accounting year and ascertainable with reasonable accuracy as on the date of financial statements, is provided in the accounts.

1.4. Property, Plant & Equipment

- 1.4.1. Property, Plant & Equipment are stated at historical cost less accumulated depreciation and impairment loss, if any. Cost comprises purchase price and any attributable cost of bringing the asset to the condition ready for its intended use. Borrowing costs (net of income) and other directly attributable cost relating to acquisition of the Property, Plant & Equipment, which takes substantial period of time to get ready for its intended use, are also included to the extent they relate to the period till such assets are ready for their intended use. Property, Plant & Equipment are derecognized from the financial statements, either on disposal or when retired from active use.
- 1.4.2. Significant components with different useful lives are accounted for as separate asset and depreciated separately.
- 1.4.3. Assets created under the Public Private Partnership (PPP) Model, are capitalized at the cost to the Company plus Re 1 - relating to Metro Rail operations, when the respective Rail Section/Line is open for public carriage of the passengers, after fulfilment of all the statutory and administrative formalities thereon and relating to other assets, when they are ready for the intended use.
- 1.4.4. Land is capitalized on completion of the process of acquisition and/or physical possession, where preliminary work on Rail Project has started pending completion of all the acquisition formalities.
- 1.4.5. Land cost includes expenditure related to compensation, registration & other statutory and incidental charges related to title and resettlement/rehabilitation and interest, if any, up to the date of acquisition/possession, whichever is earlier.
- 1.4.6. Expenditure on widening/strengthening of road, shifting of utilities etc. directly attributable to bringing the assets to working condition for intended use is added to the cost of the respective assets as per IND AS-16 Property, Plant & Equipment.



1.5 Capital Work-in-Progress

- 1.5.1. Assets under installation and/or construction as at the Balance Sheet date are shown as Capital Work in Progress.
- 1.5.2. In respect of works contract, Capital Work in Progress is booked on Engineers' work certification. Capitalization process is completed when the asset is ready for its intended use.

1.6. Allocation of Expenditure and Interest During Construction

- (i) Administrative and general overheads (net of income including interest receipts, sale of tender documents etc., if any, arising during the construction period) directly attributable to the Project gets allocated and capitalized in the ratio of assets capitalized to the total Capital Work-in-Progress as at the end of the month of commissioning.
- (ii) Interest on loans for funding specified components/project as per terms of the loan, is capitalized as part of the acquisition cost of such components (assets) every year and shown under CWIP.
- (iii) Interest during construction (IDC) in respect of qualifying assets commissioned during the year is allocated in the ratio which the value of commissioned asset bear to the qualifying CWIP as at the end of the month of commissioning.

1.7. Depreciation on Property, Plant & Equipment

Depreciation is computed on straight line method based on the useful life assigned to the assets under Schedule II of the Companies Act, 2013, except in respect of the following assets, wherein based on the technical evaluation, useful life as determined by the Delhi Metro Rail Corporation (DMRC), is adopted by the Company, in view of similar nature of assets & operations as that of DMRC:

| Particulars | Useful Life |
|--------------------------|-------------|
| Rolling Stock | 30 years |
| Escalators and Elevators | 30 years |
| Track Works | 30 years |

1.8. Intangible assets and amortization

Intangible assets are initially recognised and carried at cost less any accumulated amortisation and impairment losses. Costs relating to intangible assets with a finite useful life like software licenses are capitalized and amortized over their useful life not exceeding five years.

1.9. Foreign Currency Transactions

- 1.9.1. Foreign currency transactions are recorded in the functional currency, at the exchange rates prevailing on the date of the transaction.



1.9.2. At the year end, monetary items denominated in foreign currencies and not covered by foreign exchange contracts are translated at “year end exchange rates”, while those covered by forward exchange contracts are determined by their respective contracts. Any exchange difference, arising on translation/settlement of all foreign currency monetary items including long term foreign currency monetary items are recognized as income or expense in the Statement of Profit and Loss for the period in which they arise, except to the scope exclusion provided under IND AS 21 based on the voluntary exemption given in IND AS101.

1.10. Grant-In-Aid from Government / Others

1.10.1. Grant in aid/subventions/assistance including MRTS Cess from the Government of India(GoI), Government of Karnataka(GoK) and other authorities for meeting the Project expenditure is accounted as Deferred Grant / Income.

1.10.2. On capitalization of the related assets, grant/s received for the specific depreciable assets, is recognized in the Statement of Profit & Loss over the useful life of the asset, in proportion to which depreciation on such assets is provided.

1.10.3. Non monetary grants in the nature of Promoters’ Contribution received from the Government of Karnataka is recorded at fair value.

1.10.4. Non monetary assets received free of cost from parties other than Government are accounted at the nominal value.

1.10.5. Grant towards reimbursement of cash losses from the Government of Karnataka is accounted on receipt basis.

1.11. Interest Free Sub-ordinate Debt

Interest free subordinate debts received from the promoters is not considered for fair valuation in view of uncertainty of repayment and non -existence of such long term debts for long term period in the Indian Banking System.

1.12. Provisions and contingent liabilities

1.12.1. A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made based on technical evaluation and past experience. However where the effect of time value of money is material, provision is determined and maintained by discounting the expected future cash flow, wherever applicable. Where discounting is used, increase in the provision due to passage of time is recognized as Finance Cost in the Statement of Profit and Loss.

1.12.2. Any possible obligation that may arise from the past events and existence of which will be confirmed only by occurrence or non occurrence of one or more uncertain future



events not wholly within the control of the Company, is disclosed under Contingent Liability. Any present obligation that may arise from the past events not recognised, because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or a reliable estimate of the amount of the obligation can be made, is also disclosed under the Contingent Liability. Such items of Contingent Liability are reviewed at each Balance Sheet date and adjusted to reflect the current management estimate.

1.13. Cash and Cash Equivalents

Cash and Cash Equivalents for the purpose of cash flow statement comprise Cash at Bank and on hand and short term investments with original maturity of three months or less. Cashflow statement is prepared in accordance with the indirect method prescribed under IND AS-7 notified by the Ministry of Corporate Affairs, Government of India.

1.14. Employee Benefits

Defined Contribution Plans

Contribution paid/payable to defined contribution plans comprising of Provident and Pension Funds are charged to the Statement of Profit and Loss on accrual basis. The Company has no obligation, other than the contribution payable to such Funds.

Defined Benefit Plans

a. Gratuity: All the employees of the BMRCL excluding deputationists are covered under the Bangalore Metro Rail Gratuity Trust Rules. Contributions payable towards the gratuity scheme determined on the basis of actuarial valuation, carried out by an independent actuary, is recognised as part of the Employee Cost and charged in the Statement of Profit and Loss.

b. Leave: The Company provides for earned leave and half pay leave to both regular and contract employees which accrues at 30 days and 20 days respectively for each completed year of service.

c. Leave Encashment: In case of deputationists, leave salary contribution is remitted to the concerned Parent Department as per the terms of deputation. In case of regular and contract employees, earned leave encashable at the rate of 15 days in a calendar year and/or earned leave at credit at the time of termination of the contract being eligible for encashment, as per the contract terms, is provided for based on the actuarial valuation, carried out by an independent actuary.

d. Superannuation: Superannuation for employees is generally covered under a contributory plan called "Superannuation Fund" wherein 20% of Basic+DA or 20% of 70% of consolidated pay is credited to the fund. This 20% consists of 12% as employer's



contribution and 8% as employee's contribution. Contribution to this scheme is recognised as employee cost.

e. Deputed Employees: Retirement benefits to employees on deputation from the Government/other organizations are governed by the service rules of the respective parent organization and amount accrued towards retirement benefit contribution, is recognised based on the terms and conditions of deputation.

f. Remeasurements comprising actuarial gains/losses as well as the difference between the return on plan assets and amount included in net interest on the net defined benefit liability/assets are recognized in the Other Comprehensive Income(OCI), net of income tax.

g. Others expenses related to defined benefit plans are recognized as Employee Cost.

1.15. Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or acquisition of a qualifying asset is capitalized up to the time the asset or part thereof is ready for its intended use and thereafter, charged to the revenue.

1.16. Inventories

Inventories in the nature of Stores and Spares are valued at the lower of cost and net realizable value. Cost is determined on weighted average basis and includes other directly associated costs in bringing the inventories to their present location and condition.

1.17. Leases

Leases are classified as finance or operating lease, at their inception. Leases involving transfer of substantial risks and rewards incidental to ownership to the Company, is classified as a finance lease.

1.17.1. Where the Company is lessee

Leases where the lessor effectively retains substantial risks and benefits of ownership of the leased asset, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight line basis, over the lease term.

1.17.2. Where the Company is lessor

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in the fixed assets under Property, Plant and Equipment and depreciated as per the policy of the Company. Rental income on an operating lease is recognized on straight line basis in the Statement of Profit and Loss over the lease term. Other direct and indirect costs(other than cost of the assets under lease) specifically related to the operational lease, is recognized as expense in the Statement of Profit and Loss over the lease term, on the same basis as that of the lease income.



1.18. Taxes on income

- 1.18.1. Income Tax expense comprises of current tax and deferred tax. Income Tax expense is recognized in the Statement of Profit and Loss except to the extent that it relates to items recognized in Other Comprehensive Income or directly in Equity, in which case it is recognized in Other Comprehensive Income.
- 1.18.2. Current tax is determined in accordance with the provisions of the Income Tax Act, 1961 applicable for the relevant assessment year.
- 1.18.3. Deferred tax is recognized using the balance sheet method, providing for temporary difference between the carrying amount of an asset or liability in the balance sheet and its tax base.
- 1.18.4. Deferred tax is measured at the tax rates that are expected to apply when the temporary differences are either realized or settled, based on the laws that have been enacted or substantively enacted by the end of reporting period.
- 1.18.5. Deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the temporary difference can be utilized.
- 1.18.6. Carrying amount of Deferred tax assets are reviewed at each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

1.19. Impairment of assets

At each Balance Sheet date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognized in the Statement of Profit and Loss to the extent the carrying amount exceeds the recoverable amount. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. A previously recognised impairment loss is increased or reversed depending upon changes in the circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation, if there was no impairment.

1.20. Segment Report

The Company has only one reportable operating segment, which is running and maintenance of Metro Rail facility in Bangalore and operates in a single operating segment based on the nature of the services, the risk and returns, the organization structure and the internal financial reporting systems. Accordingly, the amounts appearing in the financial statements relate to the Company's single operating segment.



1.21. Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

1.22. Financial Instruments

1.22.1. Financial Instrument

Non Derivative Financial Instruments are classified as:

Financial assets measured at

- Amortized cost
- Fair value through the Statement of Profit and Loss
- Fair value through Other Comprehensive Income

Financial liability measured at

- Amortized cost
- Fair value through the Statement of Profit and Loss

Initial Recognition and Measurement

Financial assets and liabilities are recognized in the Company's statement of financial position, when the Company becomes a party to the contractual provisions of the instrument. The Company determines the classification of the financial assets and liabilities at the initial recognition. All the financial assets and liabilities are initially recognized at fair value plus directly attributable transaction costs through the Statement of Profit and Loss.

1.22.2. Financial Assets

1. Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

a. Financial assets carried at amortized cost

A financial asset is subsequently measured at the amortized cost, if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates, to cashflows that are solely payments of principal and interest on the principal amount outstanding.



b. Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through Other Comprehensive Income, if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c. Financial assets at fair value through the Statement of Profit and Loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through the Statement of Profit and Loss.

2. Derecognition

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset.

1.22.3. Financial Liabilities

1. Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through the Statement of Profit and Loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate the fair value, due to short maturity of the instruments.

2. Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

1.23. Investments

Investments that are readily realizable and intended to be held for not more than one year from the date on which they are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in the value of investments, other than temporary, is recognised in the Statement of Profit and Loss.



Notes to financial statements as at March 31, 2020

Note 2.1 :- Property, Plant & Equipment

(Amount in Rs.)

| Tangible Assets | Land | Buildings | Road Works | Plant and Machinery | Furniture & Fixtures | Vehicles | Office Equip-ments | Compu-ters | Interior Decoration Building | Interior Decoration | Electrical Installation | Total Tangible Assets | Intangible assets |
|-------------------------|-----------------|-----------------|--------------|---------------------|----------------------|-------------|--------------------|--------------|------------------------------|---------------------|-------------------------|-----------------------|-------------------|
| Cost or valuation | | | | | | | | | | | | | |
| At March 31, 2017 | 3670,83,58,189 | 49,38,29,92,856 | 18,52,39,822 | 35,26,26,90,609 | 26,66,65,863 | 1,13,11,396 | 2,34,03,768 | 7,55,20,262 | 42,74,130 | 2,74,24,650 | 25,65,25,630 | 1,22,20,44,06,675 | 2,33,34,891 |
| Additions | 17,53,06,39,977 | 18,94,10,15,041 | 6,33,59,208 | 9,43,09,18,881 | 1,36,89,831 | 15,41,468 | 82,56,968 | 1,01,91,038 | - | - | - | 45,99,96,12,392 | 5,43,606 |
| Disposals / Adjustments | - | - | - | - | - | 3,86,690 | 1,18,696 | - | - | - | - | 5,05,386 | - |
| At March 31, 2018 | 54,23,89,98,166 | 68,32,40,07,897 | 24,85,99,030 | 44,69,36,09,490 | 28,03,55,194 | 1,24,66,164 | 3,15,42,030 | 8,57,11,300 | 42,74,130 | 2,74,24,650 | 25,65,25,630 | 1,68,20,35,13,681 | 2,38,83,497 |
| Additions | 17,96,30,21,485 | 27,78,47,537 | 5,43,23,124 | 2,98,71,50,156 | 4,18,20,825 | 14,16,462 | 2,72,53,307 | 1,21,52,580 | - | - | - | 21,36,49,85,436 | 45,43,000 |
| Prior period adjustment | - | - | - | 5,44,06,021 | (224) | - | - | - | - | - | - | 5,44,05,797 | - |
| Disposals / Adjustments | - | - | 67,237 | - | - | - | - | - | - | - | - | 67,237 | - |
| At March 31, 2019 | 72,20,20,19,631 | 68,60,18,55,434 | 30,28,54,917 | 47,73,51,65,667 | 32,21,75,795 | 1,38,82,626 | 5,87,95,337 | 9,78,63,880 | 42,74,130 | 2,74,24,650 | 25,65,25,630 | 1,89,62,28,37,677 | 2,84,26,497 |
| Additions | 16,64,20,29,155 | 38,87,34,956 | - | 11,71,53,25,344 | 50,12,992 | 5,32,133 | 1,75,08,666 | 1,07,13,328 | - | 10,19,942 | - | 28,78,08,76,506 | 1,01,51,059 |
| Prior period adjustment | - | (1,22,78,056) | - | (59,31,800) | (135) | - | - | - | - | - | - | (1,82,09,991) | - |
| Disposals / Adjustments | - | - | - | - | - | 9,31,803 | - | - | - | - | - | 9,31,803 | - |
| At March 31, 2020 | 88,84,40,48,786 | 68,97,83,12,334 | 30,28,54,917 | 59,44,45,59,211 | 32,71,88,652 | 1,34,82,956 | 7,63,03,993 | 10,85,77,188 | 42,74,130 | 2,74,24,650 | 25,75,45,572 | 2,18,38,45,72,389 | 3,85,77,556 |
| Depreciation | | | | | | | | | | | | | |
| At March 31, 2017 | - | 3,27,31,55,605 | 12,36,85,916 | 5,96,53,69,456 | 6,94,18,419 | 43,96,634 | 1,90,64,456 | 4,69,12,256 | 29,79,047 | 2,58,92,390 | 11,41,16,772 | 9,64,49,90,951 | 1,08,09,356 |
| Charge for the year | - | 1,71,62,09,383 | 3,68,04,180 | 3,33,36,36,626 | 2,55,37,335 | 12,69,602 | 27,54,113 | 1,20,29,459 | 5,74,463 | 1,56,539 | 2,81,80,283 | 5,15,51,51,983 | 27,89,784 |
| Disposals / Adjustments | - | - | - | - | - | 3,67,348 | 89,956 | - | - | - | - | 4,57,304 | - |
| Prior period adjustment | - | 14,90,869 | - | 4,15,98,029 | 18,456 | - | - | - | - | - | - | 4,31,07,354 | - |
| At March 31, 2018 | - | 4,99,08,55,857 | 16,04,90,096 | 9,33,86,04,111 | 9,49,74,210 | 52,98,888 | 2,17,28,613 | 5,89,41,715 | 35,53,510 | 2,60,48,929 | 14,22,97,055 | 14,84,27,92,984 | 1,35,99,140 |
| Charge for the year | - | 2,15,99,38,661 | 4,03,38,655 | 3,56,39,22,790 | 2,78,01,233 | 13,87,137 | 58,76,063 | 1,37,98,335 | 5,74,462 | 2,995 | 2,80,52,042 | 5,84,16,92,373 | 27,30,156 |
| Disposals / Adjustments | - | 62,47,55,539 | - | 22,57,938 | 18,456 | - | 4,300 | - | - | - | - | 22,756 | - |
| Prior period adjustment | - | - | - | - | 2,1943 | - | - | - | - | - | - | 62,70,35,420 | - |
| At March 31, 2019 | - | 7,77,55,50,057 | 20,08,28,751 | 12,90,47,84,839 | 12,27,78,930 | 66,86,025 | 2,76,00,376 | 7,27,40,050 | 41,27,972 | 2,60,51,924 | 17,03,49,097 | 21,31,14,98,021 | 1,63,29,296 |
| Charge for the year | - | 2,16,77,66,065 | 2,23,46,869 | 3,56,21,65,445 | 2,77,24,943 | 14,72,176 | 93,04,271 | 1,38,71,129 | - | 1,060 | 2,80,68,883 | 5,83,27,22,841 | 53,15,224 |
| Disposals / Adjustments | - | - | - | - | - | 8,85,213 | - | - | - | - | - | 8,85,213 | - |
| Prior period adjustment | - | 2,82,27,155 | 2,15,14,070 | 1,05,434 | - | 1,65,048 | - | (72,751) | (67,549) | - | - | 4,88,71,404 | 11,87,830 |
| At March 31, 2020 | - | 9,97,15,45,277 | 24,46,89,690 | 16,46,69,50,284 | 15,06,09,307 | 74,38,036 | 3,69,04,647 | 8,65,38,428 | 40,60,423 | 2,60,52,984 | 19,84,17,980 | 27,19,32,07,053 | 2,28,32,350 |
| Net Block | | | | | | | | | | | | | |
| At March 31, 2020 | 88,84,40,48,786 | 59,00,67,67,057 | 5,81,65,227 | 42,97,76,08,927 | 17,65,79,345 | 60,44,920 | 3,93,99,346 | 2,20,38,760 | 2,13,707 | 13,71,666 | 5,91,27,592 | 1,91,19,13,65,336 | 1,57,45,206 |
| At March 31, 2019 | 72,20,20,19,631 | 60,82,63,05,377 | 10,20,26,166 | 34,83,03,80,828 | 19,93,96,865 | 71,96,601 | 3,11,94,981 | 2,51,23,810 | 1,46,158 | 13,72,726 | 8,61,76,533 | 1,68,31,13,39,656 | 1,20,97,201 |
| At March 31, 2018 | 54,23,89,98,166 | 63,33,15,52,040 | 8,81,08,934 | 35,35,50,05,379 | 18,53,80,984 | 71,67,276 | 96,13,417 | 2,67,69,585 | 7,20,620 | 13,75,721 | 11,42,28,575 | 1,53,36,07,20,697 | 1,02,84,358 |





Notes

1. Borrowing Costs has been Capitalised to the extent of Rs.20,48,90,226 /-(Rs.14,05,86,334/- FY 2018-19).
2. Land are acquired through KIADB. The title of land is deemed to have been transferred to BMRCL once final notification is published in the Gazette by KIADB. BMRCL has taken possession of all the properties acquired through the notification and shown as Land Asset at the notification value. KIADB has agreed to transfer the Khata in favour of the Company after two years from the date of acquisition. Land area and the amount paid for acquiring are under reconciliation. Properties acquired for Ph-1 includes 1070 properties for which Khata transfer was to be effected in favour of the Company in the BBMP records. In that, Khata transfer has been effected for 681 properties as on 31.03.2020. Properties acquired for Ph-2 includes 2683 properties for which Khata transfer was to be effected in favour of the Company in the BBMP records. In that, Khata transfer has been effected for 548 properties as on 31.03.2020. The matter is being pursued with BBMP to get the Khata changed in the remaining cases. Registration of flats purchased from BDA amounting to Rs.6.53 Crore is under process. Land measuring 6 Acres 22 Guntas in Sy No. 19/4A and 2 Acres 12 Guntas in Sy No. 2 at Peenya was handed over to KSRTC on 10.12.2010 and 06.03.2017 respectively. In pursuant to the decisions of the 29th HPC meeting held on 23rd July 2015 and 31st HPC Meeting held on 19th February 2016, the transfer of land has been made in lieu of lower rate assigned by KSRTC for their land given by them to BMRCL at Nadaprabhu Kempgowda (Majestic) station. Fair Valuation of land received from the GOK as GRANT has been revised based on the Guidance value on the date of transition to IndAS accounting i.e. 1-4-2015 resulting in the increase of Land value by an amount of Rs. 1,40,69,43,227/- with corresponding increase in Grant - in - Aid. in the FY 2018-19.
3. Operations of Phase 1 has been commissioned in full on 17.06.2017 and assets capitalised based upon the Engineer's Certificate. Any difference in the final value due to submission of the final bills or due to the effect of arbitration claims etc., the same will be adjusted in the year of settlement and Depreciation charged.
4. Land includes Land taken on Long Term/Perpetual Lease from South Western Railways.
5. Depreciation charges includes Rs. 94,03,562/- (RS.94,07,767/-for the FY 2018-19) on Grant Assets.
6. Land includes 13 acres 36 Guntas of Land leased out.
7. Details of assets pledged - Refer Note No 2.15 Long Term Loans.
8. (a) The carrying amount of temporarily idle property, plant & Equipment; (b) The gross carrying amount of any fully depreciated Property, Plant & Equipment that is still in use; (c) The carrying amount of Property, Plant & Equipment retired from active use and not classified as held for sale in accordance with Ind AS 105:- Nil (Nil).
9. As per clause 5 of Gol letter No.K-14011/34/90-UD.II/MRTS/Metro dated 11.05.2006 sanctioning phase I, GoK is required to reimburse State Taxes and Duties paid by BMRCL for implementation of the Project. Accordingly, reimbursement from GOK have been apportioned (reduced) based on cost of assets. In respect of Ph-2, the State Taxes and SGST Reimbursement from GOK accounted as Receivables and not charged to Capital Assets.
10. Land includes 5 parcel of land measuring 2 acres 2 Guntas received free of cost from private parties has been accounted at a nominal value of Re.1 each , out of which 1 acre 26 Guntas of land has been leased out.

Notes to financial statements as at March 31, 2020

Note 2.2 :- Capital Work in Progress

(Amount in Rs.)

| Description | As at 31-03-2019 | Additions | Transfers/ Deletions | As at 31-03-2020 |
|---|------------------------|------------------------|-------------------------|------------------------|
| Capital Work in Progress - Phase - I | | | | |
| 1) Land & Property Acquisition | - | 2,85,400 | 2,85,400 | - |
| 2) System Works | 4,78,97,679 | 39,32,443 | - | 5,18,30,122 |
| 3) Construction Of Viaduct & Stations | - | 28,97,74,388 | 28,97,74,388 | - |
| 4) Design & Construction Of Underground Tunnel | 1,50,00,000 | 1,59,55,403 | 3,09,55,403 | - |
| 5) Misc Work Including Other Consultancy | 4,25,75,607 | 1,27,72,504 | 5,20,95,007 | 32,53,104 |
| 6) Construction of Cement Concrete Road | 2,50,00,000 | - | - | 2,50,00,000 |
| 7) Construction of School | - | 3,26,70,714 | - | 3,26,70,714 |
| 8) CWIP additional work | 26,41,85,993 | 42,87,61,220 | 18,85,76,797 | 34,39,70,416 |
| Sub - Total (A) | 39,46,59,279 | 78,41,52,072 | 56,16,86,995 | 45,67,24,356 |
| Capital Work in Progress - Phase - II | | | | |
| 1) Land & Property Acquisition | 7,15,453 | 33,16,455 | - | 40,31,908 |
| 2) Utility Shifting | 34,65,06,891 | 4,12,46,434 | - | 38,77,53,325 |
| 3) Construction Of Viaduct | 14,51,70,27,236 | 12,52,61,33,204 | - | 27,04,31,60,440 |
| 4) Construction Of Stations | 5,04,62,70,471 | 25,47,33,429 | - | 5,30,10,03,900 |
| 5) Land Rehabilitation & Resettlement | 80,59,48,261 | 2,04,38,66,517 | - | 2,84,98,14,778 |
| 6) Civil Engineering Works | 1,82,02,52,766 | 77,36,63,900 | - | 2,59,39,16,666 |
| 7) System Works | 2,81,03,46,775 | 10,57,00,60,193 | 11,13,69,80,182 | 2,24,34,26,786 |
| 8) Construction Of UG | 3,23,82,012 | 2,76,44,24,188 | - | 2,79,68,06,200 |
| 9) Electrical Works | 9,43,77,949 | 3,35,17,90,306 | - | 3,44,61,68,255 |
| 10) Tracks & Turnouts | 61,12,26,922 | 70,74,04,454 | - | 1,31,86,31,376 |
| 11) Misc. Work Including Other Consultancy | 10,51,85,709 | 9,17,268 | - | 10,61,02,977 |
| 12) CWIP Ph-2A | 89,80,97,558 | 38,56,34,340 | - | 1,28,37,31,898 |
| 13) Misc. Work Including Other Consultancy Ph-2B | 17,41,999 | 3,67,26,47,105 | - | 3,67,43,89,104 |
| 14) Misc. Work Including Other Consultancy Ph-3 | 2,10,67,770 | 5,88,284 | - | 2,16,56,054 |
| 15) CWIP Property Development | 62,24,674 | - | - | 62,24,674 |
| 16) Depot | 2,92,18,906 | 12,89,85,967 | - | 15,82,04,873 |
| 17) General Charges - Ph2 | 53,88,52,259 | 5,25,27,469 | - | 59,13,79,728 |
| 18) Expenses During Construction Period (Net) | (18,41,37,896) | (13,82,24,716) | - | (32,23,62,612) |
| Sub - Total (B) | 27,50,13,05,715 | 37,13,97,14,798 | 11,13,69,80,182 | 53,50,40,40,331 |
| Total (A + B) | 27,89,59,64,994 | 37,92,38,66,870 | 11,69,86,67,177 | 53,96,07,64,687 |
| Capital Work in Progress - Intangible Assets under Development | | | | |
| Software | 68,93,983 | 4,90,500 | 73,84,483 | - |
| Total | 68,93,983 | 4,90,500 | 73,84,483 | - |



Note 2.3 Deposit

(Amount in Rs.)

| Particulars | As at 31 st March 2020 | As at 31 st March 2019 |
|-----------------------------------|-----------------------------------|-----------------------------------|
| Unsecured, Considered Good | | |
| Rentals Deposit | 21,78,840 | 21,78,840 |
| Security Deposit | 7,20,66,417 | 2,55,27,139 |
| Total | 7,42,45,257 | 2,77,05,979 |

Note 2.4 Other Non Current Assets

| Particulars | As at 31 st March 2020 | As at 31 st March 2019 |
|---|-----------------------------------|-----------------------------------|
| i) Capital Advances | | |
| Secured Considered Good | | |
| Mobilization Advance | 5,17,33,82,889 | 2,99,85,60,042 |
| Acceleration Advance | - | 4,24,00,000 |
| Plant & Machinery Advance | 3,47,85,16,980 | - |
| Unsecured, Considered Good | | |
| Mobilization Advance | 24,83,774 | 12,76,34,983 |
| ii) Security Deposit | 24,83,89,599 | 23,79,05,591 |
| iii) Deposit -SWR-Crossing of Railway Land to BMRCL-R1Extn Ph2 | 14,45,57,634 | 14,45,57,634 |
| iv) Deposit Contributions Works | 1,23,66,04,924 | 1,17,14,27,675 |
| v) Land Deposit for Baiyappanahalli Depot with Court | 2,24,69,86,474 | 69,73,813 |
| vi) Others | 43,44,75,505 | 22,16,20,024 |
| Total (i)+(ii)+(iii)+(iv)+(v)+(vi) | 12,96,53,97,779 | 4,95,10,79,762 |

Note 2.5 Inventories

| Particulars | As at 31 st March 2020 | As at 31 st March 2019 |
|----------------------------|-----------------------------------|-----------------------------------|
| Stock of Stores and Spares | 6,06,56,948 | 4,01,72,601 |
| Total | 6,06,56,948 | 4,01,72,601 |

Note 2.6 Trade Receivables

| Particulars | As at 31 st March 2020 | As at 31 st March 2019 |
|--------------------------------|-----------------------------------|-----------------------------------|
| i) Secured, Considered Good | - | - |
| ii) Unsecured, Considered Good | 2,66,00,096 | 2,86,44,100 |
| Total (i+ii) | 2,66,00,096 | 2,86,44,100 |



Note 2.7 Cash and Cash Equivalents

(Amount in Rs.)

| Particulars | As at 31 st March 2020 | As at 31 st March 2019 |
|--|-----------------------------------|-----------------------------------|
| Cash and Cash Equivalents | | |
| Cash-in-Hand | 13,84,292 | 91,86,364 |
| Cash-in-Transit | - | 99,03,951 |
| On current Account | 3,64,80,589 | 79,92,36,485 |
| Sub Total (i) | 3,78,64,881 | 81,83,26,800 |
| Flexi Deposit | | |
| Deposits with original maturity period of less than three months | 1,27,87,78,117 | 57,65,28,730 |
| Term Deposit | | |
| Deposits with maturity period of less than three months | 5,90,00,00,000 | 1,27,15,00,000 |
| Sub Total(ii) | 7,17,87,78,117 | 1,84,80,28,730 |
| Total(i)+(ii) | 7,21,66,42,998 | 2,66,63,55,530 |

Note 2.8 Bank Balances Other than (ii) above

| Particulars | As at 31 st March 2020 | As at 31 st March 2019 |
|---|-----------------------------------|-----------------------------------|
| Margin Money Deposit | 3,79,892 | 3,55,248 |
| Term Deposit | | |
| Deposits with maturity period of more than three months | 12,30,65,138 | 5,26,56,67,775 |
| Total | 12,34,45,030 | 5,26,60,23,023 |

Note 2.9 Other Receivables

| Particulars | As at 31 st March 2020 | As at 31 st March 2019 |
|--|-----------------------------------|-----------------------------------|
| Interest Receivable on Fixed Deposits | 10,61,31,727 | 5,78,91,005 |
| State Taxes Claims Receivable from GOK | 1,14,79,18,489 | 26,63,50,452 |
| Others | 28,56,16,420 | 26,96,82,851 |
| Total | 1,53,96,66,636 | 59,39,24,308 |

Note 2.10 Current Tax Assets

| Particulars | As at 31 st March 2020 | As at 31 st March 2019 |
|-----------------------------|-----------------------------------|-----------------------------------|
| Advance Tax (Various Years) | 10,73,88,000 | 35,45,24,651 |
| TDS Receivables | 51,14,75,570 | 42,52,23,076 |
| GST Receivables | 1,65,73,301 | 1,53,79,487 |
| Total | 63,54,36,871 | 79,51,27,214 |



Note 2.11 Other Current Assets

(Amount in Rs.)

| Particulars | As at 31 st March 2020 | As at 31 st March 2019 |
|---|-----------------------------------|-----------------------------------|
| Loan and Advance (Unsecured considered good) | | |
| Advance to Employee | 6,366 | 1,09,486 |
| Sub Total (i) | 6,366 | 1,09,486 |
| Other Advance (Unsecured considered good) | | |
| Prepaid Expenses | 78,77,109 | 2,70,46,950 |
| Advance to others | 17,05,51,593 | 14,31,61,852 |
| Sub Total (ii) | 17,84,28,702 | 17,02,08,802 |
| Recoverables | | |
| Recoverable From BBMP | 82,54,23,264 | 82,54,23,264 |
| Service Tax Recoverable | 16,28,35,677 | - |
| Other Recoverables | 29,261 | 2,23,217 |
| Sub Total (iii) | 98,82,88,202 | 82,56,46,481 |
| Capital Advance | | |
| i) Secured, Considered Good | | |
| Mobilization Advance | 64,10,48,174 | 32,20,924 |
| Material Advance | 88,47,55,411 | 78,16,94,932 |
| Special advance | 21,10,61,483 | 4,21,34,839 |
| Adhoc Payment to Contractor (80% of bills as per Contract term) | 18,08,24,246 | 31,58,11,589 |
| Sub Total (iv) | 1,91,76,89,314 | 1,14,28,62,284 |
| ii) Unsecured, Considered Good | | |
| Special Advance | 63,89,17,238 | 61,22,02,221 |
| Mobilisation Advance | 49,50,39,729 | 29,30,94,164 |
| Advance to KIADB PH1 | 21,30,74,292 | 3,01,35,626 |
| Advance to KIADB PH2 | 35,66,43,457 | 3,98,10,77,309 |
| Advance to KIADB PH2A | 12,19,31,023 | - |
| Advance to KIADB PH2B | 4,53,63,280 | - |
| Advance to NHAI PH2 | 41,11,25,800 | 41,11,25,800 |
| Advance to NHAI PH2B | - | 1,41,08,34,907 |
| Advance to BDA for Land PH2 | 30,81,25,000 | - |
| Other Advance | 8,18,727 | - |
| Sub Total (v) | 2,59,10,38,546 | 6,73,84,70,027 |
| Total (i)+(ii)+(iii)+(iv)+(v) | 5,67,54,51,130 | 8,87,72,97,080 |



Note 2.12 Equity Share Capital

(Amount in Rs.)

| Particulars | As at 31 st March 2020 | As at 31 st March 2019 |
|--|-----------------------------------|-----------------------------------|
| Authorized Share Capital | | |
| Equity Shares 12,00,00,00,000 (Previous Year -12,00,00,00,000) equity shares of Rs 10/- each | 1,20,00,00,00,000 | 1,20,00,00,00,000 |
| Issued, Subscribed and fully paid-up shares | | |
| 7,23,93,00,000 (March 31,2019: 5,82,37,80,000) equity shares of Rs.10/- each paid up | 72,39,30,00,000 | 58,23,78,00,000 |
| Total | 72,39,30,00,000 | 58,23,78,00,000 |

Further Notes:

1. Terms/ rights attached to equity shares

The Company has only one class of shares i.e. equity shares having face value of Rs.10 per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company the holders of equity shares would be entitled to receive remaining assets of the Company, after the distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

2. Details of shareholders holding more than 5% shares in the Company

| Particulars | As at 31 st March 2020 | | As at 31 st March 2019 | |
|--|-----------------------------------|----------------|-----------------------------------|----------------|
| | No. of shares | % of holding | No. of shares | % of holding |
| Equity shares of Rs.10/- each fully paid | | | | |
| Government of India(GoI) | 3,61,96,50,000 | 50.00% | 2,91,18,90,000 | 50.00% |
| Government of Karnataka(GoK) | 3,61,96,50,000 | 50.00% | 2,91,18,90,000 | 50.00% |
| Total | 7,23,93,00,000 | 100.00% | 5,82,37,80,000 | 100.00% |

As per records of the Company, including its Register of Shareholders/ Members, the above shareholding pattern represent legal ownership of shares as at balance sheet date, including that of nominees of GoI/GoK.

3. Reconciliation of Number and amount of share capital outstanding at the beginning and at the end of the reporting period.

| Particulars | As at 31 st March 2020 | | As at 31 st March 2019 | |
|--|-----------------------------------|------------------------|-----------------------------------|------------------------|
| | No. of shares | Amount | No. of shares | Amount |
| Shares outstanding at the beginning of the year | 5,82,37,80,000 | 58,23,78,00,000 | 5,36,29,80,000 | 53,62,98,00,000 |
| Shares Alloted during the year | 1,41,55,20,000 | 14,15,52,00,000 | 46,08,00,000 | 4,60,80,00,000 |
| Shares bought back during the year | - | - | - | - |
| Shares outstanding at the end of the year | 7,23,93,00,000 | 72,39,30,00,000 | 5,82,37,80,000 | 58,23,78,00,000 |

4. Aggregate number of shares and class of shares allotted as fully paid up pursuant to contract without payment being received in Cash during the last Five Years- Nil (Nil).

5. Aggregate number of shares and class of shares of shares allotted as fully paid up Bonus during the last Five years - Nil (Nil).

6. Aggregate number of shares bought back during the last Five years - Nil (Nil).



Note 2.13 Other Equity

(Amount in Rs.)

| Particulars | As at 31 st March 2020 | As at 31 st March 2019 |
|---|-----------------------------------|-----------------------------------|
| Retained Earnings | | |
| (a) Opening Balance | (21,69,95,39,578) | (16,00,31,39,931) |
| (b) Prior Period Income/Expenses | (6,30,05,036) | (73,09,37,516) |
| (c) Revised Opening Balance | (21,76,25,44,614) | (16,73,40,77,447) |
| (d) Profit/Loss for the Year | (5,95,66,63,057) | (4,96,54,62,131) |
| (e) Closing Balance | (27,71,92,07,671) | (21,69,95,39,578) |
| Capital Reserve (Grant in Aid-GOK-Land/Others) | | |
| (a) Opening Balance | 2,03,98,43,231 | 63,29,00,000 |
| (b) Received during the year | - | 5 |
| (c) Fair Valuation Adjustment | - | 1,40,69,43,226 |
| (d) Closing Balance | 2,03,98,43,231 | 2,03,98,43,231 |
| Share Application Money pending allotment | | |
| (a) Opening Balance | 6,51,60,00,000 | 2,30,40,00,000 |
| (b) Received during the year | 21,27,33,00,000 | 8,82,00,00,000 |
| (c) Equity Share Capital Issued | (14,15,52,00,000) | (4,60,80,00,000) |
| (d) Closing Balance | 13,63,41,00,000 | 6,51,60,00,000 |
| Other Comprehensive Income (OCI) | | |
| Remeasurement of the net defined benefit Plan | | |
| (a) Opening Balance | (3,36,10,259) | (1,49,27,228) |
| (b) OCI during the year | (2,90,95,544) | (1,86,83,031) |
| (c) Closing Balance | (6,27,05,803) | (3,36,10,259) |
| Total | (12,10,79,70,243) | (13,17,73,06,606) |



Note 2.14 Deferred Grants / Income

(Amount in Rs.)

| Particulars | As at 31 st March 2020 | As at 31 st March 2019 |
|--|-----------------------------------|-----------------------------------|
| Income | | |
| (i) Non Refundable Deveolpment Premium @ Nagasandra Metro Station-IKEA | | |
| (a) Opening Balance | 2,43,33,06,986 | 2,47,51,41,986 |
| (b) Received during the year | - | - |
| (c) Transferred to P&L during the year | (4,18,35,000) | (4,18,35,000) |
| (d) Closing Balance | 2,39,14,71,986 | 2,43,33,06,986 |
| Deferred Grants | | |
| (ii) Grant in aid (Received From HUDCO for CSR Activity) | | |
| (a) Opening Balance | 47,25,792 | 48,16,627 |
| (b) Received during the year | - | - |
| (c) Transferred to P&L during the year | (77,315) | (90,835) |
| (d) Closing Balance | 46,48,477 | 47,25,792 |
| (iii) MRTS Cess | | |
| (a) Opening Balance | 4,88,83,200 | 5,48,00,143 |
| (b) Transferred to P&L during the year | (59,16,943) | (59,16,943) |
| (c) Closing Balance | 4,29,66,257 | 4,88,83,200 |
| (iv) Grant from SUTF (State Urban Transport Fund) | | |
| (a) Opening Balance | 3,40,00,000 | 3,00,00,000 |
| (b) Received during the year | - | 2,18,94,678 |
| (c) Transferred to concrete road grant during the year | - | (1,78,94,678) |
| (d) Closing Balance | 3,40,00,000 | 3,40,00,000 |
| (v) Grant from SUTF (Concrete Road) | | |
| (a) Opening Balance | 1,13,74,152 | - |
| (b) Received during the year | - | 1,78,94,678 |
| (c) Transferred to P&L during the year | (34,09,304) | (65,20,527) |
| (d) Closing Balance | 79,64,848 | 1,13,74,152 |
| Total (i)+(ii)+(iii)+(iv)+(v) | 2,48,10,51,568 | 2,53,22,90,130 |



Note 2.15 Financial Liabilities - Borrowings

(Amount in Rs.)

| Particulars | As at 31 st March 2020 | | As at 31 st March 2019 | |
|--|-----------------------------------|--------------------------|-----------------------------------|--------------------------|
| | Current | Non - Current | Current | Non - Current |
| Secured | | | | |
| HUDCO Loan PH1 | 58,00,00,000 | 2,72,39,91,184 | 58,00,00,000 | 3,30,52,67,581 |
| Namma Metro Bonds Series - I | - | 3,00,00,00,000 | - | 3,00,00,00,000 |
| Unsecured | | | | |
| Interest free Sub ordinate Debt from GOK PH1 | - | 29,47,55,00,070 | - | 29,47,55,00,070 |
| Senior Debt from GOK PH1 | - | 1,30,01,00,000 | - | 1,30,01,00,000 |
| Interest free Sub ordinate Debt from GOI PH1 | - | 10,89,94,00,000 | - | 10,89,94,00,000 |
| Interest free Sub ordinate Debt from GOK PH2 | - | 70,44,16,00,000 | - | 62,05,83,00,000 |
| Interest free Sub ordinate Debt from GOK PH2A | - | 2,71,97,00,000 | - | - |
| Interest free Sub ordinate Debt from GOK PH2B | - | 6,14,70,00,000 | - | - |
| Interest free Sub ordinate Debt from GOI PH2 | - | 14,12,65,00,000 | - | 10,63,17,00,000 |
| Pass Through Assistance-GOI-JICA PH1 | 1,08,34,76,238 | 26,77,94,75,731 | 1,08,34,76,272 | 27,86,29,51,931 |
| Pass Through Assistance-GOI-AFD PH1 | 58,21,93,334 | 6,69,52,23,331 | 58,21,93,334 | 7,27,74,16,665 |
| Pass Through Assistance-GOI-AFD PH2 | 72,00,00,000 | 13,68,00,00,000 | - | 6,08,15,00,000 |
| Pass Through Assistance-EIB & AIIB | - | 11,91,02,00,000 | - | - |
| KUIDFC Loan for underpass & parking (MCRF) PH2 | 4,50,00,000 | 7,09,37,246 | 4,50,00,000 | 7,16,00,000 |
| KUIDFC Loan for chain link fencing (MCRF) PH1 | 46,12,500 | 81,50,000 | 46,12,500 | 1,27,62,500 |
| KUIDFC Loan-Mega City Scheme Revolving Fund | - | - | 1,38,28,125 | - |
| Total | 3,01,52,82,072 | 1,99,97,77,77,562 | 2,30,91,10,231 | 1,61,97,64,98,747 |

- A) Housing and Urban Development Corporation Limited (HUDCO)** has sanctioned a loan for an amount of Rs 7,00,00,00,000/- (utilised loan amount of Rs 6,50,00,00,000/-) carrying interest rate applicable on the release/due date of payment. The rate of interest is HUDCO's Reference Rate plus 0.75% p.a. The interest rate is subject to reset at the interval of every three years. The total tenure of the loan is 15 years including a moratorium period of three years. The loan is repayable in 24 half yearly installments commencing from November, 2014 as per the amortization schedule of the loan agreement. The aforesaid loan is secured by first charge on all the present and future Immovable Properties, Assets, Movable Properties, Intangibles, Receivables and operating cash flows and uncalled equity of the Company.
- B) Namma Metro Bonds Series 1:** The Company has raised funds of Rs 3,00,00,00,000/- through private placement of Secured, Non Convertible, Non Cumulative redeemable, Taxable Namma Metro Bonds Series 1, having coupon rate of 8.79 % per annum payable semi annually of Rs 10,00,000 each, for cash at par on 23.12.2014. The loan is secured by pari passu charge on Jalahalli, Dasarahalli and Nagasandra Stations of the Company under Reach-3B measuring 29503 Sq mtrs. Repayment of the Bonds is due on 23.12.2024.
- C) Interest Free Subordinate Debt from the GoI and GoK** Approval was accorded vide G.O. No.UDD 144 PRJ 2001 dated March 24,2005 of the Government of Karnataka(GoK) and communication No.K-14011/34/90-UD.II/MRTS/Metro dated 11.05.2006 of the Government of India(GoI) for undertaking the Bangalore Metro Rail Project. The Government of India and Government of Karnataka being joint promoters, contribute Interest free Subordinate Debt, depending on the budgeted expenditure submitted by the Company for the forthcoming year and respective budgetary allocations.

As per the Memorandum of Understanding (MoU) between the Government of India, Government of Karnataka and BMRCL, the Company is required to make repayment of subordinate debt only after



repayment of entire Senior Term Debt availed for the Project. Repayment schedule of these loans are also yet to be fixed by the GoI and GoK.

Interest free subordinate debts received from the Promoters is not considered for fair valuation in view of uncertainty related to repayment and non availability of readily comparable discounting rates for similar long term debts in the Indian Banking System.

- D) The Japan International Cooperation Agency (JICA)** has sanctioned two loans for the Bangalore Metro Rail Project, the first loan is for 44,704 Million JPY at interest rate of 1.30% p.a. (semi-annually) plus service charges of 0.10% with a repayment period of 30 years (including a grace period of 10 years) as per the loan agreement dated 31.03.2006. The second loan is for 19,832 Million JPY at interest rate of 1.40% p.a. (semi-annually) (except for consultancy service for which the rate is 0.01% p.a.) plus commitment charges of 0.10% p.a. with a repayment period of 30 years (including a grace period of 10 years as per loan agreement dated 16.06.2011.

JICA loans are Sovereign loans received by the Govt. of India (GoI). As per the records of the Controller of Aid, Accounts and Audit (CAAA), GoI, JICA has released Rs 33,63,68,01,153/- up to 31.03.2020. which includes Rs 65,73,95,061/- towards interest/commitment charges (including interest/commitment charges accrued but not due) and Rs 2,14,19,015/- towards service charges up to March 31, 2016. The proceeds of JICA loan have been lent to the Company by the GoI by way of Pass Through Assistance (PTA) in INR through budgetary provisions. As at the end of 31st March 2020, GoI has released Rs 32,08,12,00,000/- as PTA.

During the year, repayment of loan of Rs 1,08,34,76,234/- (FY. 2018-19 Rs 1,08,34,76,235/-) and interest of Rs 34,46,02,381/- (FY. 2018-19 Rs 34,80,00,591/-) at the same rate at which GoI has obtained the loan, has been made and Rs 3,70,91,550/- (FY. 2018-19 Rs 3,78,77,886/-) was accrued but not due as at 31.03.2020.

- E) The Agence Francaise De Development (AFD)** has sanctioned loan for the Bangalore Metro Rail Project for Euro-110 million for Phase-1 at Floating interest rate of 6 months EURIBOR + margin (1.50% p.a) with a repayment period of 20 years (including 5 years of grace period on principal) as per Credit Facility Agreement dated 14.02.2013.

Records regarding AFD loan disbursements and interest accrued is maintained by the office of the CAAA, Government of India. Entire loan proceeds of Euro - 110 million have been released with respect to Phase-1 loan. As per CAAA Accounts Rs 8,73,29,12,193/- towards AFD loan, Rs 77,51,11,548/- towards interest accrued and other payments are shown under the loan account for the period up to March 2020. GoI has released Rs 8,73,29,00,000/- as PTA towards entire loan proceeds of AFD. During the year, repayment of loan of Rs 58,21,93,334/- (FY. 2018-19 Rs. 58,21,93,334/-) and interest of Rs 9,45,81,141/- at the same rate at which the GoI has obtained the loan, has been made.

The Agence Francaise De Development (AFD) has sanctioned a loan of Euro 200 million for Phase-2 of the project with a repayment period of 15 years (including 5 years of grace period on principal) as per Credit Facility Agreement dated 03.09.2015, 1st Amendment dated 20.12.2016, 2nd Amendment dated 12.07.2018 & 3rd Amendment dated 07.05.2019. For each drawdown, the Company may select a fixed or a floating interest rate which shall apply to the amount setout in the relevant drawdown request as provided in Clause 4 of the Agreement.

The GoI has released Rs 14,40,00,00,000/- as PTA as on 31.03.2020 for Phase-2 under the second AFD loan and interest of Rs 11,81,25,862/- has been paid during the year (Rs 12,32,93,707/- for FY 2018-19) on the loan.

- F) The European Investment Bank (EIB)** has sanctioned a loan of Euro 500 million for Phase-2 of the project with a repayment period of 20 years (including 4 years of grace period on principal) as per Finance Contract



dated 05.10.2017 for Tranche A & B dated 28.09.2018. For each drawdown BMRCL has a floating interest rate which shall apply to the amount set out in the relevant drawdown request as provided in Article 3 of the Agreement.

- G) The Asian Infrastructure Investment Bank (AIIB)** has sanctioned a loan of USD 335 million for Phase-2 of the project with a repayment period of 25 years (including 5 years of grace period on principal) as per Loan Agreement dated 04.06.2019. For each drawdown BMRCL has a floating interest rate which shall apply to the amount set out in the relevant drawdown request as provided in Article II of the Agreement.

European Investment Bank (EIB) together with Asian Infrastructure Investment Bank (AIIB) have agreed to cofinance part of Reach 6 Project Cost - mainly civil packages (both elevated and underground packages), Depot & TVS & EVS. The proceeds of EIB & AIIB loan have been lent to the Company by the Gol through Pass Through Assistance (PTA) in INR through budgetary provisions. As at the end of 31st March, 2020, Gol has released Rs 11,91,02,00,000/- as PTA.

- H)** The CAAA having clarified in March 2015 that only in case of external loans guaranteed by the Government, the borrower has to bear the exchange and other risks, the Company is not required to bear the risk of exchange variation. However, the matter has been referred to the Gol, which is under their examination.

- I) Karnataka Urban Infrastructure Development and Finance Corporation Ltd (KUIDFC)** loan is for an amount of Rs 14,75,00,000/- carrying compound interest at the rate of 4.50% p.a or such other rate(s) as may be fixed by State Level Sanctioning Committee (SLSC) or KUIDFC from time to time. The tenure of the loan including moratorium period is 10 years. The loan is repayable in 32 quarterly installments commencing from March, 2012 as per the amortization schedule of the loan agreement. The security may be imposed by SLSC in the form of State Government guarantee, Bank Guarantee, Escrowing of revenue funds or authorization to Urban Development Department, Government of Karnataka for deduction from eligible State Financial Corporation (SFC) grants or other grants as applicable.

Second loan was sanctioned by KUIDFC for an amount of Rs 3,69,00,000/- during Financial Year 2015-16 vide agreement dated 5th March, 2016, carrying compound interest at the rate of 4.50% p.a or such other rate(s) as may be fixed by State Level Sanctioning Committee (SLSC) or KUIDFC from time to time. The tenure of the loan including moratorium period is 10 years. The loan is repayable in 32 quarterly installments commencing from June, 2017 as per the amortization schedule of the loan agreement. The security may be imposed by SLSC in the form of State Government guarantee, Bank Guarantee, Escrowing of revenue funds or authorization to Urban Development Department, Government of Karnataka for deduction from eligible State Financial Corporation (SFC) grants or other grants as applicable.

The disbursement of loan is in three installments and total loan amount drawn as on 31.03.2020 is Rs 2,66,00,000/- (as on 31.03.2019 is Rs. 2,66,00,000/-).

Third loan was sanctioned by KUIDFC for an amount of Rs 36,00,00,000/- during Financial Year 2016-2017 vide agreement dated 19th October, 2016, carrying compound interest at the rate of 4.50% p.a or such other rate(s) as may be fixed by State Level Sanctioning Committee (SLSC) or KUIDFC from time to time. The tenure of the loan including moratorium period is 10 years. The loan is repayable in 32 quarterly installments commencing from December, 2018 as per the amortization schedule of the loan agreement. The security may be imposed by SLSC in the form of State Government guarantee, Bank Guarantee, Escrowing of revenue funds or authorization to Urban Development Department, Government of Karnataka for deduction from eligible State Financial Corporation (SFC) grants or other grants as applicable.

The disbursement of loan is in five installments and total loan amount drawn as on 31.03.2020 is Rs 18,34,37,246/- (as on 31.03.2019 is Rs 13,91,00,000/-).



Note 2.16 Other Financial Liabilities

(Amount in Rs.)

| Particulars | As at 31 st March 2020 | As at 31 st March 2019 |
|--|-----------------------------------|-----------------------------------|
| Contractor Deposits (Excludes Retention Money) | 6,27,50,142 | 5,14,54,097 |
| Total | 6,27,50,142 | 5,14,54,097 |

Note 2.17 Other Non Current Liabilities

| Particulars | As at 31 st March 2020 | As at 31 st March 2019 |
|---------------------------|-----------------------------------|-----------------------------------|
| License Fee Deposit -IKEA | 5,02,02,000 | 5,02,02,000 |
| Total | 5,02,02,000 | 5,02,02,000 |

Note 2.18 Trade & Other Payables

| Particulars | As at 31 st March 2020 | As at 31 st March 2019 |
|---|-----------------------------------|-----------------------------------|
| (a) Total outstanding dues of micro and small scale Industrial Undertaking(s). (Due over 45 days Rs. Nil/-) | - | - |
| (b) Total outstanding dues of Medium scale Industrial Undertaking(s). (Due over 45 days Rs. Nil/-) | - | - |
| (c) Others | 13,27,56,236 | 9,86,24,918 |
| Total | 13,27,56,236 | 9,86,24,918 |

Note 2.19 Other Financial Liabilities

| Particulars | As at 31 st March 2020 | As at 31 st March 2019 |
|--|-----------------------------------|-----------------------------------|
| Interest accrued but not due on PTA-AFD | 4,67,01,600 | 2,19,39,688 |
| Interest accrued but not due on PTA-JICA | 3,70,91,551 | 3,78,77,887 |
| Interest accrued but not due on HUDCO Loan | 2,65,17,924 | 3,17,69,611 |
| Interest accrued but not due on Namma Metro Series 1 - Secured | 7,22,46,575 | 7,08,01,644 |
| Total | 18,25,57,650 | 16,23,88,830 |

Note 2.20 Provisions

| Particulars | As at 31 st March 2020 | As at 31 st March 2019 |
|---------------------------------|-----------------------------------|-----------------------------------|
| Provision for Employee Benefits | | |
| Current Leave Encashment | 3,70,43,996 | 2,66,47,534 |
| Non - Current Leave Encashment | 21,94,06,923 | 13,82,35,532 |
| Other | 58,995 | 4,17,786 |
| Superannuation Payable | - | 70,42,334 |
| Total | 25,65,09,914 | 17,23,43,186 |



Note 2.21 Current Tax Liabilities

(Amount in Rs.)

| Particulars | As at 31 st March 2020 | As at 31 st March 2019 |
|--------------------------|-----------------------------------|-----------------------------------|
| Provision for income tax | 7,72,26,083 | 21,87,59,323 |
| Total | 7,72,26,083 | 21,87,59,323 |

Note 2.22 Other Current Liabilities

| Particulars | As at 31 st March 2020 | As at 31 st March 2019 |
|---------------------------------|-----------------------------------|-----------------------------------|
| Duties and Taxes | 20,84,39,884 | 10,41,17,262 |
| Non Trade Payables | 6,34,01,64,403 | 6,35,73,72,746 |
| Advance from customers & Others | 41,56,70,701 | 37,89,70,567 |
| Total | 6,96,42,74,990 | 6,84,04,60,575 |

Note 2.23 Revenue from operations

| Particulars | For the year ended on March 2020 | For the year ended on March 2019 |
|---|----------------------------------|----------------------------------|
| Fare Box Revenue | 3,76,87,90,725 | 3,55,01,59,633 |
| Other Operating Income | | |
| ATM License Fee | 3,82,88,816 | 3,52,56,343 |
| Royalty Received from Banks Combo cards | 1,60,58,730 | 4,93,66,886 |
| Income from property development | 36,48,14,151 | 38,86,74,927 |
| Total | 4,18,79,52,422 | 4,02,34,57,789 |

Note 2.24 Other Income

| Particulars | For the year ended on March 2020 | For the year ended on March 2019 |
|--|----------------------------------|----------------------------------|
| O&M Recruitment Fees | - | 1,13,23,978 |
| Interest income on Bank Fixed deposits | 1,58,19,616 | 35,60,922 |
| Interest Received On Income Tax Refund | 2,17,14,369 | - |
| Interest from BBMP | - | 2,61,59,123 |
| Profit on Sale of Asset | 97,479 | - |
| Administrative Charges - Labour Cess | 15,76,944 | 11,98,144 |
| Miscellaneous income | 8,95,75,554 | 8,80,34,118 |
| Fair Value Adjustment- Finance Income | 34,15,837 | - |
| Grant in Aid- Amortization | 94,03,562 | 94,07,767 |
| Income from Technical Training | - | 2,89,95,380 |
| Tender document fees | 27,22,921 | 25,27,747 |
| Total | 14,43,26,282 | 17,12,07,179 |



Note 2.25 Operating expenses

(Amount in Rs.)

| Particulars | For the year ended on March 2020 | For the year ended on March 2019 |
|---|----------------------------------|----------------------------------|
| Power and fuel | 69,82,23,605 | 59,54,38,367 |
| Insurance | 1,14,80,512 | 2,06,75,325 |
| Rates and Taxes | 39,75,853 | 7,862 |
| Repairs and Maintenance:- | | |
| - Staff Quarters | 54,17,303 | 66,93,636 |
| - Computer and Software | 4,05,578 | 9,050 |
| - Vehicles | 8,77,669 | 4,91,725 |
| - Others | 46,61,97,401 | 41,94,24,543 |
| House keeping, Security and TOM Charges | 1,04,60,53,901 | 1,11,06,25,203 |
| DOT/WPC License for Tetra | 12,52,110 | 4,05,000 |
| Smart Cards | 2,06,07,694 | 5,00,71,343 |
| Spectrum Charges | 43,25,999 | 30,85,892 |
| Total | 2,25,88,17,625 | 2,20,69,27,946 |

Note 2.26 Employee benefits expenses

| Particulars | For the year ended on March 2020 | For the year ended on March 2019 |
|---|----------------------------------|----------------------------------|
| Salaries, wages allowances & benefits | 1,15,73,30,968 | 84,31,78,621 |
| Contribution to Provident and other funds | 11,21,51,605 | 10,03,65,761 |
| Staff Welfare expenses | 7,59,18,572 | 5,72,13,006 |
| Total | 1,34,54,01,145 | 1,00,07,57,388 |



Note 2.27 Finance Cost

(Amount in Rs.)

| Particulars | For the year ended on March 2020 | For the year ended on March 2019 |
|--|----------------------------------|----------------------------------|
| Interest Expenses-HUDCO-PH1 | 33,41,60,749 | 39,10,76,802 |
| Interest Expenses-KUIDFC-PH1 | 9,04,847 | 17,37,401 |
| Interest Expenses-PTA-JICA-PH1 | 34,38,16,045 | 35,69,51,042 |
| Interest Expenses-PTA-AFD-PH1 | 9,40,42,758 | 10,34,67,682 |
| Interest Expenses-PTA-AFD-PH2 | 4,40,74,477 | - |
| Interest Expenses - Namma Metro Bonds - Series | 26,44,22,467 | 26,36,99,996 |
| Fair Value Adjustment- Finance Expenses | 68,88,335 | 72,61,834 |
| Annual Custodial/Surveillance Fees - Bonds | 13,38,606 | 4,58,472 |
| Other Interest | 2,687 | 5,757 |
| KUIDFC Commitment Charges | - | 19,375 |
| Rating Fee /Bonds/NCDS | - | 3,00,000 |
| Total | 1,08,96,50,971 | 1,12,49,78,361 |

Note 2.28 Depreciation and Amortization Expenses

| Particulars | For the year ended on March 2020 | For the year ended on March 2019 |
|----------------------------------|----------------------------------|----------------------------------|
| Depreciation - Tangible Assets | 5,83,27,22,839 | 5,83,66,61,523 |
| Amortization - Intangible Assets | 53,15,224 | 27,30,157 |
| Total | 5,83,80,38,063 | 5,83,93,91,680 |



Note 2.29 Other Expenses

(Amount in Rs.)

| Particulars | For the year ended on March 2020 | For the year ended on March 2019 |
|------------------------------------|----------------------------------|----------------------------------|
| Recruitment Expenses | 2,340 | - |
| Interest on Income Tax/Service Tax | 1,05,52,304 | - |
| Statutory Audit Fees | 12,50,000 | 10,62,000 |
| Legal and Professional Fees | 5,13,36,959 | 4,27,67,002 |
| Books and Periodicals | 11,31,642 | 8,28,524 |
| Postage and Telegram | 3,34,009 | 3,56,127 |
| Printing and Stationery | 1,54,01,649 | 1,22,38,877 |
| Travelling and Conveyance | 4,48,33,190 | 3,13,13,582 |
| Telephone Charges | 1,11,33,583 | 82,19,358 |
| Bank Charges | 22,01,719 | 27,88,379 |
| Office Maintenance Expenses | 11,18,577 | 16,05,774 |
| Sponsorship and Exhibition | 63,83,100 | 30,75,000 |
| Inauguration Expenses | - | 59,43,710 |
| Foreign Exchange Gain / Loss | 6,10,688 | 73,00,220 |
| Others | 4,07,44,197 | 3,44,73,171 |
| Total | 18,70,33,957 | 15,19,71,724 |

2.30 Payment to Auditor

| | As at 31 st March 2020 | As at 31 st March 2019 |
|---|-----------------------------------|-----------------------------------|
| As auditor: | | |
| Statutory Audit Fees (Inclusive of Service Tax/GST) | 12,98,000 | 10,62,000 |
| | 12,98,000 | 10,62,000 |

2.31 A) Contingent Liabilities not provided for (IND AS - 37):

| | As at 31 st March 2020 | As at 31 st March 2019 |
|---|-----------------------------------|-----------------------------------|
| a) On account of Guarantees given by Banks | 39,85,400 | 15,32,500 |
| b) On account of Letter of Credit opened by Banks | 39,69,14,400 | 1,29,81,789 |
| c) Disputed Income Tax Demand including Interest | 1,16,53,97,470 | 1,16,53,97,470 |
| | 1,56,62,97,270 | 1,17,99,11,759 |

Arbitration claims against the company Rs 6,85,28,95,313/- (FY 2018-19 Rs 8,54,20,20,936/-). Counter claims preferred by the Company Rs 4,61,37,15,251/- (FY 2018-19 Rs 5,67,06,28,224/-). Also, disputed value of Land pending before the High Court amounting to Rs 2,24,00,12,661/-.

Arbitration claims amounting to Rs 2,27,35,38,882/- has been awarded alongwith interest of Rs 40,07,91,317/- in favour of the Contractors against which BMRCL (the company) has filed appeal challenging the decision of the arbitrators which are pending for disposal.



B) Capital and other Commitments

| | As at 31 st March 2020 | As at 31 st March 2019 |
|--|-----------------------------------|-----------------------------------|
| Estimated amount of Contracts remaining to be executed on Capital accounts - Phase-1 | 46,67,11,316 | 3,41,49,98,000 |
| Estimated amount of Contracts remaining to be executed on Capital accounts - Phase-2 | 1,30,15,47,09,253 | 1,00,13,55,00,000 |
| | 1,30,62,14,20,569 | 1,03,55,04,98,000 |

Additional information

| | As at 31 st March 2020 | As at 31 st March 2019 |
|-----------------------------|-----------------------------------|-----------------------------------|
| CIF value of imports | | |
| Capital Goods | 20,96,519 | 15,12,780 |
| | 20,96,519 | 15,12,780 |

Expenditure in Foreign Currency (On Payment Basis)

| | As at 31 st March 2020 | As at 31 st March 2019 |
|--|-----------------------------------|-----------------------------------|
| a) Foreign Travel-Directors | 1,76,984 | 14,76,621 |
| b) Foreign Travel-Others | 74,63,021 | 37,40,056 |
| c) Professional fees paid to General Consultants | - | - |
| d) Contractors-Capital Creditors | 5,32,60,54,394 | 3,32,11,77,460 |
| | 5,33,36,94,399 | 3,32,63,94,137 |

2.32. Disclosure in respect of IND AS-12 - "Accounting for taxes on Income"

Deferred Tax : Deferred Tax asset has not been recognised as there is no virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

2.33. Disclosure in respect of IND AS-116 "Leases"

i) The company has taken on lease/rent premises for employees. These lease arrangements are usually renewable on mutually agreed terms but are cancellable. During the year, the company has paid lease rent (net of recoveries) in case of staff amounting to Rs 26,94,094/- (Financial year 2018-19 Rs 28,62,667/-).

ii) The Company has taken Land on temporary Lease / Rent for implementation of the Project and incurred a sum of Rs 8,58,500/- during FY 2019-20 towards rent (Financial year 2018-19 Rs 80,56,601/-). Since the leases taken are cancellable leases, no adjustment are carried out.

iii) The Company has given Land on temporary Lease / Rent to contractors for implementation of the Project and realised a sum of Rs 21,99,980/- towards rent during 2019-20 (Financial year 2018-19 Rs 1,24,97,065/-).



iv) The Company has given Land on long term lease of land (60 years lease) to IKEA. IKEA has paid a non refundable upfront fees of Rs 2,51,01,00,000 and has to pay annual lease rent from the end of the fourth year at 1% of the upfront fee ie. Rs 2,51,01,000 per year with an escalation of 5% every year. In the event of pre closure of the contract, the Company has to pay 110/120% of the amount equal to the upfront fee paid and value of assets created as per lessee books. Upfront fee receipt of Rs 2,51,01,00,000 is amortised over the lease period of 60 years and a sum of Rs 4,18,35,000 is accounted as lease rent during the year. Annual lease rent will accrue from the end of fourth year and will be accounted in the respective year.

(v) The company has leased out various assets to parties on operating lease basis. Future minimum lease rent receivables under non cancellable operating lease are given as under:

| Operating Lease | Not later than One Year | Later than One Year and up to five years | Beyond five years |
|------------------------|-------------------------|--|-------------------|
| Current Year (2019-20) | 31,87,73,682 | 65,45,73,974 | 3,02,68,169 |

2.34. The Board of Director in their 94th meeting held on 9th August 2019 approved migration of the Superannuation Fund Benefits to Corporate Model Of National Pension Scheme (NPS) subject to mandatory approval of Income Tax Authorities. In pursuant to above discussion, company's contribution for employees 60 yrs and above to superannuation fund has been discontinued w.e.f 1st February 2020 and contribution to NPS is done from February 2020.

2.35. Indian Accounting Standard (IND AS)-19 'Employee Benefits'.

A. Defined Benefit Plan:-

Gratuity : All employees of BMRCL are covered under Bangalore Metro Rail Gratuity Trust Rules and contributions in respect of such scheme are recognised as part of employee cost. The liability as at the Balance Sheet date is provided based on the actuarial valuation, carried out by an independent actuary.

Description of Risk Exposures:-

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risk as follows:-

Salary Increases - Actual Salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

Investment Risk - If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

Discount Rate - Reduction in discount rate in subsequent valuations can increase the plan's liability.

Mortality & Disability - Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

Withdrawals - Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.



Actuarial Assumptions:-

Financial Assumptions

The Financial & Demographic assumption on annual basis used for valuation as at the valuation date are shown below. The assumption as at the valuation date is used to determine the present value of defined benefit obligation at that date.

| Particulars | As at 31 st March 2020 | As at 31 st March 2019 |
|---|-----------------------------------|-----------------------------------|
| i. Discounting Rate | 6.61 | 7.51 |
| ii. Salary Escalation : Regular Employees | 8.00 | 8.00 |
| Contract Employees | 6.00 | 6.00 |

Demographic Assumption

| Particulars | As at 31 st March 2020 | As at 31 st March 2019 |
|--|-----------------------------------|-----------------------------------|
| Mortality Rate (as % of IALM(2012-14) | 100.00% | 100.00% |
| Withdrawal Rate : 1) Regular Employees | 6.00% | 6.00% |
| 2) Contract Employees | 16.00% | 16.00% |
| Leave Availment Ratio | 1.00% | 1.00% |
| Normal Retirement Age | 60 years | 60 years |

Actuarial Method

Projected Unit Credit (PUC) actuarial method to assess the plan's liabilities of exit employees for retirement, death-in service and withdrawals (Resignations/Terminations).

Under the PUC method a projected accrued benefit is calculated at the beginning of the period and again at the end of the period for each benefit that will accrue for all active member of the plan. The projected accrued benefit is based on the plan accrual formula and up in service as of the beginning or end of the period, but using member's final compensation, projected to the age at which the employee is assumed to leave active service. The plan liability is the actuarial present value of the projected accrued benefits as on the date of valuation.

The summarized position of various defined benefits recognized in the Statement of profit and loss, statement of other comprehensive income and Balance Sheet and the present value status are as under :-

Expenses recognized in Statement of Profit or Loss

| Particulars | Gratuity Valuation as at 31/03/2020 | Gratuity Valuation as at 31/03/2019 |
|--|-------------------------------------|-------------------------------------|
| Current Service Cost | 3,71,31,946 | 2,74,68,830 |
| Past Service cost | - | - |
| Interest cost on benefit obligation | - | - |
| Expected return on plan Assets | 42,79,242 | 25,55,747 |
| Net actuarial (gain)/loss recognized in the year - OCI | 2,90,95,544 | 1,86,83,031 |



Expenses recognized in Statement of Other Comprehensive Income

| Particulars | Gratuity Valuation as at 31/03/2020 | Gratuity Valuation as at 31/03/2019 |
|---|--|--|
| Actuarial gain/ (loss) for the year on DBO | (2,90,95,544) | (1,86,83,031) |
| Recognized actuarial gain/(loss) at the end of the year | (2,90,95,544) | (1,86,83,031) |

The amount recognized in the Balance Sheet

| Particulars | Gratuity Valuation as at 31/03/2020 | Gratuity Valuation as at 31/03/2019 |
|--|--|--|
| (i) Present value of obligation as at 31/03/2020 | 23,14,34,161 | 15,51,17,446 |
| (ii) Fair value of plan assets as at 31/03/2020 | 16,09,18,494 | 10,64,09,838 |
| Unfunded Liability/ Provision in Balance Sheet | 7,05,15,667 | 4,87,07,608 |

| Particulars | Gratuity Valuation as at 31/03/2020 | Gratuity Valuation as at 31/03/2019 |
|--|--|--|
| Defined Benefit Obligation, Beginning of Period | 15,51,17,446 | 10,31,73,786 |
| Net Current Service Cost | 3,71,31,946 | 2,74,68,830 |
| Interest Cost on DBO | 1,22,70,621 | 85,41,124 |
| Actual Plan Participants' Contributions | - | - |
| Actuarial (Gains)/Losses | 2,95,10,144 | 2,04,72,898 |
| Changes in Foreign Currency Exchange Rates | - | - |
| Acquisition/Business Combination/Divestiture | - | - |
| Benefits Paid | (25,95,996) | (45,39,192) |
| Past Service Cost | - | - |
| Losses / (Gains) on Curtailments/Settlements | - | - |
| Defined Benefit Obligation, End of Period | 23,14,34,161 | 15,51,17,446 |



| Particulars | Gratuity Valuation as at 31/03/2020 | Gratuity Valuation as at 31/03/2019 |
|---|--|--|
| Fair value of Plan Assets, Beginning of Period | 10,64,09,838 | 7,72,30,673 |
| Interest Income Plan Assets | 79,91,379 | 59,85,377 |
| Actual Company Contributions | 4,86,98,673 | 2,59,43,113 |
| Actual Plan Participants' Contributions | - | - |
| Actual Taxes Paid | - | - |
| Actual Administration Expenses Paid | - | - |
| Changes in Foreign Currency Exchange Rates | - | - |
| Actuarial Gains/(Losses) | 4,14,600 | 17,89,867 |
| Benefits Paid | (25,95,996) | (45,39,192) |
| Acquisition/Business Combination/Divestiture | - | - |
| Assets extinguished on Settlements/Curtailments | - | - |
| Fair value of Plan Assets, End of Period | 16,09,18,494 | 10,64,09,838 |

| Particulars | Gratuity Valuation as at 31/03/2020 |
|--|--|
| Defined Benefit Obligation - Discount Rate + 100 basis points | (2,16,75,658) |
| Defined Benefit Obligation - Discount Rate - 100 basis points | 2,27,89,088 |
| Defined Benefit Obligation - Salary Escalation Rate + 100 basis points | 2,13,51,419 |
| Defined Benefit Obligation - Salary Escalation Rate - 100 basis points | (2,04,16,425) |
| Defined Benefit Obligation - Withdrawal Rate + 100 basis points | 11,39,810 |
| Defined Benefit Obligation - Withdrawal Rate - 100 basis points | (16,23,508) |

B. Other Long Term Employee Benefits:

Based on the Actuarial Valuation of Leave Encashment for Employees estimating the liability as on 31.03.2020 amounting to Rs 25,64,50,919/- (Previous Year - Rs 16,48,83,066/-), provision has been made.

Leave Encashment

The Company has provided for the liability at period end on account of un-availed earned leave as per the actuarial valuation as per the Projected Unit Credit Method.

Actuarial gains and losses are recognized in OCI as and when incurred.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of Profit and Loss.

Premeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest as defined above), are recognized in



other comprehensive income except those included in cost of assets as permitted in the period in which they occur and are not subsequently reclassified to profit or loss.

The retirement benefit obligation recognized in the Financial Statements represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of reductions in future contributions to the plans.

The summary of the membership information as at 31 March,2020 as provided by the Company.

| Particulars | Leave Encashment Valuation as at 31/03/2020 | Leave Encashment Valuation as at 31/03/2019 |
|--|---|---|
| Employee Count | 2,377 | 2,357 |
| Total Monthly salary eligible for Leave Encashment | 12,02,42,649 | 10,86,17,725 |
| Average Monthly salary eligible for Leave Encashment | 50,586 | 46,083 |
| Total Monthly salary eligible for Compensated Absences | 12,02,42,649 | 10,86,17,725 |
| Average Monthly salary eligible for Compensated Absences | 50,586 | 46,083 |
| Average Age | 37.08 | 36.06 |
| Total Leave Balance | 1,44,418 | 1,17,233 |
| Average Leave Balance | 60.76 | 49.74 |

The amounts recognized in the Balance Sheet

| Particulars | As at 31/03/2020 | As at 31/03/2019 |
|--|---------------------|---------------------|
| Defined Benefit Obligation | 25,64,50,919 | 16,48,83,066 |
| Fair Value of Plan Assets | - | - |
| Funded Status-(Surplus)/Deficit | 25,64,50,919 | 16,48,83,066 |
| Present Value of Unfunded Defined Benefit Obligation | - | - |
| Unrecognised Asset due to Asset Ceiling | - | - |
| (Asset)/Liability Recognised in the Balance Sheet | 25,64,50,919 | 16,48,83,066 |

The amounts recognized in the Statement of Profit & Loss

| Particulars | As at 31/03/2020 | As at 31/03/2019 |
|---|------------------------|------------------------|
| Service Cost | 1,01,88,759 | 69,28,141 |
| Net Interest Cost | 58,82,346 | 36,00,502 |
| Past Service Cost | - | - |
| Remeasurements | 12,48,48,201 | 11,38,95,715 |
| (Gain)/Loss due to Settlement/Curtailments/Terminations/ Diverstitures | - | - |
| Administration Expenses | - | - |
| Total Expense/(Income) included in "Employee Benefit Expense" | 14,09,19,306.00 | 12,44,24,358.00 |



Current/Non Current Bifurcation

| Particulars | As at 31/03/2020 | As at 31/03/2019 |
|--|---------------------|---------------------|
| Current Benefit Obligation | 3,70,43,996 | 2,66,47,534 |
| Non-Current Benefit Obligation | 21,94,06,923 | 13,82,35,532 |
| (Asset)/Liability Recognized in the Balance Sheet | 25,64,50,919 | 16,48,83,066 |

| Particulars | As at 31/03/2020 | As at 31/03/2019 |
|--|---------------------|---------------------|
| Defined Benefit Obligation, Beginning of Period | 16,48,83,066 | 9,87,54,120 |
| Net Current Service Cost | 1,01,88,759 | 69,28,141 |
| Interest Cost on DBO | 58,82,346 | 36,00,502 |
| Actual Plan Participants' Contributions | - | - |
| Actuarial (Gains)/Losses | 12,48,48,201 | 11,38,95,715 |
| Changes in Foreign Currency Exchange Rates | - | - |
| Acquisition/Business Combination/Divestiture | - | - |
| Benefits Paid | (4,93,51,453) | (5,82,95,412) |
| Past Service Cost | - | - |
| Losses / (Gains) on Curtailments/Settlements | - | - |
| Defined Benefit Obligation, End of Period | 25,64,50,919 | 16,48,83,066 |

| Particulars | As at 31/03/2020 | As at 31/03/2019 |
|---|------------------|------------------|
| Fair value of Plan Assets, Beginning of Period | - | - |
| Fair value of Plan Assets, End of Period | - | - |

| Particulars | Gratuity Valuation as at 31/03/2019 |
|--|-------------------------------------|
| Defined Benefit Obligation - Discount Rate + 100 basis points | (2,61,98,510) |
| Defined Benefit Obligation - Discount Rate - 100 basis points | 2,77,28,473 |
| Defined Benefit Obligation - Salary Escalation Rate + 100 basis points | 2,03,95,510 |
| Defined Benefit Obligation - Salary Escalation Rate - 100 basis points | (1,91,20,185) |



2.36. Disclosure in respect of IND AS-21 “The effects of change in Foreign Exchange rates”.

The effect of Foreign Exchange fluctuation during the year is as under:

The total amount of exchange difference (Net Foreign exchange loss) recognised in profit and loss account for the F.Y.2019-20 is Rs 6,10,688/- (Financial year 2018-19 Rs 73,00,220/-).

2.37. Disclosure in respect of IND AS-23 “Borrowing Cost”

During the year, interest amounting to Rs. 1,03,73,49,553/- (Financial Year 2018-19 Rs.1,11,69,32,923/-) amount on loans borrowed for Phase 1 and Rs 44,074,477/- for Phase 2 has been fully charged to Revenue and an amount of Rs 20,48,90,226 (Financial Year 2018-19 Rs 14,05,86,334/-) has been capitalised in line with the “Accounting policies on Borrowing Costs”.

Interest earned on loan funds of Phase2 amounting to Rs 1,78,47,00,924 /- (FY 2018-19 Rs 1,13,79,90,026/-) has been credited to CWIP - Phase-2.

2.38. Disclosure in respect of IND AS-24 “Related Party Transactions”

The Company is a Government Company within the meaning of Section 2(45) of the Companies Act, 2013 (Formerly Section 617 of the Companies Act, 1956) and hence disclosures as per IND AS - 24 Related party Transactions is as under:

a) Key Managerial Persons:

| | |
|------------------------------|-----------------------|
| 1. Sri Ajay Seth | Managing Director |
| 2. Sri N. M. Dhoke | Director (RSE) |
| 3. Sri D. Radhakrishna Reddy | Director (P&P) |
| 4. Sri U. Jagadish Nayak | Company Secretary |
| 5. Sri S. Vasudevan | Chief Finance Officer |

b) Disclosures of transactions of Bangalore Metro Rail Corporation Ltd.

| Sl. No. | Particulars | 2019-20 | 2018-19 |
|---------|-----------------------|-----------------------|-----------------------|
| 1 | Salaries & Allowances | 1,78,76,070.00 | 1,45,20,326.00 |
| 2 | Contribution to Fund | 10,03,206.00 | 11,34,415.50 |
| 3 | Other Benefits | 1,15,322.00 | 3,89,424.00 |
| | Total | 1,89,94,598.00 | 1,60,44,165.50 |



2.39. Disclosure in respect of IND AS - 33 : Earning per Share

| Particulars | As at 31 st March 2020 | As at 31 st March 2019 |
|--|-----------------------------------|-----------------------------------|
| Numerator | | |
| Profit after tax as per Profit and Loss Account (Used as Numerator) | (5,95,66,63,057) | (4,96,54,62,131) |
| Denominator | | |
| - Number of Equity Shares (Face value of Rs. 10/- each) | 5,82,37,80,000 | 5,36,29,80,000 |
| - Number of Shares allotted during the year | 1,41,55,20,000 | 46,08,00,000 |
| Total Number of Shares | 7,23,93,00,000 | 5,82,37,80,000 |
| - Weighted Average number of equity shares for calculating | 6,34,92,10,000 | 5,47,81,80,000 |
| Basic Earnings Per Share | (0.94) | (0.91) |
| - Weighted Average number of equity shares for calculating | 6,34,92,10,000 | 5,47,81,80,000 |
| Diluted Earnings Per Share | (0.94) | (0.91) |

2.40. Disclosure in respect of IND AS-36 - "Impairment of Assets"

The Management has assessed for impairment of assets and found no impairment during the year 2019-20 (FY 2018-19 Nil).

2.41. Segment Reporting (Ind AS 108)

The company's principle business is running & maintenance of Metro Rail Facility in Bangalore. The Company operates within India and does not have operations in economic environments with different risks and returns. Hence, it is considered operating in single geographical segment.

The revenue directly attributable to the segment including income from train operation, rental income of space for kiosks, parking, shops, restaurant, advertisement, land lease, commercial training and sale of tender forms.

Information about major customers

No single customer contributed 10% or more to the company's revenue for both year ended on 31-03-2020 and year ended on 31-03-2019.

2.42. As per IND AS 101 - First time adoption of Indian Accounting Standards, para D5 says that "A first-time adopter may elect to measure an item of property, plant and equipment at the date of transition to Ind-AS at its fair value and use that fair value as its deemed cost at that date".

Para D6 A states that the first-time adopter may elect to use a previous GAAP revaluation of an item of property, plant and equipment at, or before, the date of transition to Ind-Ass as deemed cost at the date of the revaluation. The Company has not implemented the same and continued to disclose the Historical cost as Gross Block on the transition date and thereafter, for statistical, reconciling and reporting (to State and Central Governments) purposes. Value of Net Block has no change due to this method of disclosure.



- 2.43.** Lands acquired through the KIADB by way of acquisition proceedings and from other Government organisations, are capitalized on the basis of provisional cost as per the notifications and possession, pending finalisation and giving effect to the land acquisition/consent awards/rehabilitation costs, interest etc.,

The total cost of land and properties acquired through the Karnataka Industrial Area Development Board (KIADB) for Bangalore Metro Rail Project up to 31st March 2020 for Phase-1 is Rs 15,40,32,78,026/- (FY 2018-19 Rs 15,38,76,01,350/-), for Phase-2 Rs 60,22,33,56,543/- (FY 2018-19 Rs 46,59,89,22,691/-), for Phase-2A Rs 2,37,80,68,977/- (FY 2018-19 Nil) and for Phase-2B Rs 45,46,36,720/- (FY 2018-19 Nil).

The balance amount of Rs 73,70,12,052/- (FY 2018-19 Rs 4,01,12,12,935/-) shown under advances in the name of KIADB (Note No. 2.11(ii)) will be transferred to the asset account, as and when formalities related to the acquisition, payment of compensation, consent awards, rehabilitation costs, interest etc., possession of land and property are completed and accounts thereof are received from the KIADB.

The High Power Committee at its 28th meeting held on 31.01.2016 has fixed service charges payable to KIADB at 1% of compensation paid to the beneficiaries with regard to the land acquired for Phase-2 on behalf of BMRCL (G.O. reference No. CI 647 SPQ 2013, Bangalore dated 13.08.2015).

In respect of the lands acquired for Phase-1, service charges payable to KIADB has been considered at 4% of the compensation paid to the beneficiaries.

In addition to the above, the land and properties acquired, other than through the KIADB, for Phase I is of the order of Rs 6,21,47,32,285/- (FY 2018-19 Rs 3,97,47,19,624/-), Phase II Rs 2,02,27,65,007/- (FY 2018-19 Rs 42,51,10,552/-), Phase-2A Rs 1,20,11,03,097/- (FY 2018-19 Rs 86,13,98,592/-) and Phase-2B Rs 3,45,28,82,722/- (FY 2018-19 Rs 1,41,08,34,907/-), which have been accounted under the Land and Buildings forming part of the PPE.

- 2.44.** In the matter of acquisition of 6 Acres 5 Guntas of land belonging to Smt. B A Indirammain Sy No.15/1 of Bennginahalli of Phase-1, the Hon'ble Court of the Principal Senior Civil Judge, Bengaluru Rural District, Bengaluru has awarded enhanced compensation amount of Rs 4,53,09,60,987/- including additional interest of Rs 2,79,80,52,976/- for the period from 18.07.2008 to 17.10.2019. The Company has preferred an appeal in the Hon'ble High Court of Karnataka.

On the directions of the Hon'ble High Court, the Company has deposited 50% of the enhanced compensation amounting to Rs 2,24,00,12,661/- (Rs 4,48,00,25,321/-) in the High Court. The deposited amount has been included in the Others - Note 2.4 Other Non Current Assets. The balance amount of Rs 2,29,09,48,326/- is included under Note Contingent Liabilities (Note No.2.31.A Contingent Liabilities not provided for (INDAS - 37).)

- 2.45.** The High Power Committee at its 35th meeting dated 21.06.2019 directed BMRCL to finalise service charges payable to the BBMP, instead of Property Tax on the Company properties and enter into an MoU after completing necessary formalities. Pending finalisation of the MoU between the Company and BBMP, no provision has been made for the service charges payable to the BBMP, since the amount is not ascertainable. Pending finalization of the MoU, the Company has not accounted for interest for FY 2019-20, on the amount due to from BBMP, such interest having been accounted on accrual basis till FY 2018-19. Rs 82,54,23,264/- (FY 2018-19 Rs 82,54,23,264/-) including interest of Rs 18,16,72,133/- upto 31.03.2019 has been shown as receivable from BBMP.



- 2.46.** The Company has entered into a concession agreement with M/s. Mantri Infrastructure Private Limited for developing, operating, maintaining and transfer of the commercial tower above metro station under Public Private partnership (PPP) model for a period of 99 years commencing from the Revenue commencement date.
- 2.47.** The Company has preferred claims with the DGFT for Deemed Export Benefits under the then prevailing Foreign Trade Policy (2009-2014) for Rs 34,08,32,196/- (FY 2018-19 Rs 34,08,32,196/-). Pending acceptance of the claim/s, as a measure of prudence, the same is sought to be accounted on receipt basis.
- 2.48.** As per the information available with the Company, there are no dues outstanding towards enterprises covered under Micro Small and Medium Enterprises Act, 2006 for a period exceeding 45 days.
- 2.49.** The provisions of Rule 2 (C)(vii) of the Companies (Acceptance of Deposits) Rules, 2014 will not apply to the share application amounts received from the Government and are therefore exempt from being treated as Deposits in terms of Rule 2 (C) (i) of the said Companies (Acceptance of Deposits) Rules, 2014.
- 2.50.** The requirement of contribution towards Corporate Social Responsibility as contemplated under Section 135 of the Companies Act, 2013 read with Schedule VII does not apply to the Company as it has been incurring losses since inception and is not required to make any contribution towards CSR presently. However, the Company has already constituted a CSR Committee of the Board in order to draft and oversee a CSR Policy.
- 2.51.** Since the Company is not making profits, Debenture Redemption Reserve has not been created.

2.52. Other Income

Other income includes Rs 94,03,562 (Previous Year Rs 94,07,767) being the amount transferred from Deferred Income/Grant.

2.53. Reimbursement of Cash Losses

Rs 43.00 crore received towards reimbursement of cash losses from the Government of Karnataka has been adjusted against balance loss reimbursable of Rs 14.54 crore for F.Y. 2017-18 and Rs 28.46 crore for F.Y. 2018-19.

2.54. Disclosure on Impact of Covid - 19 in Metro Operations

Significant disruptions have taken place worldwide due to Covid-19 Pandemic outbreak. Metro Rail operations of the Company along the 42 Kms stretch in Phase I have been suspended due to nationwide lockdown from 22nd March 2020, resulting in realisation of lower fare box and non fare box revenue of Rs 24.35 crore in March 2020 against expected revenue of Rs 40 crore and estimated revenue loss of about Rs 35 crore per month from April 2020.



2.55. Disclosure of Prior Period Items

| S.No | Particulars | Amount |
|------|-----------------------|--------------------|
| | Expenditure | |
| 1. | Legal Fees | 3,00,000 |
| 2. | Others | 1,35,72,774 |
| 3. | Maintainance Fees | 77,25,813 |
| 4. | Repairs & Maintenance | 50,97,874 |
| 5. | Depreciation | 5,10,59,236 |
| 6. | Gst | 36,72,277 |
| | Total | 8,14,27,974 |
| | Income | |
| 1 . | Fare box revenue | 43,53,412 |
| 2. | Rental Income | 1,40,69,526 |
| | Total | 1,84,22,938 |

2.56. Fair Value Measurement (INDAS - 113)

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial as well as non assets and liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal market or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy Based on the lowest level input that is significant to the fair value measurement as a whole. The fair value hierarchy is described as below:

Level 1: unadjusted quoted prices in active markets for identical assets and liabilities

Level 2: Inputs other than prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy.

The Company has considered one year Marginal Cost of Funds based Lending Rate (MCLR) of SBI as on 31st March 2020 for fair value measurement.



Security Deposits

The fair value of security deposits is estimated as the present value of future cash flows, discounted at SBI MCLR rate of 7.75%.

2.57. Financial Instruments by Category

The carrying value and fair value of financial instruments by each category as at March 31, 2020 were as follows:-

| Particulars | Financial assets/liabilities at amortised cost | Financial assets/liabilities at FVTPL | Financial assets/liabilities at FVTOCI | Total carrying value | Total fair value |
|-----------------------------|--|---------------------------------------|--|----------------------|-------------------|
| Assets | | | | | |
| Deposits | 7,42,45,257 | - | - | 7,42,45,257 | 7,42,45,257 |
| Trade receivables | 2,66,00,096 | - | - | 2,66,00,096 | 2,66,00,096 |
| Cash & Cash equivalents | 7,21,66,42,998 | - | - | 7,21,66,42,998 | 7,21,66,42,998 |
| Bank Balances | 12,34,45,030 | - | - | 12,34,45,030 | 12,34,45,030 |
| Other financial assets | 1,53,96,66,636 | - | - | 1,53,96,66,636 | 1,53,96,66,636 |
| Liabilities | | | | | |
| Borrowing from others | 2,02,99,30,59,634 | - | - | 2,02,99,30,59,634 | 2,02,99,30,59,634 |
| Trade payables | 13,27,56,236 | - | - | 13,27,56,236 | 13,27,56,236 |
| Other financial liabilities | 24,53,07,792 | - | - | 24,53,07,792 | 24,53,07,792 |

Interest Income/(expenses) recognized on financial assets and liabilities:

| Particulars | As at 31 st March 2020 | As at 31 st March 2019 |
|--|-----------------------------------|-----------------------------------|
| Financial assets at amortised cost | | |
| Interest income on bank deposits | 1,58,19,616 | 35,60,922 |
| Interest income on other financial assets | 34,15,837 | - |
| Interest expenses on other financial assets | 68,88,335 | 72,61,834 |
| Financial assets at Fair Value through Profit or Loss (FVTPL) | - | - |
| Financial assets at Fair Value through Other Comprehensive Income(FVTOCI) | - | - |

2.58. Financial Risk Management

The company has exposure to the following risk from its use of financial instrument:-

1. Credit Risk
2. Liquidity Risk
3. Market Risk



The board of director has overall responsibility for the establishment & oversight of the company's risk management framework. The Board of director has established a risk management policy to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risk and adherence to limits. Risk management systems are reviewed periodically to reflect changes market conditions and the company's activities. The audit committee oversees how management monitors compliances with the company's risk management policies and procedures, and reviews the risk management framework. The audit committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

1. Credit Risk

Credit risk is the risk of financial losses to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligation and arises principally from the company's trade receivables, employee loans and other activities that are in the nature of leases.

Exposure to credit risk

The gross carrying amount of financial assets, net of any impairment losses recognized represents the maximum credit exposure. The maximum exposure to credit risk as at March 31, 2020 & March 31, 2019 was as follows:-

| | As at March 31, 2020 | | As at March 31, 2019 | |
|-------------------------|----------------------|----------------------------|----------------------|----------------------------|
| | Gross Carrying Value | Net Value after Impairment | Gross Carrying Value | Net Value after Impairment |
| Security Deposit | 7,42,45,257 | 7,42,45,257 | 2,77,05,979 | 2,77,05,979 |
| Trade Receivables | 2,66,00,096 | 2,66,00,096 | 2,86,44,100 | 2,86,44,100 |
| Cash & Cash Equivalents | 7,21,66,42,998 | 7,21,66,42,998 | 2,66,63,55,530 | 2,66,63,55,530 |
| Bank Balances | 12,34,45,030 | 12,34,45,030 | 5,26,60,23,023 | 5,26,60,23,023 |
| Other financial assets | 1,53,96,66,636 | 1,53,96,66,636 | 59,39,24,308 | 59,39,24,308 |

Financial assets that are past due but not impaired

Long term loan, Trade Receivables, Cash and cash equivalents and other assets are neither past due nor impaired.

2. Liquidity Risk:

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under normal and stressed conditions, without incurring unacceptable losses or risking damage to the company reputation, typically the company ensures that it has sufficient cash on demand to meet expected operational expenses, servicing of financial obligations.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

| Non derivative financial liabilities | As at March 31, 2020 Contractual Cash flows | 0-12 Months | 1-3 Years | More than 3 year |
|--------------------------------------|---|----------------|----------------|-------------------|
| Borrowing from others | 2,02,99,30,59,634 | 3,01,52,82,072 | 9,58,26,19,054 | 1,90,39,51,58,508 |
| Trade payables | 13,27,56,236 | 13,27,56,236 | - | - |
| Other financial liabilities | 24,53,07,792 | 18,25,57,650 | 6,27,50,142 | - |



3. Market Risk:

Market risk is the risk of loss of future earnings or fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign exchange rates and other market changes that affect market risk sensitive instruments.

- 2.59. Balances shown under Trade Receivables, Trade Payables, Contractors Advances, Deposits are subject to confirmation reconciliation and consequential adjustment if any.
- 2.60. Capital Advance (Unsecured considered good) under Note 2.11 of Current Assets includes Special Advance of Rs 61.22 crore and interest of Rs.2.67crore given to two contractors viz, Coastal TTS (Joint Venture) and GYT- Coastal (Joint Venture) and final bill has not been submitted by the contractors, who have preferred arbitration. The company has made counter claim, against contractor including outstanding advance. Corporate Insolvency Resolution Process (CIRP) has been initiated against one of the JV partners viz the Coastal Projects Ltd.,(CPL) by the Secured Creditors, and Kolkata Bench of the NCLT by its Order dated 06.12.2018 has ordered liquidation of the CPL. Contractors have now conveyed their willingness for Conciliation Proceedings.
- 2.61. Figures have been rounded off to nearest Rupee.
- 2.62. Previous year figures have been regrouped or reclassified wherever necessary to make them comparable with current year figures.

Sd/-
Ajay Seth
Managing Director

Sd/-
D. Radhakrishna Reddy
Director (P&P)

**In accordance with our report attached
For Badari, Madhusudhan & Srinivasan**
Chartered Accountants
Firm Registration No: 005389S

Sd/-
U. Jagadish Nayak
Company Secretary

Sd/-
S.Vasudevan
Chief Finance Officer

Sd/-
(T. V. Sudarshan)
Partner
Membership No: 019108

Place : Bengaluru
Date : 03-09-2020





Shri Durga Shanker Mishra, IAS Secretary, Ministry of Housing and Urban Affairs, Government of India visited BEML Limited along with Sri Ajay Seth, Managing Director, BMRL and other Dignitaries.

Shri Durga Shanker Mishra, IAS, Secretary, Ministry of Housing and Urban Affairs, Government of India, chaired Managing Director's Conclave of all Metro Rail Companies held on 10-08-2019 at Bengaluru.



Dr. E. Sreedharan, visited Namma Metro office on 25.10.2019. Shri Ajay Seth, Managing Director and Senior Officials of BMRL took advice on various aspects of Namma Metro Project.



Professors & Students from Vienna University of Economics & Business visited BMRC O&M Wing as part of their India Visit.



64th Kannada Rajyotsava celebrations were held at Peenya Depot on 24.11.2019. Chief Guest, Dr. Doddarange Gowda, Senior Kannada Sahithi and Writer inaugurated the 64th Kannada Rajyotsava celebrations. On this occasion Shri Ajay Seth, MD, BMRC honoured the Chief Guest. Shri N. M. Dhoke, Director (RSE & O&M), Senior Officials & Staff were present.



Shri Durga Shanker Mishra, IAS, Secretary, Ministry of Housing & Urban Affairs, Govt. of India conferred the Award of Commendable Initiative to Bangalore Metro Rail Corporation Limited in the category of Best Urban Mass Transit Project at the 12th Urban Mobility India Conference-cum-Expo 2019 held during November 2019 at Lucknow, Uttar Pradesh



Namma Metro during the lockdown period ensured that all the labourers at the camps were taken care of by following the Government Guidelines



Rejuvenation & Development of Veerasandra Lake
by M/s. Titan Industries as part of CSR activities in Bengaluru



The Well-known Jayadeva Flyover demolition work was successfully completed by BMRCL as part of Phase-2 Project Work



Reach - 1 Extension Metro Rail over ORR Flyover at K. R. Puram Junction



Reach - 1 Extension : Hoody Junction Metro Station works



Viaduct completed along Reach - 1 Extension



Track work view along the viaduct of Reach - 1 Extension



Structural Steel work in Rajarajeshwari Nagar Station in Reach - 2 Extension



Side view of Nayandahalli Station in Reach - 2 Extension



Track laying work in progress in Reach - 2 Extension



View of viaduct track laying work in progress in Reach - 2 Extension



View of viaduct work in progress in Reach - 3C



*Work in Manjunath
Nagar Station Ground
Level View - Reach - 3C*



*Platform Level View -
Anjanapura Station*



*View of Konanakunte
Cross Station of
Reach - 4B*



Erection of Parapet Wall and Hand Rail work in progress - Reach 5



Electronic City Station works in progress - Reach 5



Progress of Viaduct Works in Reach 5



*Station work in progress
at Reach 5*



*Road segment erection in
progress - Reach 5*



*Reach 5 Metro Line cross
over in Reach 4 Metro
Line at RV Road Station*

Reach 6 - Elevated Line



Under Construction of Tavarekere Station



Under Construction of IIMB Station



*Piling work in progress at
launching Shaft Area -
Reach 6*



*Storm water drain
concrete work in
progress at
Dairy Circle Reach 6*



*Aerial view of
Shivajinagar
Underground Station -
Reach 6*

Track Work on Phase - 2



*Completed track work
along Viaduct of
Reach - 4B*



*Flash Butt welding work
at Reach - 1 Extension*



*Completed track work
along Reach - 4B*



Shri B S Yediyurappa, Hon'ble Chief Minister of Karnataka launched the commencement of Tunnel Boring Machine Works at Cantonment Station



Tunnel Boring Machines 1 & 2 Assembly in progress in Cantonment Station.



Bangalore Metro Rail Corporation Limited

(A Joint Venture of Government of India and Government of Karnataka)

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