



# Mumbai Railway Vikas Corporation Limited

2nd Floor, Churchgate Station Bldg.,  
Mumbai - 400 020.



## *Annual Report* **2012-13**

### *Table of Contents*

Details of Auditors/Bankers and Registered Office .....	02
Mission & Objectives .....	03
Notice .....	04-09
Board of Directors .....	10
Chairman & Managing Director Statement .....	11-13
Directors' Report .....	14-33
Projects of MUT (Rail Component) .....	34
Compliance Certificate by Company Secretary on Corporate Governance .....	35-36
Declaration by Chairman & Managing Director regarding Compliance to the Code of Business Conduct.....	37
Financial highlights for 10 years .....	38
Auditor's Report .....	39-43
C&AG Comment Certificate .....	44-45
Management Response to Comments of C&AG .....	46-47
Balance Sheet and Statement of Income & Expenditure with Notes .....	48-64

MUMBAI RAILWAY VIKAS CORPORATION LTD.  
MUMBAI RAILWAY VIKAS CORPORATION LTD.  
MUMBAI RAILWAY VIKAS CORPORATION LTD.  
MUMBAI RAILWAY VIKAS CORPORATION LTD.  
MUMBAI RAILWAY VIKAS CORPORATION LTD.



**MUMBAI RAILWAY VIKAS CORPORATION LTD.**  
**MUMBAI RAILWAY VIKAS CORPORATION LTD.**

AUDITORS :- M/s. V.C. SHAH & CO.,  
3rd Floor, Rajgir Chambers,  
12-14, Shahid Bhagat Singh Road,  
Opp: Old Custom House,  
MUMBAI - 400 001.

BANKERS :-  
1) Bank of India  
2) IDBI Bank Ltd.  
3) IndusInd Bank Ltd.  
4) Dena Bank

REGISTERED  
OFFICE :-  
2nd Floor,  
Churchgate Station Bldg.,  
Churchgate,  
MUMBAI - 400 020.  
Tel : 022-22014623  
Fax : 022-22096972  
Website : [www.mrvco.indianrailways.gov.in](http://www.mrvco.indianrailways.gov.in)



## MISSION

To develop world-class infrastructure for an efficient, safe and sustainable Railway system in Mumbai Suburban Section to provide comfortable and friendly train services to the commuters.

## OBJECTIVES

- Integrate suburban rail capacity enhancement plans with urban development plan for Mumbai and propose investments.
- Implement the rail infrastructure projects in Mumbai suburban sections.
- Commercially develop Railway land and airspace in Mumbai area to raise funds for suburban railway development.
- Resettlement and Rehabilitation of Project Affected Households.



## Notice



### NOTICE OF THE FOURTEENTH ANNUAL GENERAL MEETING

Notice is hereby given that the Fourteenth Annual General Meeting of Mumbai Railway Vikas Corporation Limited will be held on 25<sup>th</sup> September, 2013 [Wednesday] at 15.30 hours at the Registered Office of the Corporation at 2<sup>nd</sup> Floor, Churchgate Station Bldg., Mumbai – 400 020 to transact the following business:

#### Ordinary Business:

- 1) To receive, consider and adopt the Audited Statement of Income and Expenditure for the year ended 31<sup>st</sup> March, 2013 and the Balance Sheet as at that date together with the Directors' and Auditors' Report thereon and the comments of C & AG on the Accounts of the Corporation.
- 2) To fix the remuneration of Statutory Auditors to be appointed by the Comptroller and Auditor General of India pursuant to Sections 224 (8) (aa)/619 of the Companies Act, 1956 for the financial year 2013-14 by passing with or without modifications the following resolution as an Ordinary Resolution.

"Resolved that pursuant to Section 224 (8) (aa) of the Companies Act 1956 the Chairman and Managing Director and/or Director [Finance] of the Corporation be and is hereby authorized to fix the remuneration of Statutory Auditors to be appointed/re-appointed by the Comptroller and Auditor General of India for the financial year 2013-14 in consultation with them keeping in view the workload and other related aspects".

#### Special Business:

- 3) To consider, and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"Resolved that subject to provisions of Section 31 and other applicable provisions of the Companies Act, 1956 or any amendment(s), modification(s) or supersession thereof, the following Articles i.e. Article No. 1, Article 92, Article 119, Article 120, Article-120 (1) (a), Article 120 (4), Article 120 (5), Article 120 (6), Article 123(1), Article 123(2), Article 124 and Article 134, be and are hereby amended as follows with effect from 05.03.2013 consequent upon the re-designation of the post of Managing Director of the Company as Chairman and Managing Director [CMD] and re-designation of the post of Director [Electrical] as Director [Projects]:

Article No	Existing Article	Proposed amendment
1	"Chairman"  "The Chairman" means the Chairman of Board of Directors of the Company for time being.	"Chairman and Managing Director"  "The Chairman" means the Chairman and Managing Director of Board of Directors of the Company for time being.
1	"Managing Director"  "The Managing Director" means the Managing Director for the time being of the Company.	"Chairman and Managing Director".  "The Chairman and Managing Director" mean the "Chairman and Managing Director" for the time being of the Company.



92	The Chairman of the Board of Directors shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary. If there be no such Chairman or if at any meeting he shall not be present within fifteen minutes of the time appointed for holding such meeting or if he shall be unable or unwilling to take the chair then the members present shall elect another Director as Chairman, and if no Directors be present or if all the Directors present decline to take the chair then the members present shall elect one of their members to be the Chairman.	The Chairman and Managing Director of the Company shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary. If there be no such Chairman and Managing Director or if at any meeting he shall not be present within fifteen minutes of the time appointed for holding such meeting or if he shall be unable or unwilling to take the chair then the members present shall elect another Director as Chairman, and if no Directors be present or if all the Directors present decline to take the chair then the members present shall elect one of their members to be the Chairman.
119	First para  Subject to the provisions of Section 252 of the Act, the number of Directors of the Company shall not be less than 3 (three) and not more than 11 (Eleven). The directors are not required to hold any qualification shares and their remuneration, if any, shall be determined by the president.	First para  Subject to the provisions of Section 252 of the Act, the number of Directors of the Company shall not be less than 3 (three) and not more than 10 (Ten). The Directors are not required to hold any qualification shares and their remuneration, if any, shall be determined by the president.
119	Second para  The Company shall have a part-time Chairman and six full time Directors viz. Managing Director, Director (Technical), Director (Electrical), Director (Finance), Director (Resettlement & Rehabilitation) and Director (Infrastructure and Commercial Development). There will be 2 part time official Directors one each from IR and GoM and two non-official part-time directors, one each nominated by MoR/GoM respectively.	Second para  The Company shall have a full time Chairman and Managing Director and five full time Directors viz. Director (Technical), Director (Projects), Director (Finance), Director (Resettlement & Rehabilitation) and Director (Infrastructure and Commercial Development). There will be 2 part time official Directors one each from IR and GoM and two non-official part-time Directors, one each nominated by MoR/GoM respectively.
120	The President in consultation with the Governor of Maharashtra shall nominate a Part-time Chairman.	This sentence is to be deleted.
120 (1) (a)	Managing Director.	Chairman and Managing Director.
120 (4)	The President shall have the power to remove any of the Directors appointed by him including the part-time Chairman, the Managing Director, if any, from office at any time in his absolute discretion, provided that the power to remove the part-time Chairman shall be exercised in consultation with the Government of Maharashtra.	The President shall have the power to remove any of the Directors appointed by him including the full time Chairman and Managing Director, if any, from office at any time in his absolute discretion.



120 (5)	The President shall have the right to fill any vacancy in the office of the part time Chairman, Managing Director, or Director(s) caused by removal, resignation, death or otherwise, as provided in Article 120 (4).	The President shall have the right to fill any vacancy in the office of the full time Chairman and Managing Director, or Director(s) caused by removal, resignation, death or otherwise, as provided in Article 120 (4).
120(6)	First line  The Chairman, Managing Director, whole-time Directors shall retire on their ceasing to hold the office of the Chairman, Managing Director and Whole-time Directors respectively.	First line  The Chairman and Managing Director, whole-time Directors shall retire on their ceasing to hold the office of the Chairman and Managing Director and Whole-time Directors respectively.
123(1)	Subject to the provisions of the Act the Board may from time to time, delegate such of its powers as it may think fit to the Chairman or Managing Director, Directors subject to such terms, conditions and restrictions as it may deem necessary to impose and may from time to time, revoke, amend or vary all or any of the powers so delegated.	Subject to the provisions of the Act the Board may from time to time, delegate such of its powers as it may think fit to the Chairman and Managing Director, Directors, subject to such terms, conditions and restrictions as it may deem necessary to impose and may from time to time, revoke, amend or vary all or any of the powers so delegated.
123(2)	The Chairman or Managing Director may sub-delegate any of the powers delegated to him by the Board to any officer/ employees of the Company, subject to conditions that every such sub-delegations has not been specifically prohibited by the Board while making the delegation to the Chairman/MD.	The Chairman and Managing Director may sub-delegate any of the powers delegated to him by the Board to any officer/employees of the Company, subject to conditions that every such sub-delegations has not been specifically prohibited by the Board while making the delegation to the Chairman and Managing Director.
124	The Chairman shall reserve for decisions of the President any proposal or decision of the Board of Directors or any matter brought before the Board which raises in the opinion of the Chairman, any important issue and which on that account is fit to be reserved for approval of the President and no decision on such an important issue shall be taken in the absence of the part-time Chairman.	The Chairman and Managing Director shall reserve for decisions of the President any proposal or decision of the Board of Directors or any matter brought before the Board which raises in the opinion of the Chairman and Managing Director, any important issue and which on that account is fit to be reserved for approval of the President and no decision on such an important issue shall be taken in the absence of the Chairman and Managing Director.
134	President may nominate a Director as Chairman of the Directors' meeting and determine the period for which he is to hold office. If no such Chairman is nominated, or if at any meeting the Chairman is not present within 15 minutes after the time for holding the same, the Directors present may choose one of their member to be the Chairman of the meeting.	President may nominate a Chairman and Managing Director as Chairman of the Directors' meeting and determine the period for which he is to hold office. If no such Chairman and Managing Director is nominated, or if at any meeting the Chairman and Managing Director is not present within 15 minutes after the time for holding the same, the Directors present may choose one of their member to be the Chairman of the meeting."



- 4) To consider, and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“Resolved that pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956 or any amendment(s), modification(s) or supersession thereof, approval of the Shareholders of the Company be and is hereby given to extend the period of validity of MRVC from existing validity of 15 years to 20 years i.e. up to July 11, 2019.”

“Further resolved that the opening sentence in Article 177 of the Articles of Association of the Company namely “The period of validity of MRVC will be 15 years” be substituted by the following sentence:

“The period of validity of MRVC will be 20 years”.

**By order of the Board of Directors**

[Vijay G. Angane]  
Company Secretary

Place: Mumbai

Date: 30-08-2013

#### NOTE

1. Explanatory Statements pursuant to Section 173 of the Companies Act, 1956 in respect of Special Business are annexed hereto.
2. A member entitled to attend and vote at the meeting, is entitled to appoint a Proxy to attend and vote instead of himself and a Proxy need not be a member of the Corporation.
3. Instrument appointing a Proxy or other authority, if any, shall in order to be effective be deposited at the Registered Office of the Corporation not less than 48 hours before the meeting.
4. **Kindly note that if at the Fourteenth Annual General Meeting, quorum [i.e. minimum 5 members personally present other than proxy] is not present within half an hour from the time appointed for holding the meeting, the meeting will be adjourned for half an hour and the members present at the adjourned meeting [minimum 2 members] may transact the business for which meeting is called.**



**EXPLANATORY STATEMENT AS REQUIRED UNDER  
SECTION 173 OF THE COMPANIES ACT, 1956**

**ITEM NO. 3**

Railway Board, vide Order No. 2012/E(O)/II/40/2 dated 05.03.2013 has conveyed the approval of the competent authority for the re-designation of the post of Managing Director as Chairman and Managing Director [CMD] of various CPSUs under Ministry of Railways including Mumbai Railway Vikas Corporation Ltd. Accordingly Shri Rakesh Saksena, Managing Director of the Company has assumed the charge of the post of Chairman and Managing Director of Mumbai Railway Vikas Corporation Limited from 05.03.2013 [FN]. Abolition of the post of Chairman and re-designation of the post of Managing Director as Chairman and Managing Director and re-designation of the post of Director [Electrical] as Director [Projects] necessitated the proposed amendments in the Articles of Association of the Company.

The Board of Directors recommends passing of the Special Resolution as per Item No. 3 of the Notice.

None of the Directors of the Company are interested in the Special Resolution.

**ITEM NO. 4**

The Company was incorporated under the Companies Act, 1956 on 12-07-1999 and according to Article 177 of the Articles of Association it's validity will be up to 11-07-2014. Since MRVC being rail infrastructure projects organisation, its validity life span was prefixed for the period of 15 years from the date of incorporation up to 11.07.2014 as per MoU between MoR and GoM with enabling clause to extend the same if it become necessary so as to synchronise with a complete discharge of the liabilities of the Company.

Existing Article 177 of Articles of Association is as under:

Validity of MRVC

“The period of validity of MRVC will be 15 years. It may however, become necessary to extend the period so as to synchronise with the complete discharge of the liabilities of the company.

However, MRVC could be wound up at any point of time after a minimum of 5 years on mutually acceptable terms and conditions subject to satisfactory discharge of liabilities of MRVC.”

MUTP Phase-1 was undertaken with certain identified projects and completed. World Bank has sanctioned loan for MUTP Phase-II. During the course of negotiation for World Bank loan it was suggested by the World Bank that there is need for extension of validity period of MRVC which is expiring on 11.07.2014 as per the extant Article 177 of the Articles of





MUMBAI RAILWAY VIKAS CORPORATION LTD.  
MUMBAI RAILWAY VIKAS CORPORATION LTD.  
MUMBAI RAILWAY VIKAS CORPORATION LTD.

Association of the Company on account of probability of completion of some of the projects in MUTP Phase – II beyond validity period of MRVC due to likely time over-run/spill-over. Extension of validity period of MRVC was a precondition for sanction of loan. MUTP Phase – III is also envisaged and may be taken up in due course.

In terms of legality, any long-term contract by MRVC with the third parties for the period transcending validity period of MRVC is invalid. Longer validity period of MRVC will enable MRVC to formulate long term policies of operations/management.

In compliance of World Bank direction as stated above, also to complete MUTP – II and to have long term planning in consonance with the mission and objectives of MRVC which are not restricted by any particular MUTP Phase, it is essential and expedient to extend the period of validity of 15 years of MRVC.

Railway Board vide letter No. 2010/Proj./MRVC/12/3 dated 08.08.2013 has informed that the proposal for extension of period of validity of MRVC for a further period of 5 years i.e. up to 11<sup>th</sup> July, 2019 has been considered and approved by the Cabinet in its meeting held on 17.07.2013 and that with this Article 177 stands modified to this extent.

The Board of Directors recommends passing of the Special Resolution as per Item No. 4 of the Notice.

None of the Directors of the Company are interested in the Special Resolution.

Memorandum and Articles of Association of the Company are available for inspection by the Members of the Company on all working days at the Registered Office of the Company from 11.00 a.m. to 2.00 p.m.

**By order of the Board of Directors**

[Vijay G. Angane]  
Company Secretary

Place: Mumbai

Date: 30-08-2013



## *Board of Directors*



**Shri Rakesh Saksena**  
Chairman & Managing Director



**Shri Naresh Chandra**  
Director (Technical)



**Shri N. M. Misra**  
Director (Finance)



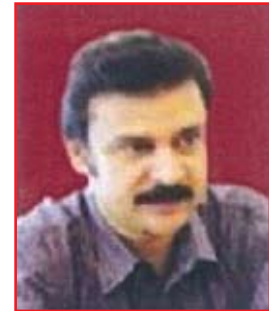
**Shri R. S. Khurana**  
Director (Projects)



**Shri S.V. R. Srinivas**  
Director (Resettlement  
& Rehabilitation)



**Shri P. R. K. Murthy**  
Director (Infrastructure  
& Commercial Development)



**Shri M. K. Shrivastav**  
Part Time Official  
Director (GoM)



**Shri Sujit Kumar Kar**  
Part Time Non Official  
Director (IR)



**Shri D. K. Saraf**  
Part Time Official  
Director (IR.)



## Chairman and Managing Director's Statement



MUMBAI RAILWAY VIKAS CORPORATION LTD.  
MUMBAI RAILWAY VIKAS CORPORATION LTD.  
MUMBAI RAILWAY VIKAS CORPORATION LTD.

Dear Shareholders,

It gives me a great pleasure to welcome you all to the 14<sup>th</sup> Annual General Meeting of Mumbai Railway Vikas Corporation Ltd.

Mumbai is the financial capital of India and its suburban rail system is the lifeline of the city. The suburban railway system in Mumbai is the most complex, densely loaded and intensively utilized system in the world wherein 7.6 million commuters travel by the suburban trains every day. To achieve the objective of bringing down the crowding in the trains from around 5000 to 3000 per 9 car rake, MUTP Phase-I has already been completed at an approximate cost of ₹ 4,320.64 crore. Some residual payments related to contracts [already executed] are, however, still to be made. MUTP Phase-II is being implemented at a cost of approximately ₹ 5,300 crore.

### (a) Financial Performance:

MRVC has closed its account for the financial year 2012-13 with an excess of income over expenditure of ₹ 12.24 crore and with accumulated reserves and surplus of ₹ 150.83 crore. The financial results are reflected in the Directors' Report. No provision of Income Tax and Fringe Benefit Tax has been made since the Company has obtained exemption under Section 12A of the Income Tax Act, 1961. Company ploughs back its surplus for furtherance of the objectives of the Company within a period of 5 years of accrual of such surplus in compliance of Income Tax Act, 1961.

MRVC is carrying out various sanctioned Suburban Railway infrastructure works under MUTP-I & MUTP-II. The expenditure on these projects is to be shared on 50:50 basis between Govt. of Maharashtra [GoM] and Ministry of Railways [MoR]. The fund for the projects is contributed by GoM and MoR out of their own resources as well as through the World Bank loan.

During 2012-13, MRVC received a total sum of ₹ 416.97 crore from MoR and GoM. Works under MUTP-I, MUTP-II and work of running of 12 car EMU rakes on Harbour Corridor progressed well and expenditure of ₹ 8.16 crore, ₹ 451.44 crore and ₹ 2.42 crore was incurred under MUTP-I, MUTP-II and work of running of 12 car EMU rakes on Harbour Corridor respectively. Besides MRVC has spent ₹ 4.57 crore on other MUTP works out of surplus fund. 44% of the total project cost of MUTP-II [₹ 5300 crore] is to come from commercial development of land at Bandra [East]. Smooth progress of MUTP works would therefore require that funding through commercial leasing of land is achieved early.

The accounts of the Corporation for the year ended 31st March, 2013 have been audited by C&AG and their comments on the accounts with management response have been incorporated in the Annual Report

The major works completed during the year under review have been brought out in the Directors' Report. Some of the highlights are:

### (b) Introduction of Additional Services:

With the introduction of additional EMU rakes, 559 additional services have been introduced on Central & Western Railways and 1216 services augmented from nine-car to twelve-car after implementation of MUTP so far.

More than 36% additional carrying capacity has been generated.

EMU services have been started on Virar-Dahanu Section since 16.04.2013.

### (c) Virar Carshed

EMU Carshed at Virar is handed over to Western Railway on 16.04.2013 after inauguration by Hon'ble Minister for Railways & Hon'ble Chief Minister of Maharashtra.



**(d) Procurement of EMU rakes**

Finalization of equipment layout drawings of coaches to be manufactured at ICF and Designs of major equipment such as traction motor, traction and auxiliary convertors, HV equipments etc. have been completed.

**(e) Enhancement of 2<sup>nd</sup> & 3<sup>rd</sup> stage MUTP surcharge :**

Ministry of Railways has issued Commercial Circular No. 77 of 2012 dated 20.12.2012 for the levy of 2<sup>nd</sup> & 3<sup>rd</sup> stage surcharge with effect from 01.01.2013. This will enable generation of revenue from surcharge of approx. ₹ 240 crore per annum to be equally shared between MoR & GoM for repayment of World Bank loan for MUTP I & II. This has now resolved the long pending issue of revision of surcharge.

**(f) Running of 12 car rake on Harbour line :**

Government of Maharashtra has issued Government Resolution for 50% financing work for the project of running of 12 car rakes on Harbour line between CSTM-Panvel & CSTM-Andheri. This work was sanctioned in Rail Budget of 2012-13. After issue of the GR by Government of Maharashtra, contracts for the subject work have been awarded and works have also commenced.

**(g) Running of 12 car rakes on Main line of Central & Western Railways:**

Both Central and Western Railways have completely phased out running of 9-car rakes on the main line by converting them to 12 Car Rakes during the year 2012-13. This has enhanced the capacity by 33% on the main lines.

**(h) Signing of Performance MoU between MoR & MRVC :**

Performance Memorandum of Understanding (MoU) for the year 2013-14 has been signed between Ministry of Railways and MRVC on 25.03.2013 after finalizing the parameters with Task Force of Department of Public Enterprises & Railway Board during meeting held on 06.02.2013.

**(i) Corporate Social Responsibility (CSR) & Sustainability Development:**

For CSR activities in the year 2012-13, MRVC planned to work in the areas where families have been resettled as part of R & R due to undertaking of MUTP Projects. These settlements continue to lack access to good infrastructure particularly in the areas of Health and awareness. Therefore, five major focus areas were identified and need assessment was also done:

- (a) Health
- (b) Awareness [Regarding Cleanliness and hygienic environment]

As such, MRVC Ltd engaged following NGOs / firms for the year 2012-13 for carrying out these activities:

1. Helpage India (NGO)
2. Indian Cancer Society (NGO)
3. Doctors For You (NGO)
4. Pratham
5. Art of Living: 3 days course conducted by Nav Chetana Shibir for stress release and Happy Day to Day life.

Training on Sustainable Development has been successfully organized through "Asian Centre for Corporate Governance" on 26.03.2013 focusing on Corporate Social Responsibility & Sustainable Development as per Department of Economic Affairs' guidelines which are now mandatory for all CPSEs with effect from 01.04.2013.

MRVC has taken steps in the direction of Sustainable Development. During 2012-13, MRVC planted more than 5000 mangroves and 1000 trees in the areas of Thane-Ghodbundar and Virar



Car Shed respectively. The survival rate has been more than 80%. These sites have also been inspected by World Bank during its missions to MRVC. It may be noted that mangroves plantation programme is being undertaken with Forest Development Corporation of Maharashtra even though no mangroves patches are directly impacted under MUTP II being executed by MRVC. MRVC has completed plantation of 28500 Nos. of Mangroves under MUTP till date.

MRVC organized a Training-cum-familiarization session on Corporate Social Responsibility (CSR) & Sustainable Development (SD) through Tata Institute of Social Science [TISS] on 25.01.2013.

MRVC has taken a proactive step in carrying out a study on environmental improvement in the workshop at Mahalaxmi on WR & Matunga on CR and EMU Car Sheds at Kandivali & Mumbai Central on Western Railway and Kurla, Kalwa & Sanpada on Central Railway. The study is focused on the urgent needs pertaining to improvement on managing hazardous and other solid waste, management of storm water and waste water and efficiency of existing systems for handling treatment and disposal of wastes. The study has been awarded to M/s IL & FS and final report is expected to be received in the mid of the year 2013-14.

**(j) Rajbhasha:**

The Corporation continued its thrust on the Official Language implementation in line with the policy of the Government of India. Several steps have been taken to increase the use of Rajbhasha in the Corporation.

**(k) Industrial Relation:**

Industrial Relations have remained very cordial and peaceful throughout the year due to open door policy of the Management, as well as adoption of the various progressive welfare measures. I would like to place on record my sincere appreciation for the commitment, involvement and dedication exhibited by the Officers and staff in the overall development and growth of the Corporation.

**(l) Corporate Governance:**

I would also like to inform you that as per the guidelines issued by Department of Public Enterprises on Corporate Governance for Central Public Sector Enterprises in May 2010, a report on "Corporate Governance" and "Management Discussions and Analysis", forms part of the Annual Report for the year ended 31<sup>st</sup> March 2013. Company is committed towards ensuring that business ethics and values are adhered to. The Code of Business Conduct and Ethic has been implemented in the Corporation.

With this brief overview, I conclude by thanking the Ministry of Railways, Government of Maharashtra, MMRDA, CIDCO, Western and Central Railways and the people of Mumbai for all the assistance and co-operation extended to Mumbai Railway Vikas Corporation Ltd and on my own behalf, I assure all members present and the Mumbai rail commuters in particular that the Mumbai Railway Vikas Corporation Ltd shall spare no efforts in reaching the goals set out for it i.e. making rail travel convenient, comfortable and safe for Mumbai commuters.

  
[Rakesh Saxena]  
Chairman & Managing Director

[Note: This does not purport to be the proceedings of the Fourteenth Annual General Meeting].



## Directors' Report



Ladies/Gentlemen,

The Directors of Mumbai Railway Vikas Corporation Limited (MRVC) have great pleasure in presenting the 14<sup>th</sup> Annual Report on the business and operations of the Company and Statements of Accounts for the year ended 31<sup>st</sup> March 2013.

### (1) FINANCIAL RESULTS:

The salient features of the financial results of the Corporation for the year ended 31<sup>st</sup> March, 2013 are as under:

(₹ in crores)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
Income	34.90	42.93
Expenditure	22.91	20.11
Excess of Income over Expenditure before prior period Items & Taxes	11.99	22.82
Less/(Add) – Prior period adjustment (Net)	(0.25)	0.11
Excess of Income over Expenditure for the year	12.24	22.71
Brought forward Surplus from previous year	139.26	116.86
Balance carried to Balance Sheet	150.83	139.26
<b>Earnings per Share (in ₹) - Face Value of Share ₹1,000</b>	<b>479.67</b>	<b>912.90</b>

MRVC has reported surplus of ₹ 12.24 crore for the financial year ended 31<sup>st</sup> March 2013 as against ₹ 22.71 crore for the previous financial year ended 31.03.2012. The total income of the company for the year ended 31<sup>st</sup> March 2013 is ₹ 34.90 crore as against ₹ 42.93 crore last year. The interest income from the bank deposit for 2012-13 is ₹ 20.70 crore as against the corresponding figure of ₹ 30.24 crore last year. Direction and General Charges is ₹ 11.66 crore for the year 2012-13 as against ₹ 11.79 crore for the year 2011-12. The total net worth of the Company as on 31<sup>st</sup> March 2013 stood at ₹ 175.83 crore as against ₹ 164.26 crore in the last year. The total expenditure is ₹ 22.91 crore for the year ended 31<sup>st</sup> March, 2013 as against ₹ 20.11 crore last year.

No provision of Income Tax and Fringe Benefit Tax has been made since the Company has obtained exemption under Section 12A of the Income Tax Act, 1961. Company ploughs back its surplus for the furtherance of the objectives of the Company within a period of 5 years of accrual of such surplus in compliance of Income Tax Act, 1961.

MUTP [Rail Component] Project expenditure during the financial year ended 31<sup>st</sup> March 2013 was ₹ 466.59 crore as against ₹ 628.83 crore in the previous financial year ended 31<sup>st</sup> March 2012.

The financing model of MRVC is Public-Public-Participation. The cost of the project is being shared equally by Ministry of Railways and Government of Maharashtra. Approximately 36.04% of the project cost of MUTP-II is raised through World Bank loan. The repayment of the loan to



World Bank is done by Ministry of Railways and Government of Maharashtra in equal ratio by levying surcharge on the existing fares.

The list of projects being executed under MUTP along with the financial progress of the projects is given at Annexure 'A'.

## (2) HIGHLIGHTS AND ACHIEVEMENT

Some of the major achievements by MRVC during the year under review are as follows :

### 2.1 Enhancement of 2<sup>nd</sup> & 3<sup>rd</sup> stage MUTP surcharge :

Ministry of Railways has issued Commercial Circular No. 77 of 2012 vide reference No. TCH/2910/03/MUTP Surcharge dated 20.12.2012 for the levy of 2<sup>nd</sup> & 3<sup>rd</sup> stage surcharge with effect from 01.01.2013. This will enable generation of revenue from surcharge of approx. ₹ 240 crore per annum to be equally shared between MoR & GoM for repayment of World Bank loan for MUTP I & II. This has now resolved long pending issue of revision of surcharge.

### 2.2 Running of 12 car Rake on Harbour line :

Government of Maharashtra has issued Government Resolution (GR) for 50% financing work for the project of running of 12 car rakes on Harbour line between CSTM-Panvel & CSTM to Andheri. This work was sanctioned in rail budget of 2012-13 and appearing in Pink Book of 2012-13 vide item No. 471 under MTP Plan Head. After issue of the GR on 30-11-2012 by GoM, contracts for the subject work have been awarded and the works have also been commenced.

### 2.3 Seminar on Challenges and Solutions to Urban Mobility-Challenge & Solution :

Mumbai Railway Vikas Corporation (MRVC) organized a Seminar on Challenges and Solutions to Urban Mobility with specific reference to Mumbai on 20.02.2013 at Y. B. Chavan Centre, Mumbai. Prominent National & International stakeholders including M/s Bombardier Transportation, M/s Isoloux, M/s Siemens, M/s Frausher, Financial and Real Estate consultants PWC & JLL, L & T Hyderabad Metro, L & T Seawood, Architects, CIDCO & DMRC etc. participated in the seminar. 13 papers were presented during Seminar and these were appreciated by all.

On this occasion CMD/MRVC welcomed all the delegates and addressed the audience with welcome speech. Country Director/World Bank, GM/CR, GM/WR were the Key Speakers and addressed on the importance of Urban Mobility in City like Mumbai.

### 2.4 Implementation Support Mission for MUTP 2A :

World Bank Implementation Support Mission Team for MUTP 2A visited MRVC from 11<sup>th</sup> to 15<sup>th</sup> June 2012 and 20<sup>th</sup> to 23<sup>rd</sup> November 2012. The mission was overall satisfied with the progress of works undergoing in MUTP 2A. However, the mission expressed its concern on the progress of prototype clearance of high speed bogies and delay in design approval for contract of 72/12 car EMU rakes procurement.

### 2.5 Running of 12 car rakes on Main line of Western Railway :

Both Central and Western Railways have completely phased out running of 9-car rakes on the main line by converting them in 12 Car Rakes during the year 2012-13. This has enhanced the capacity by 33% on the main lines.



## 2.6 **Workshop on PPP Structure/Financing options**

A workshop was organized on 29.05.2012 on PPP Structure / Financing options in connection with additional two rail corridors i.e. Fast corridor on Harbour Line between CSTM-Panvel & New Suburban corridor on Virar-Vasai Road-Diva-Panvel Section, through M/s. PricewaterhouseCoopers Pvt. Ltd. (PWC). The same was attended by officials from MRVC & M/s. RITES and well appreciated.

## 2.7 **Interactive Session on Right to Information Act 2005**

Mr. Shailesh Gandhi, ex-Information Commissioner & RTI Activist, was invited during the Vigilance Awareness Week and he delivered a talk on Right to Information Act 2005. The Information and the case studies discussed by Mr. Gandhi which has been very useful for Officials & Staff of MRVC in dealing RTI cases.

## 2.8 **Budget Grant 2013-14**

During Rail Budget 2013-14, Budget Grant has been allotted to MRVC as follows :

₹ in crore

	MoR's Provision	GoM's Provision	Total
MUTP –II	335.34	335.34	670.68
12-Car running on harbor line	30.00	30.00	60.00
Total	365.34	365.34	730.68

## 2.9 **Signing of Performance MoU between MoR & MRVC :**

Performance Memorandum of Understanding (MoU) for the year 2013-14 has been signed between Ministry of Railways and MRVC on 25.03.2013 after finalizing the parameters with Task Force of Department of Public Enterprises & Railway Board during meeting held on 06.02.2013.

### (3) **MANAGEMENT DISCUSSIONS & ANALYSIS**

#### (a) **Industry Structure and developments**

Mumbai is one of the most important metropolis in the world in terms of expanse, population and its share in the country's economy. A dominant feature of mass transportation in Mumbai is the overwhelming dependence on suburban railway system. The Mumbai Suburban Railway Network operated by two zonal railways i.e. Central Railway & Western Railway, connecting the island city with its suburbs, is amongst the most intensively used systems in the world. Central and Western Railway together operate more than 2900 suburban passenger trains per day and carry about 7.6 millions of passengers per day.

A comprehensive transport study for the Mumbai Metropolitan Region, known widely by the acronym *TransForm* (Transportation Study for Mumbai) was completed in 2008. This study highlighted that rail travel accounts for 51% of all person trips by motorized modes. Other significant modes of transport in Mumbai area are: - Public Bus Service (23%), Public Taxi/Autorickshaw Services (9%), Private Vehicles (14%), and Waterway Services. Keeping in view





that over 88% of the travel kilometres of commuters in Mumbai is by public transport (rail 78%, bus 10%) the importance of improving the Public Transport was also suggested.

The Transform Study forecasts a significant increase in travel demand up to 2031. The transport network recommended by the Transform Study includes a dominant role for suburban rail. The current strategy is for it to remain the backbone of commuting trips in the Mumbai Metropolitan Region, with an extensive increase in capacity. However, the Transform strategy also envisages the construction of a number of metro and monorail lines to provide additional rail transport capacity.

Suburban rail transport is known as life line of Mumbai. Whenever there is any major disruption in the suburban rail services due to any reason, the city of Mumbai comes to a halt. Recognizing the importance of Mumbai suburban rail infrastructure, Mumbai Railway Vikas Corporation Ltd (MRVC), a Public Sector Undertaking (PSU) of Govt. of India under Ministry of Railways (MoR) [jointly owned by MoR and GoM] was incorporated under Companies Act, 1956 on 12.07.1999, to develop infrastructure for an efficient, safe and sustainable Railway system in Mumbai suburban section and to provide comfortable, friendly train services to the commuters.

Indian Railways (IR) and Government of Maharashtra (GoM), through Mumbai Metropolitan Regional Development Authority (MMRDA), Mumbai Railway Vikas Corporation (MRVC) Ltd and the World Bank (WB) are implementing a comprehensive investment plan for improving and expanding the transportation network of Mumbai. This investment plan being partly funded by World Bank (WB) is termed as Mumbai Urban Transport Project (MUTP).

Presently, MRVC is implementing MUTP Projects and MUTP Phase I has been completed in March 2012 and work of MUTP II is in progress. MRVC has made concept document for further augmenting and strengthening of Mumbai Suburban Rail corridors for horizon upto 2031 keeping in mind hourly increasing commuters demand.

**(b) Strength & Weakness :**

Following are the strengths & weaknesses of the organization:

**Strengths**

- Time tested World Bank procurement procedures are followed in MRVC.
- Highly educated and intelligent team available in the organization as all the officers working in MRVC, are drawn from the Railways on deputation/absorption.
- Majority of the officers have rich working experience in the suburban sections of both Central and Western Railways in Mumbai.
- Exclusive MUTP policy for resettlement and rehabilitation of project affected families in getting the encroached railway land in place.
- As the project is partly funded by World Bank MoR & GoM are committed to provide adequate funds as and when required.

**Weaknesses**

- Coordination with the large nos. of project executing agencies like Central Railway, Western Railway, Mumbai Metropolitan Region Development Authority (MMRDA),



Municipal Corporation of Greater Mumbai (MCGM), Research Design & Standard Organisation (RDSO), Integral Coach Factory (ICF), Railway Board, City & Industrial Development Corporation of Maharashtra Ltd. (CIDCO) etc.

- Bureaucratic delay in getting the necessary approvals from the Government agencies.
- Permanent cadre for MRVC is very limited though the process is on for building a cadre of MRVC.
- Delayed availability of funds in time from MoR & GoM, result in the delay of the project.

(c) **Opportunities & Threats**

**Opportunities**

- Opportunity for the adoption of international best practices and innovation in terms of technology, system and process and business operation not only for MRVC but also to Indian Railways.
- Bring a quantum leap in augmentation and strengthening suburban infrastructure.
- Opportunity for creation of new corridors such as fast corridor on Harbour Line between CSTM-Panvel, New Suburban corridor on Virar-Vasai Road-Diva-Panvel section, Panvel-Karjat etc. which will not only value the demand of the rail transportation but also may bring the development of the area so as to decongest the main city of Mumbai to some extent.
- To earn goodwill from the travelling public and from the media if the project gives the desired results in reducing the crowding in the trains.

**Threats**

- Resettlement & Rehabilitation and land acquisition are major threats in completion of works pertaining to laying of new lines and new infrastructure
- No Commercial utilization of Railway land and Air-space, may impact the project as adequate funding in MUTP has to be through the subject activity.
- Delay in the receipt of the new EMU rakes being procured by MRVC and also delay in infrastructure may result into public agitation.
- MRVC being a temporary organization and therefore may be disbanded at any point of time by the Government.
- The present validity however has been extended upto 11-07-2019.

(d) **Outlook for the future**

As the dedicated agency to make the vision into reality, MRVC's outlook is to achieve its mission to augment and create infrastructure with appropriate technology that enables the reduction in the crowding level by creating additional capacity and providing efficient, reliable, comfort and safe services to Mumbaiers. While adhering to the mission, MRVC is committed to deliver the project within the budgeted timelines and costs so as to provide the benefits to the city of Mumbai.



MRVC is also looking for new outlook by creating new corridors such as fast corridor on Harbour Line between CSTM-Panvel, New Suburban corridor on Virar-Vasai Road-Diva-Panvel section through innovative financing mechanism. MRVC is also looking to provide air-conditioned services on CSTM-PNVL fast corridor at a reasonable cost to provide comfort, personal safety, reduction in journey time and also providing connectivity between main island city of Mumbai & Navi Mumbai.

**(e) Risks and concerns :**

Most of the works under MUTP being executed and implemented by MRVC are in the existing corridors of Western & Central Railways and needs a close coordination between MRVC & Railway officials on day to day basis. Further, MRVC has to coordinate large no. of stakeholders for getting various statutory and regulatory approvals, requirement of funds, land acquisition, Resettlement & Rehabilitation. Therefore, MRVC should able to take decision with clarity, implement with conviction and have courage for actions to be taken for which the organization and capacity building is to be done accordingly. Short tenures in MRVC by Officers and Staff deputed by Railways may pose a challenge of continuity till Corporation is able to develop its own capacity. Contracting strategies and systems, land acquisition, Resettlement & Rehabilitation and Project monitoring mechanism are quite different in MRVC in comparison with the Indian Railways.

As such, constant manpower changeover may seriously affect the progress of various works in MRVC. MRVC have concerns related to land acquisition and R & R of Project Affected Households.

**(f) Internal Control System:**

In every organization, the Internal Control is an integral process to safeguard it against any risks and to provide reasonable assurance that, in pursuit of carrying day to day operations, the objectives of executing the operations more efficiently, effectively, orderly, ethically and economically are being achieved and the resources are protected against any loss, damage and misuse.

The MRVC has adequate internal control systems and it had prepared Finance and Accounts Manual for its day to day functioning to ensure that all operations are executed more efficiently, effectively, orderly, ethically and economically. Copies of the Finance and Accounts Manual, which has been also shared with World Bank during their Implementation Support Mission Visits, been distributed to concerned Senior Section Officers. Schedule of Powers is implemented and followed strictly. There are three tiers of auditing systems in existence such as Internal Auditing, Statutory Auditing and C&AG Auditing. After getting the reports from the Auditing agencies, the Audit Committee of the Company discusses these Reports and makes comments thereon. The Board of Directors regularly review the findings and recommendations of the Audit Committee and take corrective actions wherever necessary and also monitor the compliance of these recommendations.

MRVC has also prepared an Internal Audit Manual as per World Bank guidelines which have been approved by World Bank and same has also been circulated to all concerned.

Internal Control System existing in MRVC is sufficient commensurate with the size of the Company.



(g) **Analysis of Finance and Operation :**

MRVC is carrying out various sanctioned Suburban Railway infrastructure works under MUTP-I & MUTP-II. The expenditure on these projects is to be shared on 50:50 basis between Govt. of Maharashtra [GoM] and Ministry of Railways [MoR]. The fund for the projects is contributed by GoM and MoR out of their own resources as well as through the World Bank loan.

During 2012-13, MRVC received total sum of ₹ 416.97 crore from MoR and GoM. Works under MUTP-I, MUTP-II and work of running of 12 car EMU rakes on Harbour Corridor progressed well and expenditure of ₹ 8.16 crore, ₹ 451.44 crore and ₹ 2.42 crore was incurred under MUTP-I, MUTP-II and work of running of 12 car EMU rakes on Harbour Corridor respectively. Besides MRVC has spent ₹ 4.57 crores on other MUTP works out of surplus fund. 44% of the total project cost of MUTP-II [₹ 5300 crore] is to come from commercial development of land at Bandra [East]. Smooth progress of MUTP works would therefore require that funding through commercial leasing of land is achieved early.

(h) **Human Resources, Industrial Relations and Talent Management issues :**

I **HUMAN RESOURCE**

(a) **Recruitment**

In the financial year 2012-13, 10 deputationists were repatriated / superannuated. Manpower acquisition was done through deputationists from Railways and from other sources, like Campus Recruitment and through outsourced agencies, thereby, keeping availability of manpower well within the limit. Another mode of manpower induction, i.e. through Absorption Policy is in practice in certain cases.

(b) **Employee Engagement**

MRVC encourages family feeling in all its activities. Several engagement activities like Annual Day Celebrations, family get-togethers, Birthday wishes, Diwali Celebrations, Drawing & painting competitions, on the spot awards etc., keep the spirit of corporate bonding at a high level. The philosophy of "Care for the Employees" is truly practiced at all levels of Management leading to higher productivity and all-round development.

II **INDUSTRIAL RELATIONS**

Industrial Relations have remained very cordial and peaceful throughout the year due to open door policy of the Management, as well as adoption of the various progressive welfare measures.

III **TALENT MANAGEMENT**

Learning and development continues to be prime focus area for the overall development of available talent. Highlights under this area include training programme on RTI Act, which was conducted in-house, training on CSR and Sustainability Development also conducted in-house, along with other training programmes, to which officials have been sent to various training institutes. Along with this, foreign trainings also were conducted, where officials were deputed for study tour to foreign countries. MRVC also deputed certain Gr. D staff for skill up-gradation training to ITI Byculla.



i) **Environmental Conservations-Renewal Energy Use and R&D Issues.**

During the execution of rail component works of MUTP, few numbers of Mangroves may be affected. Although there are no specific guidelines for compensatory plantation of Mangroves, MRVC on its own initiative and as a Corporate Social Responsibility (CSR) initiative, has been undertaking plantation of Mangroves through Forest Development Corporation Maharashtra Ltd [a Govt. of Maharashtra undertaking]. The plantation of Mangroves is being done in the forest area of Borivali National Park near Ghodbunder Road. MRVC has completed plantation of 28500 numbers of Mangroves under MUTP till date. It is planned to complete plantation of further 7000 numbers of Mangroves during the current year 2013-14.

Tree Plantation – MRVC has completed the plantation of 2000 numbers of trees in newly constructed Virar Carshed.

j) **Social Responsibility Issues for the Company [CSR]**

For CSR- activities in the year 2012-13, MRVC planned to work in the areas where families have been resettled as part of R & R due to undertaking of MUTP Projects. These settlements continue to lack access to good infrastructure particularly in the areas of Health and awareness. Therefore, five major focus areas were identified and need assessment was also done:

- (a) Health
- (b) Awareness (Regarding Cleanliness and hygienic environment)

As such, MRVC Ltd. engaged following NGOs / firms for the year 2012-13 for carrying out these activities.

1. **'HelpAge India'**(NGO): HelpAge India, Mumbai organized an 'Eye Check-up Camp and Cataract Surgeries camp' in association with **Mumbai Railway Vikas Corporation**, on 21<sup>st</sup> March 2013 at Mankhurd, Mumbai. This camp was organized by Bhakti Vedanta Hospital, Mira Road. Their Mobile Medical Unit (MMU) staffed with an optometrist, two technicians, counselor and other staff camp for the camp. The organized camp received an appreciable response from the community. A total of 105 beneficiaries from the community availed the vision check-up services in the camp. Cataract was identified among 21 people out of the 105 beneficiaries checked for vision problems. The camp extended from 10.00 a.m. to 2.15 p.m. due to huge number of beneficiaries who continued to turn-up for the camp even beyond the scheduled time.

The camp proceeded in a very smooth manner. The people registered their names at registration table where they were also attended and counseled by a counselor. Registered beneficiaries first got their vision check-up done. Those with any vision problem were directed towards the MMU for further checkup by the medical equipments such as 'ophthalmoscope' and 'slit lamp', for the confirmation of cataract. Those having cataract were further checked blood pressure and diagnosed for the blood glucose level. The beneficiaries were then suitably prescribed with medicines and eye drops.

The identified cataract patients were operated at the Bhakti Vedant Hhospital on 26<sup>th</sup> March, 2013. The operation was free of cost as well as food and stay facility were provided



to them without any charge by the hospital. The patients were picked-up by the vehicle of the same hospital on 25<sup>th</sup> March, 2013 and dropped back to home after two days, after being operated for cataract and confirmation of success of operation. The patients were informed about the operations conducted and facilities made available to them at the hospital, during the camp itself. The beneficiaries were happy and satisfied after availing the camp services.

2. **‘INDIAN CANCER SOCIETY’ (NGO)** Indian Cancer Society and Mumbai Railway Vikas Corporation have jointly taken an initiative to organize Anti - Spitting & Anti - Tobacco Program on various Western line and Central Line Suburban Stations. Total 24 numbers of Western, Central & Harbor line stations were covered during the period of 6 months starting from 15<sup>th</sup> October 2012 to 19<sup>th</sup> April 2013. Each station was dedicated 2 days in a week. A Canopy or tent (size 6ft \* 6ft \* 7ft) were put up across all the stations covered during the program. We have also displayed 6 numbers of Standees during the program. The literature name “Living Free” was distributed amongst the public across all the stations covered during the program.

**Objective of the Program:**

- a) To educate general public to maintain Cleanliness on the railway premises and maintain a hygienic environment.
- b) To encourage people to eradicate their Chewing Pan, Gutkha, etc and Spitting habit on the railway premises.
- c) To reach maximum number of people through a program.
- d) To educate the general public travelling through trains about effects of chewing Tobacco, Pan and Gutkha (Non-communicable diseases), and diseases (Communicable diseases) indirectly related to it like T.B. which spread by spitting on a railway premises.
- e) To explain them various safety measures to avoid these Communicable and Non-communicable diseases.

**Methodology:**

- a) Put up a Canopy or tent of size 6ft \* 6ft \* 7ft.
  - b) Display of 6 nos. of Standees.
  - c) Distribution of Leaflets “Living Free”
3. **“Doctors For You”(NGO):**  
Since October 2012, Mumbai Railway Vikas Corporation (MRVC) has sponsored Doctors For You (DFY) to continue and expand its project to provide health service to the community of Natwar Parikh compound (NP Compound), Lallubhai compound and Ambedkar Nagar. The communities consist of Project Affected Household resettled by



MMRDA in these areas. The main objective of the project is to provide curative, preventive and promotional health care services to the people of these resettlement colonies.

The colony wise details of health care work undertaken are given below:

Sr No.	Particulars	NP Compound Colony	Lallubhai Compound Colony	Ambedkar Nagar Colony
		Since Oct 2012		
1	OPD patients	6545	1850	860
2	Male Patients	564	553	278
3	Female patients	3997	1292	582
4	Children below 5yrs	1101	399	187
5	Children between 5 and 12 yrs.	1007	329	107
6	Patients above 60 yrs.	269	71	88
7	Follow up patients	957	-	-
8	ANC check-up	91	17	10
9	Immunization done	568	-	-
10	Vitamin A Supplementation	532	518	256
11	Malaria Patients	150	7	21
12	Typhoid Patients	64	20	16
13	Patients for Sputum Testing	1244	21	20
14	TB Patients	112	-	-
15	Family Planning Beneficiaries	51	32	22
16.	Malnutrition cases	30	13	33

These OPDs are conducted on daily basis, at NP Compound and Lallubhai Compound and on Saturday at Ambedkar Nagar Colony.

Dental care is available at NP Compound Health Centre and dental OPD is also conducted there.

#### 4. Child education & Desk for drop outs by PRATHAM

The programme includes pre-school programmes, learning support classes, urban-learning centres, and libraries. The program is for children largely between the ages of 3-14.

- 1) **Learning camp activity** at MHADA colony in the months April & May 2012.
  - 26 children covered, activities such as games, reading, drawing & singing.
  - Progress made: 61% were at zero level to begin with, by the end 0 % at zero.
- 2) **Library**
  - 5 libraries were functioning covering 383 children



- Almost every child was reading at least one book per month and 34% are reading more than 12.

3) **Childs Rights Desk**

Operational 3 days a week, from 11.00 am to 5.00 pm.

4) **Highlights**

- 16 people received free prescription spectacles.
- 5 received free medication
- Awareness on child sex abuse.

5. **“Art of Living”**

**Work :**

3 days course Nav Chetana Shibir.

**Benefits:**

- Stress release and Happy Day to Day life.
- Total 90 people attended course Nav Chetana Shibir.

6. The social audit of above mentioned CSR activities was done by internal audit committee of COM/CPO and Dy.CE.

7. MRVC organized a Training-cum-familiarization session on Corporate Social Responsibility (CSR) through Tata Institute of Social Science (TISS) on 25.01.2013. The Seminar focused on the requirement of CSR, Base line survey for taking CSR project, monitoring and evaluation as per guidelines issued by Department of Public Enterprises so that the requirement as per DPE’s guidelines are well understood.

(k) **Sustainable Development :**

MRVC has taken steps in the direction of Sustainable Development. During 2012-13, MRVC planted more than 5000 mangroves and 1000 trees in the areas of Thane-Ghodbandar and Virar Car Shed respectively. The survival rate has been more than 80%. These sites have also been inspected by World Bank during its missions to MRVC. It may be noted that mangroves plantation programme is being undertaken with forest development corporation of Maharashtra even though no mangroves patches are directly impacted under MUTP II being executed by MRVC.

MRVC organized workshop on Sustainable Development on 26.03.2013 in which 55 Senior Officers of MRVC participated. The seminar was conducted by Asian Centre for Corporate Governance. MRVC also organized a Training-cum-familiarization session on Corporate Social Responsibility (CSR) & SD through Tata Institute of Social Science [TISS] on 25.01.2013.

MRVC has also constituted Board level committee under Director [Projects]. The committee is working satisfactory and had 3 meetings during 2012-13. The committee has come out with innovative steps such as antismoking drive, environmental study in the workshop, EMU carshed and other installations of Central & Western Railways, focused on training etc.





MRVC has taken a proactive step in carrying out a study on environmental improvement in the workshop at Mahalaxmi on WR & Matunga on CR and EMU carsheds Kandivali & Mumbai Central on WR and Kurla, Kalwa & Sanpada on CR. The study is focused on the urgent needs pertaining to improvement on managing hazardous and other solid waste, management of storm water and waste water and efficiency of existing systems for handling treatment and disposal of wastes. The study has been awarded to M/s. IL & FS and final report is expected to be received in the mid of the year 2013-14.

#### (4) CORPORATE GOVERNANCE REPORT

The Board of Directors of the Company has adopted Corporate Governance Guidelines prescribed by DPE (Government of India) effective from 01.04.2011.

##### **A brief statement on Company's philosophy on Corporate Governance**

The Company believes in achieving the Company's Goal and objectives through the highest levels of transparency, accountability and equity in all spheres of its operations and in all its dealings. The Corporate Governance is the application of best management practices compliance of Laws, rules, regulation and adherence to achieve the objects of the Company.

The key value is to believe in "Speed, Sincerity and Success". The Cardinal principles such as Accountability, Responsibility, Transparency and Fair disclosures serve as the means for achieving this.

##### **Board of Directors:**

Composition of the Board Directors:

In terms of Articles 119 of the Articles of Association of the Company, the sanctioned strength of the Board of the Company is 11 Directors. (This will reduce to 10 on account of abolition of the post of Part-time Chairman after the approval of Shareholders for amendment to Articles of Association of the Company in the ensuing Annual General Meeting). The composition of the Board of Directors is as under:-

- i) 6 Functional Directors (namely Chairman & Managing Director, Director (Technical), Director (Projects), Director (Finance), Director (Resettlement and Rehabilitation) and Director (Infrastructure and Commercial Development).
- ii) 2 Part-time Official Directors (one each from Ministry of Railways and Government of Maharashtra)
- iii) 2 Non-official Part-time Directors (Independent Directors) (one each from Ministry of Railways and Government of Maharashtra)

##### **Audit Committee:**

The Audit Committee of the Board, inter-alia, provides reassurance to the Board on the existence of an effective internal control environment. The terms of reference of the Audit Committee as per the guidelines set out in Section 292A of the Companies Act, 1956 and DPE guidelines are as follows:



- (a) Review the efficiency of internal control mechanisms.
- (b) Examine accounting, taxation aspects of all significant transitions.
- (c) Review the financial statements to assess whether the various accounting standards issued by the Institute of Chartered Accountants of India are being reviewed.
- (d) Review the reports furnished by the Internal Auditors and draft Audit reports submitted by Statutory Auditors and suggest suitable steps/actions thereof in regard to accounting policies followed and applied consistently.
- (e) Review the reasons and necessity of material departures from the practices followed by the Company.
- (f) Review whether the accounts present a true and fair view of the state of affairs of the Company as on a given date and of the statement of Income and Expenditure of the Company for the period ended as on that date.
- (g) Review whether proper and sufficient care is being taken for the maintenance of accounting records in accordance with the law.
- (h) Review whether proper safeguards for the assets of the Company and for preventing and detecting frauds are being taken.
- (i) Review whether proper safeguard for avoiding other irregularities are in place.
- (j) Review whether financial statements are prepared on an ongoing concern basis.
- (k) Review of quarterly and annual financial statements.
- (l) Review the payment of statutory dues to the Government.
- (m) Review the reasons for default in the payment of interest and refund of deposits if public deposits are accepted by the Company.
- (n) Review the acceptance of loans, giving loans and making investments within the permissible limits.
- (o) Review of interested parties' transactions with reference to Disclosures by Directors.
- (p) Review of risk management system, submission of quarterly report.

The Audit Committee comprises of Shri D. K. Saraf, Additional Member [Planning], Railway Board & Part-time Official Director/MRVC as the Chairman of the Audit Committee till 29.06.2012 and Shri Sujit Kumar Kar, Independent Director as the Chairman with effect from 28.09.2012, Shri T. C. Benjamin, Principal Secretary-I, UDD, GoM & Part-time Official Director/MRVC as Member of Audit Committee upto 29.06.2012, Shri Manu Kumar Srivastava, Principal Secretary-I, UDD, GoM, & Part-time Official Director/MRVC as Member of Audit Committee with effect from 28.09.2012 and Shri Naresh Chandra, Director (Technical)/MRVC as Member Audit Committee.



### Meetings and attendance at the Audit Committee

During the financial year ended 31.03.2013, four meetings of the Audit Committee were held. The attendance of the Committee Members at the Meetings was as follows:

Name of Member	Status	No. of Meetings		
		held	required to be attended	attended
Shri D.K.Saraf	Chairman [upto 24.06.2012]	4	4	1
Shri Sujit Kumar Kar	Chairman [w.e.f.25.06.2012]	4	3	3
Shri T.C.Benjamin	Member [upto 29.06.2012]	4	1	1
Shri Naresh Chandra	Member	4	4	4
Shri Manu Kumar Srivastava	Member [w.e.f. 28.09.2012]	4	2	0

### Risk Management Committee

Risk Management Committee consisting of Director [Technical] as Convenor and Director [Finance], Director [Projects] and Director [I & CD] has been constituted for undertaking various activities as stated in the mission of Risk Management Committee. The Committee met on quarterly basis. Reports/Minutes of the Committee are submitted to the Audit Committee and the Board of Directors on quarterly basis for review, guidance and directions, if any.

### Board of Directors Meetings

During the financial year 2012-13 the Board of Directors met 5 times to transact the business and have complied with the provisions of Companies Act, 1956 read with DPE guidelines relating to Board Meetings. In all cases of absence of Directors, leave of absence was granted as per the provisions of Companies Act, 1956 to the absentee Directors. The meetings of the Board of Directors were held on the following dates:

S.No.	Details	Dates
1	Special BoD	14.05.2012
2	During the quarter ended June, 2012	29.06.2012
3	During the quarter ended September 2012	28.09.2012
4	During the quarter ended December 2012	03.12.2012
5	During the quarter ended March, 2013	22.03.2013



Details of attendance of the Members of Board of Directors are as follows:-

Year	Name/Category of Director	Number of meetings			Whether AGM attended by the Director
		of BoD held	required to be attended	attended	
2012-13	<b>A. Functional or Executive Directors</b>				
	Shri Rakesh Saksena [CMD w.e.f. 05.03.2013]	5	5	5	Yes
	Shri Naresh Chandra, Director [T]	5	5	5	Yes
	Shri N. M. Misra, Director [F]	5	5	5	Yes
	Shri R.S. Khurana, Director [P] [w.e.f.12.07.2012]	5	3	2	No
	Shri S.V.R. Srinivas, Director [R&R]	5	5	2	No
	Shri P.R.K. Murthy, Director [I&CD]	5	5	4	Yes
	<b>B. Government Directors</b>				
	Shri A.K. Vohra Part Time Chairman [upto 04.03.2013]	5	4	2	Yes
	Shri D.K.Saraf Part Time Official Director [MoR]	5	5	1	Yes
	Shri T.C.Benjamin Part Time Official Director [GoM] [upto 29.06.2012]	5	2	2	NA
	Shri Manu Kumar Srivastava Part Time Official Director [GoM] [w.e.f. 28.09.2012]	5	2	0	No
	<b>C. Independent Directors</b>				
	Shri Sujit Kumar Kar [w.e.f. 25.06.2012]	5	3	3	Yes
	<b>D. Non-Executive Directors</b>				
	1 post vacant				

#### Remuneration Committee

As per the DPE guidelines the Remuneration Committee should comprise of at least 3 Directors all of whom should be Part-time Directors (Nominee Directors or Independent Directors). The Committee should be headed by an Independent Director. Since Independent Director [Shri Sujit Kurmar Kar] has been appointed on the Board of MRVC on 25.06.2012 the Remuneration Committee has been constituted by the Board of Directors of the Company which will decide the performance related pay and cognate matters, if any, within the prescribed limit.

#### General Meetings

Annual General Meetings of the Company are held at the Registered Office of the Company at Mumbai. The details of such meetings held during the last 3 years are as under:



AGM	Year	Venue	Date	Time
11 <sup>th</sup>	2009-2010	Registered Office, 2 <sup>nd</sup> floor, Churchgate Station Building, Mumbai-400 020	21.09.2010	13.00 hrs
12 <sup>th</sup>	2010-2011	Registered Office, 2 <sup>nd</sup> floor, Churchgate Station Building, Mumbai-400 020	26.09.2011	13.00 hrs
13 <sup>th</sup>	2011-2012	Registered Office, 2 <sup>nd</sup> floor, Churchgate Station Building, Mumbai-400 020	03.12.2012	15.00 hrs

During the last 3 Annual General Meetings, as referred to above, no Special Resolution was passed. Hence the details regarding Special Resolutions should be treated as NIL.

#### Disclosures:

- There were no related party transactions during the financial year 2012-13.
- The Company has not been imposed penalty by any statutory authorities as a result of non-compliance.
- The Company has complied with the guidelines on Corporate Governance issued by Department of Public Enterprises to the extent practicable keeping in view the unique structure of the company as decided by the Board of the company. In accordance with the guidelines, MRVC Ltd. evolved Code of Business Conduct and Ethics for its Board Members and Senior Management Personnel and has included Corporate Governance and Management Discussion and Analysis Report in the Directors Report for the year 2012-13.
- All items of expenditure debited in the books of accounts of MRVC Ltd. are for the purpose of project execution entrusted to MRVC Ltd. and are related to projects works.
- There are no personal expenses incurred for the Members of the Board of Directors.
- The administrative expenses as a percentage of total expenses have increased from 29.83% in 2011-12 to 31.40% in 2012-13.

#### Audit Qualifications

The Company has been putting all the efforts towards ensuring that financial statements are prepared in the most transparent manner resulting in unqualified financial statements.

There is no qualification in the Reports of the Statutory Auditors issued by M/s. V. C. Shah & Co, Chartered Accountants, Mumbai on the accounts of the company for the financial year ended 31<sup>st</sup> March, 2013.

#### Training of Board Members

MRVC Ltd. is concerned to take various training programmes for its Board Members/ Officers/ employees. In order to acquaint the Board Members, presently the Corporation has adopted the practice of furnishing a set of documents/booklets to a Director on his/her joining the Board. The



set of documents provided includes Annual Reports for the last financial years, Memorandum and Articles of Association, a copy of the Memorandum of Understanding and MoU targets and achievements. This provides the basic information about the Company to the incumbent. Besides that Board members and Senior Management personnel are nominated for various training programmes, from time to time.

#### **Whistle Blower Policy**

The Company has a full-fledged Vigilance Department. In order to bring more transparency and to avoid corrupt practices the Company has established policy of Governance and Accountability Action Plan on the recommendations of the World Bank. The Company has also adopted policy for the staff/public regarding incentive for reporting bribery or corrupt cases in MRVC.

A certificate from the Practicing Company Secretary regarding compliance of the conditions of Corporate Governance as stipulated under DPE Guidelines is attached elsewhere in the Report.

The Board of Directors support the broad principles of Corporate Governance. In addition to the basic governance issues the Board lays strong emphasis on transparency, accountability and integrity.

#### **(5) OTHER INFORMATIONS**

##### **Change in the Board of Directors:**

- i) Shri Sujit Kumar Kar was appointed as Independent Director with effect from 25.06.2012.
- ii) Shri R. S. Khurana was appointed as Director [Projects] with effect from 12.07.2012.
- iii) Shri Manu Kumar Srivastava, Principal Secretary to Government of Maharashtra [UD-1] was appointed as Part-time official Director of the Company with effect from 28.09.2012.
- iv) Shri Rakesh Saksena, Managing Director was redesignated as Chairman and Managing Director of the Company with effect from 05.03.2013.
- v) Shri T. C. Benjamin, Principal Secretary to Government of Maharashtra [UD-1] relinquished the office of Part-time official Director of the Company with effect from 29.06.2012 consequent on his transfer to Public Health Department [GoM].
- vi) Shri A. K. Vohra, Member [Staff], Railway Board relinquished the office of Part-time Chairman of the Company with effect from 04.03.2013 consequent on redesignation of the post of Managing Director as Chairman and Managing Director.

##### **Directors' Responsibility Statement:**

In terms of Section 217 (2AA) of the Companies Act, 1956, it is stated that:

- (i) in preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departure.
- (ii) the Company has selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Statement of Income and Expenditure of the company of that period.



- (iii) the Company has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) the Annual Accounts have been prepared on a going concern basis.

**Auditors:**

- (i) M/s. V. C. Shah & Co. Chartered Accountants, Mumbai were appointed by the Comptroller & Auditor General of India, New Delhi as the Statutory Auditors for MRVC Ltd. for the financial year 2012-13.
- (ii) The Comptroller and Auditor General of India has entrusted the Govt. Audit of Mumbai Railway Vikas Corporation Ltd. to the Principal Director of Audit, Western Railway, Mumbai.
- (iii) M/s Chhajed & Doshi, Chartered Accountants, Mumbai has been appointed as the Internal Auditors of the Corporation for a period of one year with effect from 01.10.2012 to 30.09.2013.

**Particulars of employees u/s 217(2A) of the Companies Act, 1956:**

During the year under review, the particulars of employees to be disclosed under Section 217(2A) of the Companies Act, 1956 and the Companies (particulars of employees) Rules, 1975 and amendments thereof from time to time may be treated as "Nil".

**Particulars relating to conservation of energy and technology absorption and foreign exchange earnings and outgo.**

The Company is presently engaged in providing services relating to executing the rail infrastructure projects in Mumbai Suburban section under MUTP. It does not directly contribute towards conservation of energy and as such the information under the applicable provision u/s 217(1)(e) of the Companies Act, 1956 is not applicable.

The Company has not earned any foreign exchange during the year 2012-13. The Company incurred an expenditure of ₹ 27.60 crore [previous year ₹ 215.90 crore] on account of payment towards capital goods for projects [CIF Basis], ₹ NIL on consultancy [previous year ₹ nil] on travelling and training ₹ 0.40 crore [previous year ₹ 0.14 crore] in foreign currency during the year 2012-13.

**Technology Upgradation, Energy Conservation, Pollution control and Noise Reduction:**

In the new design of EMU rakes, 25000V AC traction system is used. With electronic equipments, 25000V is converted to Variable Voltage Variable Frequency AC supply, which is then fed to the 3-Phase induction motors fitted in the motor coaches. During braking, traction motors work as generators and electric energy is pumped back to traction system. Due to use of re-generative braking energy saving is of the order of 35%. After introduction of new design trains in Phase-I, energy saving to the tune of approximately 15 crore units per year is achieved which will enable less production 15 lakh tonne Co2 emission in the power stations. Further, 72 trains of new design technology are planned for induction in MUTP Phase-II. It is estimated that when these trains are inducted in service, there will be energy saving of approximately 10.5 crore unit per



year which in turn will result in less emission of Co2 by 10.5 lakh tonne per year in the power stations.

With the use of step-less speed control and re-generative braking system, jerks are avoided and noise levels have been brought down. By provision of re-silent spring mounting for the compressor and use of AC carriage fans, noise level in the coaches has been reduced significantly thus improving overall environmental conditions.

#### **ISO Certification:**

MRVC has obtained ISO 9001, ISO 14001 and OHSAS 18001 certifications evidencing its commitment to the quality consciousness in its operations.

#### **Employment of Women, Use of Official Language etc.**

There is adequate representation of women employees in the Company. Further, Company is following the guidelines of the Official Language Act. The Annual Report is published bilingually in English and Hindi. The Company would progressively increase the use of Hindi in accordance with the Official Language policy of the Government. The officers and staff possess working knowledge in Hindi for their day to day work. The Company had observed 'Rajbhasha Saptah' during the period from 14-09-2012 to 21-09-2012 wherein various competitions were organised to promote use of Rajbhasha.

MRVC has won the Third 'Outstanding Performance Award' of Town Official Language Implementation Committee, Mumbai for the year 2012-2013.

#### **Vigilance**

MRVC has full-fledged Vigilance Department. MRVC observed Vigilance Awareness period from 29-10-2012 to 03-11-2012. On this occasion Essay Competition on the topic "White Paper on Black Money" or "India ranks 83 in 2009, 85 in 2010, 95 in 2011 in corruption perceptions Index in the year 2011 – Is it sign of down falling and deterioration in our moral and ethical values or growth in Indian Economy?" was organised with prizes to winners. Debate was also held on topic "Is Swiss Bank haven for keeping/depositing Black Money for Indians"?

Vigilance plays a pro-active role in MRVC. During the year 2012-13, 15 preventive checks have been conducted which result system improvement in MRVC.

The complaint handling policy has been strengthened. A copy of RTI status and complaints are being submitted to World Bank quarterly.

To bring transparency in invitation of tenders, the statement showing the details like tender bid, contract specification, Nos of BIDs received and BID amount is being submitted to World Bank quarterly with the object to create the data bank of bids, bidders' performance for future reference.

In order to ensure transparency, Annual Property Returns for immovable property of calendar year 2012 for Group "A" has been uploaded on MRVC web site [mrvc.indianrailways.gov.in](http://mrvc.indianrailways.gov.in).

#### **Capital Structure:**

As on 31<sup>st</sup> March 2013 paid up capital of the Corporation stood at ₹ 25 crore. The Government of India holds 51% of the paid up share capital amounting to ₹ 12.75 crore and Government





of Maharashtra holds 49% of the paid up share capitals amounting to ₹ 12.25 crore of the Corporation. During the year, there was no change in the paid up share capital.

**Right to Information Act 2005:**

The Right to Information Act 2005 seeks to provide for setting out the practical regime of Right to Information for citizens to secure access to information under the control of public authorities, in order to promote transparency and accountability in the working of every public authority. The company has in the capacity as Government Company and deference to the spirit behind the law, has appointed Public Information Officers to take care of compliance of Right to Information Act 2005.

**Remuneration to Directors:**

MRVC being a Government Company under the Companies Act 1956, the whole time Directors of the Company are appointed by President of India through Ministry of Railways and Governor of Maharashtra State. The Functional Directors appointed by Government of India, Ministry of Railways draw remunerations under Industrial Dearness Allowance (IDA) & CDA pattern of pay scale pre-determined by the Government and as per the terms and conditions issued by Government of India from time to time.

The Directors appointed by Government of Maharashtra does not draw any remuneration from MRVC. The Part-time Official Directors (Government nominee) on the Board of the Company (Independent Director) do not draw any remuneration from the company. The Part-time Non-Official Directors are paid sitting fee of ₹ 10,000/- per meeting attended.

**Means of Communication:**

The audited annual financial results are displayed on MRVC web site [www.mrv.c.indianrailways.gov.in](http://www.mrv.c.indianrailways.gov.in). Tenders/Expression of Interest [EoI], details of tenders/contractors awarded, corporate mission and other details are posted on the website of the company and are updated from time to time.

**Acknowledgement:**

The Board of Directors gratefully acknowledge the co-operation and guidance received from the Ministry of Railways, Govt. of Maharashtra, MMRDA, CIDCO and the Central and Western Railways from time to time.

The Board of Directors also place on record their appreciation of the valuable services rendered by the officers and employees of the Corporation during the year under review.

**For and on behalf of the Board of Directors**

(N.M. Misra)  
Director (Finance)

(Rakesh Saksena)  
Chairman & Managing Director

Place: Mumbai.  
Date: 30-08-2013



## Projects of MUT (Rail Component)



ANNEX - A

### 1.0 Phase - I

₹ in Crores

Sr. No.	Projects	Original Cost (Base Year) 2001	Restructured cost	Cumulative Expenditure (Upto 31.03.2013)
1	Provision of 5th line Western Railway	59.00	62.00	62.05
2	5th & 6th line between Kurla - Thane	166.00	222.80	262.10
3	Borivali - Virar Quadrupling	436.00	505.00	564.93
4	Optimisation of Western Railway	50.10	94.80	82.64
5	Optimisation of Central Railway	99.50	102.85	100.79
6	Optimisation of Harbour line	19.70	21.80	23.99
7	DC to AC Conversion.	380.40	558.60	613.48
8	Virar Car Shed	73.00	226.45	256.76
9	EMU Procurement/ manufacture/ retrofitment	1359.20	1751.00	1701.23
10	EMU Maintenance facilities.	64.30	63.20	74.92
11	Stabilising lines for EMUs.	48.50	54.20	65.69
12	Procurement of Track Machines	31.30	36.50	36.61
13	Technical Assistance.	40.40	36.80	45.63
14	Resettlement & Rehabilitation	290.00	410.00	429.21
15	Capital expenditure for setting up of MRVC	7.79	28.40	0.61
	<b>Total (Phase-I)</b>	<b>3125.19</b>	<b>4174.40</b>	<b>4320.64</b>

### 2.0 Phase - II

₹ in Crores

Sr. No.	Projects	Original Cost (March 2008)	Completion Cost (2013)	Cumulative Expenditure (Upto 31.03.2013)
1	Kurla - CSTM 5th & 6th line	537.00	659.00	6.28
2	Thane - Diva additional pair of lines.	115.00	133.00	60.77
3	Borivali - Mumbai Central 6th line.	430.00	522.00	83.79
4	Extension of Harbour Line to Goregaon	88.00	103.00	118.30
5	DC to AC Conversion	237.00	293.00	367.61
6	EMU Procurement / Manufacture	2324.00	2930.00	245.46
7	EMU Maintenance facilities.	167.00	205.00	136.42
8	Stabilising Lines for EMUs.	111.00	141.00	126.16
9	Technical Assistance & Institutional Strengthening	52.00	62.00	9.63
10	Resettlement & Rehabilitation.	109.00	124.00	0.00
11	Station Improvement & Trespassing Control	111.00	128.00	54.99
	<b>TOTAL (Phase-II)</b>	<b>4281.00</b>	<b>5300.00</b>	<b>1209.41</b>

### 3.0 New Work

₹ in Crores

Sr. No.	Projects	Sanctioned / Estimated Cost	Cumulative Expenditure (Upto 31.03.2013)
1	CSTM-PANVEL/ANDHERI (12 COACH EMU on H. Line)	714.10	2.42

### 4.0 Other MUTP Works (ploughing back of surplus)

Sr. No.	Projects	Sanctioned / Estimated Cost	Cumulative Expenditure (Upto 31.03.2013)
1	Provision of cushioning in 2nd Class seats	1.00	0.15
2	Extn. of PF 3&4 of CCG for 15 Coach W/o Covershed	6.10	4.42
	<b>TOTAL</b>	<b>7.10</b>	<b>4.57</b>
	<b>Grand Total (1.0 + 2.0 + 3.0+4.0)</b>	<b>10195.60</b>	<b>5537.04</b>



## Compliance Certificate



### **RAJENDRA & CO.** COMPANY SECRETARIES

**RAJENDRA R. VAZE**  
**B.Com. LL.B. F.C.S. GCD**

Devdha Manzil, 2nd Floor, Maharshi Dadasaheb Rege Road, (Shivaji Park Road No.3), Dadar,  
Mumbai-400028. Tel : 24450622/32936166 Cell: 9821116504 E-mail:rrvaze@bom8.vsnl.net.in

To the Members of  
M/s. Mumbai Railway Vikas Corporation Ltd  
2<sup>nd</sup> Floor, Churchgate Station Building,  
Churchgate, Mumbai: 400 020.

REG: COMPLIANCE CERTIFICATE WITH REFERENCE TO COMPLIANCE OF CONDITIONS OF  
CORPORATE GOVERNANCE UNDER GUIDELINES ON CORPORATE GOVERNANCE FOR  
CENTRAL PUBLIC SECTOR ENTERPRISES 2010

1. This Certificate is in accordance with compliance of conditions of Corporate Governance by M/s. Mumbai Railway Vikas Corporation Ltd. (hereinafter referred to as "Company") for the Financial year ended on 31<sup>st</sup> March, 2013 as stipulated in the Guidelines issued for Central Public Sector Enterprises 2010 effective from May 2010 (Hereinafter referred to as "Guidelines").
2. The Compliance of conditions of Corporate Governance is the responsibility of the Management. My examination is limited to review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said guidelines. It is neither an audit and nor an expression of opinion of the financial statement of the Company. My responsibility is to carry out an examination, on the basis of my professional judgment so as to award a reasonable assurance of the correctness and completeness of the records for the purpose of this certificate.
3. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of certification and have been provided with such records, documents, certifications etc. as had been required by me.
4. I certify that in respect of the aforesaid financial year ended 31<sup>st</sup> March, 2013, the company has complied with various provisions of the Guidelines in its Corporate Governance Report except
  - a) Clause No.3.1.2 relating to composition of Board of Directors-Functional Directors should not exceed 50% of the Actual strength of the Board.
  - b) Clause No.3.1.4 relating to at least 1/3<sup>rd</sup> of the Board Members should be independent Directors.

MUMBAI RAILWAY VIKAS CORPORATION LTD.  
MUMBAI RAILWAY VIKAS CORPORATION LTD.  
MUMBAI RAILWAY VIKAS CORPORATION LTD.



- c) Clause No. 4.1 relating to composition of Audit Committee.
  - d) Clause 4.4 relating to the attendance of Two Independent Directors at the Audit Committee Meetings.
5. I hereby state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Rajendra and Co.  
Company Secretaries

(CS Rajendra Vaze)  
Company Secretary  
C.PNo.1975 FCS No. 4247

Place: Mumbai  
Date: 28th August 2013



## Declaration by Chairman & Managing Director



### MUMBAI RAILWAY VIKAS CORPORATION LTD.

Declaration by Chairman and Managing Director regarding compliance with the Code of Business and Ethics Conduct by BoD members and Senior Management during financial 2012-13.

I, Rakesh Saxena, Chairman and Managing Director, Mumbai Railway Vikas Corporation Ltd. do hereby declare that all the members of the Board of Directors and the Senior Management Personnel of the Company have affirmed compliance of the Code of Business and Ethics Conduct during 2012-2013.

(Rakesh Saxena)

Chairman and Managing Director

Place : Mumbai,

Date : 1st August 2013

MUMBAI RAILWAY VIKAS CORPORATION LTD.  
MUMBAI RAILWAY VIKAS CORPORATION LTD.  
MUMBAI RAILWAY VIKAS CORPORATION LTD.  
MUMBAI RAILWAY VIKAS CORPORATION LTD.  
MUMBAI RAILWAY VIKAS CORPORATION LTD.



# MUMBAI RAILWAY VIKAS CORPORATION LTD. MUMBAI RAILWAY VIKAS CORPORATION LTD.



## FINANCIAL HIGHLIGHTS FOR LAST 10 YEARS (IN TERMS OF RAILWAY BOARD'S LETTER NO. 2010/PL/57/44 DATED 12.07.2010)

Sr.	Particulars	03-04	04-05	05-06	06-07	07-08	08-09	09-10	10-11	11-12	12-13
1	Total Income (Incl. other income)	6.27	10.94	20.00	17.04	32.95	36.38	41.84	29.12	42.93	34.90
	Direction & General Charges	4.11	1.51	3.70	4.42	5.14	10.46	14.28	9.47	11.79	11.66
	Interest Income	2.16	9.43	16.30	12.62	27.81	25.92	27.56	19.65	31.14	23.24
2	Expenditure (incl. increase/ decrease in stock)	3.29	4.14	5.70	6.91	10.25	15.72	15.67	18.05	18.74	20.87
	Employee Benefit Expense	2.05	2.82	3.76	4.28	5.37	11.00	10.79	12.06	12.74	13.68
	Other Expenses	1.24	1.32	1.93	2.63	4.88	4.72	4.88	5.99	6.00	7.19
3	Operating Margin	2.98	6.80	14.30	10.13	22.70	20.66	26.17	11.07	24.19	14.03
4	Interest Expenses	0.00	0.00	0.00	0.00	0.00	0.68	0.00	0.00	0.00	0.00
5	Depreciation	0.15	0.14	0.14	0.13	0.19	0.25	0.33	0.35	1.37	2.04
6	Prior Period (Income) / Expenditure	0.00	-3.94	0.06	0.06	-0.10	2.10	0.04	0.36	0.11	-0.25
7	Profit before tax [3-(4+5+6)]	2.83	10.60	14.11	9.94	22.61	17.63	25.80	10.37	22.71	12.24
8	Less/(Add) Provision for Tax/(Adjustment of Earlier Years)	-1.37	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9	Profit after tax	4.19	10.60	14.11	9.94	22.61	17.63	25.80	10.37	22.71	12.24
10	Dividend	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11	Foreign projects reserve	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
12	General Reserve	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
13	Other Reserves	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
14	Reserves & Surplus	6.58	17.18	31.29	41.23	63.84	81.48	107.27	116.86	139.26	150.83
15	Net Fixed Assets (Gross Block)	0.98	1.03	1.02	5.73	13.31	23.73	30.49	38.44	45.85	46.47
16	Inventories	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
17	Foreign Exchange earnings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
18	Share Capital	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00
19	Capital employed	142.18	295.63	231.37	250.12	348.29	315.21	366.67	329.03	351.25	313.28
20	Government Investment (Unsecured Funds for Projects)	110.68	253.51	175.13	183.93	259.48	208.74	234.40	187.06	186.85	137.23
21	Net Worth	31.50	42.12	56.24	66.19	88.82	106.47	132.27	141.86	164.26	175.83
22	Profit before tax to capital employed (in %)	1.99	3.59	6.10	3.97	6.49	5.59	7.04	3.15	6.47	3.91
23	Operating margin to capital employed (in %)	2.10	2.30	6.18	4.05	6.52	6.55	7.14	3.36	6.89	4.48
24	Profit after tax to share capital (in %)	16.78	42.42	56.43	39.76	90.45	70.54	103.19	41.48	90.85	48.96
25	Expenditure to income (in %)	52.42	37.84	28.48	40.55	31.11	43.22	37.45	61.98	43.64	59.80
26	Number of Employees	100	120	130	141	149	177	192	195	196	221
27	Income per employee (9/26)	0.04	0.09	0.11	0.07	0.15	0.10	0.13	0.05	0.12	0.06
28	Foreign exchange earning per employee	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
29	Current ratio (in times)	23.48	29.88	11.83	3.05	2.66	1.70	1.56	4.80	6.48	6.66
30	Debt/equity ratio	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
31	Investments	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
32	Earning Per Share (Amount in ₹)	113.15	266.44	566.51	399.84	900.41	789.20	1033.61	429.06	912.90	479.67



## *Independent Auditor's Report*



MUMBAI RAILWAY VIKAS CORPORATION LTD.  
MUMBAI RAILWAY VIKAS CORPORATION LTD.  
MUMBAI RAILWAY VIKAS CORPORATION LTD.

To

The Members of  
**Mumbai Railway Vikas Corporation Limited**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **Mumbai Railway Vikas Corporation Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Income and Expenditure for the year then ended and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with Significant Accounting Policies in Note 1 and Point 9 of Note 2 regarding reliance being placed on audited / unaudited statements pertaining to expenditure incurred on various projects by Central Railway, Western Railway and Mumbai Metropolitan Regional Development Authority (MMRDA), and the resultant Direction and General Charges (D&G) and other Notes on Accounts in Note 2 thereon give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013; and
- (b) in the case of the Statement of Income and Expenditure of the excess of income over expenditure for the year ended on that date;



### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") as amended issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the **Annexure** a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. The Balance Sheet and the Statement of Income and Expenditure dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the Balance Sheet and the Statement of Income and Expenditure comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
  - e. We have been informed that the provisions of Section 274(1)(g) of the Companies Act, 1956 are not applicable to a government company in view of the notification issued in this behalf.
  - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

**For V. C. SHAH & CO.**  
Chartered Accountants  
Firm Reg. No. 109818W

**V. C. Shah**  
Partner  
Membership No. 10360

Place : Mumbai  
Date : 24th, June 2013







- (ix) (a) According to the information and explanations given to us and the records of the company examined by us, in our opinion, the company is generally regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employee's state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues as applicable, with the appropriate authorities. Based on our audit procedure and according to the information and explanations given to us, no undisputed dues payable in respect of provident fund, investor education and protection fund, employee's state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess were in arrears, as at March 31, 2013 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues in respect of income tax, wealth tax, service tax, sales tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.
- (x) The company has no accumulated losses and has not incurred any cash losses during the current financial year and in the immediately preceding financial year.
- (xi) The company has neither taken any loans from a financial institution, bank nor issued any debentures. Accordingly clause 4(xi) of the Order is not applicable.
- (xii) The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly clause 4(xii) of the order is not applicable.
- (xiii) The company is not a chit fund, nidhi or mutual fund or a society. Accordingly clause 4(xiii) of the Order is not applicable.
- (xiv) According to the information and explanation given to us, the company is not dealing or trading in shares, securities, debentures and other investments. Accordingly clause 4(xiv) of the order is not applicable.
- (xv) According to the information and explanation given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions. Accordingly clause 4(xv) of the order is not applicable.
- (xvi) The company has not taken any loans. Accordingly clause 4(xvi) of the order is not applicable.
- (xvii) The company has not raised any funds. Accordingly clause 4(xvii) of the order is not applicable.
- (xviii) According to the information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act. Accordingly clause 4(xviii) of the Order is not applicable.
- (xix) The company has not issued any debentures. Accordingly clause 4(xix) of the order is not applicable.
- (xx) The company has not raised any money by public issue during the period. Accordingly clause 4(xx) of the order is not applicable.



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

For V. C. SHAH & CO.  
Chartered Accountants  
Firm Reg. No. 109818W

V. C. Shah  
Partner  
Membership No. 10360

Place : Mumbai  
Date : 24th, June 2013

MUMBAI RAILWAY VIKAS CORPORATION LTD.  
MUMBAI RAILWAY VIKAS CORPORATION LTD.  
MUMBAI RAILWAY VIKAS CORPORATION LTD.



**C**OMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF MUMBAI RAILWAY VIKAS CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2013.

The preparation of financial statements of Mumbai Railway Vikas Corporation Limited for the year ended 31 March 2013 in accordance with the financial reporting frame work prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act 1956, are responsible for expressing opinion on these financial statement under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 24th June 2013.

I on behalf of the Comptroller and Auditor General of India have conducted a supplementary audit under Section 619(3)(b) of the Companies Act, 1956 of the financial statements of **Mumbai Railway Vikas Corporation Limited** for the year ended 31 March 2013. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditor and is limited primarily to inquiries of the Statutory Auditor and Company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under Section 619(4) of the Companies Act, 1956 which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related Audit Report.

**Comments on financial position**

**Other long term liabilities (Note no. 5)**

**Total MUTP funds utilized - 5537.04 Crore**

The above includes an expenditure of ₹ 4.57 crore incurred on 'other MUTP works by MRVC's own fund'. As this amount is neither recoverable from MoR nor from GoM, the accounting of this expenditure as 'MUTP funds utilized against the MUTP funds received from MoR/GoM' is incorrect and has contravened the Company's own Significant Accounting Policy No. 8. This has also resulted in the understatement of 'Other long term liabilities' and overstatement of Surplus for the year by ₹ 4.57 crore each.



**Comments on disclosure**

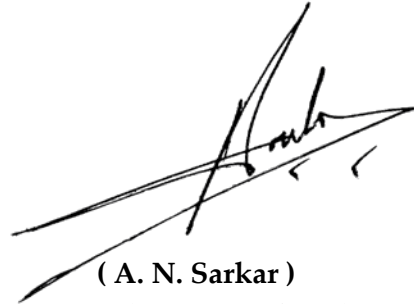
**Other long term liabilities (Note no. 5)**

**Total MUTP funds Received ₹ 5674.27 Crore**

**Total funds utilized ₹ 5537.04 crore**

The above includes an amount of ₹ 3179.63 and ₹ 2494.65 received from Ministry of Railways (MoR) and Government of Maharashtra (GoM) respectively for execution of MUTP project. However, as per MoU for implementation of MUTP projects, funds shall be made available by the Ministry of Railway and Government of Maharashtra in the ratio of 50:50. GoM has failed to provide its share of funds amounting to ₹ 270.38. The fact of short receipt of funds amounting to ₹ 270.38 crore from GoM, against the actual expenditure incurred on MUTP projects up to March 31, 2013 has not been disclosed by the company in the Financial Statements of the company for the year ended March 31, 2013.

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



( A. N. Sarkar )

Principal Director of Audit,  
Western Railway, Churchgate, Mumbai-20

Place: Mumbai,

Date : 12th September, 2013.



## Management Response to Comments of C&AG of India



### MANAGEMENT RESPONSE TO COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF MUMBAI RAILWAY VIKAS CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2013

#### Response to comment on financial position :

The note no. 5 of the Accounts "Other Long Term Liabilities" is divided in two parts namely:

- a) Project Funds received for MUTP and
- b) Amount utilised in MUTP as at the balance sheet date.

The Significant Accounting policy No.8 discloses, the Accounting of amount spent on the MUT Projects, Accounting of miscellaneous receipts of MUTP, Accounting of Share of Surcharge and Accounting of sale of tender documents on account of Projects executed by MRVC.

MRVC is registered as a charitable trust under section 12A of the Income Tax Act for carrying on the object of a public utility services. Since MRVC is registered under 12A, it's exempt from paying Income Tax on its surplus. As per one of the conditions of section 12A, MRVC has to plough back the surplus into the objects of the company (creation/enhancement of suburban railways i.e. MUTP) within 5 years of its generation. Hence in order to continue to fulfill the conditions of section 12A to get the exemption from income tax, MRVC ploughs back its surplus into the objects of the company by carrying out other MUTP related works from its own reserves and surplus.

Note No. 5 is divided in two parts, First part discloses the funds received for MUTP from Ministry of Railway and Government of Maharashtra and Second part discloses the Amount utilised and Assets created in MUTP. These two parts are separate and represents its distinct nature. First part discloses as at the balance sheet date the total amount received from MoR and GoM towards MUTP including share of surcharge adjusted on account of GoM. Second part discloses the amount utilised in MUTP and assets created thereunder. It includes assets created not only from funds received from MoR and GoM but also from own funds of MRVC deployed in the objects of the company.

MRVC has carried out certain projects of MUTP from its own fund (i.e. from reserves and surplus) and assets created thereunder are shown along with assets created under MUTP I and MUTP II because of the nature of assets created by MRVC for Indian Railways. These are small works which are not part of the originally sanctioned MUTP but are incidental and ancillary and are part of MUT project. Entire assets of MUTP including assets created from the own reserves and surplus of MRVC becomes part of MUT project and gets handed over to the railways on the completion as MRVC does not have ownership of any of the assets created



under MUTP. Hence such works may not be distinguished from assets created under MUT Project and treated differently either by reducing it from Reserves and Surplus or by showing in the asset side just because the sources of funds are from MRVC's own Reserves and Surplus.

There are certain other non MUTP assets created from MRVC own reserves and surplus and they are shown under Fixed Assets schedule e.g. Leased Premises, Computers, Furniture and Fixtures, Vehicles and Office Equipments. These assets are also not reduced from Reserves and Surplus but are shown under Fixed Assets schedule. These assets are shown in fixed assets because of the nature of the assets and because MRVC has ownership of these assets.

Further it also helps the reader of the financial statement to understand and evaluate the complete picture of status of MUT Project by observing total Funds received from MoR and GoM for MUT Project and total amount utilised in MUT project including the amount utilised out of MRVC's own reserves and surplus. Hence considering all the above factors such assets are presented along with assets of MUTP I and II.

However to bring to the notice of the reader of the financial statements, the amount utilised out of MRVC's own reserves and surplus for creating MUTP assets has already been disclosed distinctively in the Note No. 5 itself.

**Response to comment on disclosure :**

In respect of short receipt of funds amounting to ₹ 270.38 Crores (erroneously mentioned as ₹ 270.38 in the comments of CAG) from GoM against the actual expenditure incurred on MUT projects upto 31st March, 2013, we would like to submit that the amount receivables from GoM and MoR are in the nature of "contribution payables" by owner and not the "outstanding" amount receivables from Debtors. MUTP is a long term ongoing project and the contributions from GoM and MoR may not necessarily come all the time exactly in the same proportion of expenses incurred. There may be times when either of MoR or GoM may contribute short or excess against the actual expenditure incurred in the MUT Project.

However we had already indicated while replying to the PoM raised by the Audit that the aspect of disclosing the short receipt of funds from GoM/MoR for MUTP shall be complied with from next year onwards.



## Balance Sheet as at 31 March, 2013

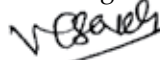


MUMBAI RAILWAY VIKAS CORPORATION LTD.

Particulars	Note No.	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
<b>EQUITY AND LIABILITIES</b>			
<b>I Shareholders' funds</b>			
(a) Share capital	3	25,00,00,000	25,00,00,000
(b) Reserves and surplus	4	150,82,69,255	139,26,47,381
		<b>175,82,69,255</b>	<b>164,26,47,381</b>
<b>II Non-current liabilities</b>			
(a) Other long-term liabilities	5	137,23,03,471	186,84,57,856
(b) Long-term provisions	6	22,11,951	14,19,814
		<b>137,45,15,422</b>	<b>186,98,77,670</b>
<b>III Current liabilities</b>			
(a) Trade payables	7	18,73,99,701	27,21,73,138
(b) Other current liabilities	8	26,84,50,910	27,44,10,839
(c) Short-term provisions	9	1,55,03,632	1,06,64,176
		<b>47,13,54,243</b>	<b>55,72,48,153</b>
<b>TOTAL</b>		<b>360,41,38,920</b>	<b>406,97,73,204</b>
<b>ASSETS</b>			
<b>I Non-current assets</b>			
Fixed assets			
(i) Tangible assets	10	46,37,49,971	31,76,57,549
(ii) Intangible assets	10	9,34,362	8,84,433
(iii) Capital work-in-progress		-	13,99,90,508
		<b>46,46,84,333</b>	<b>45,85,32,490</b>
<b>II Current assets</b>			
(a) Cash and cash equivalents	11	140,32,74,966	291,44,87,109
(b) Short-term loans and advances	12	142,94,69,231	54,96,78,406
(c) Other current assets	13	30,67,10,390	14,70,75,199
		<b>313,94,54,587</b>	<b>361,12,40,714</b>
<b>TOTAL</b>		<b>360,41,38,920</b>	<b>406,97,73,204</b>
<b>Statement of Significant Accounting Policies</b>	<b>1</b>		
<b>Notes to the Accounts</b>	<b>2</b>		

**Note :** 1. Notes referred above are forming part of Financial Statements.


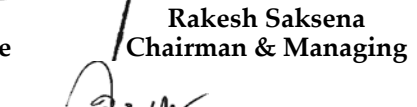
As per our report of even date  
For V.C.SHAH & CO.  
Chartered Accountants  
Firm Registration No. 109818W

  
V.C. Shah  
Partner  
Director  
Membership No. 10360

Place : Mumbai  
Date : 24/06/2013

(For and on behalf of Board of Directors)  
Mumbai Railway Vikas Corporation Limited

  
N.M. Misra  
Director-Finance

  
Rakesh Saksena  
Chairman & Managing  
  
Vijay Angane  
Company Secretary





*Statement of Income and Expenditure  
for the year ended 31 March, 2013*



MUMBAI RAILWAY VIKAS CORPORATION LTD.

Particulars	Note No.	Year ended 31 March, 2013 ₹	Year ended 31 March, 2012 ₹
I Revenue from operations	14	33,11,70,495	42,91,52,240
II Other income	15	1,78,75,305	1,49,991
III <b>Total Revenue (I + II)</b>		<b>34,90,45,800</b>	<b>42,93,02,231</b>
IV Expenses:			
Employee benefits expense	16	13,67,79,799	12,73,77,119
Depreciation and amortization expense	10	2,04,11,216	1,37,15,868
Other expenses	17	7,19,36,310	5,99,85,394
<b>Total expenses</b>		<b>22,91,27,325</b>	<b>20,10,78,381</b>
V <b>Excess Of Income over Expenditure before Exceptional &amp; Prior period Items (III-IV)</b>		<b>11,99,18,475</b>	<b>22,82,23,850</b>
VI Prior Period Adjustment (Net)	18	(25,16,815)	11,09,940
VII <b>Excess Of Income over Expenditure (V - VI)</b>		<b>12,24,35,290</b>	<b>22,71,13,910</b>
VIII <b>Earnings per equity share:</b>			
(1) Basic		479.67	912.90
(2) Diluted		479.67	912.90


**Note :** 1. Notes Referred Above are forming part of Financial Statements.

As per our report of even date  
For V.C.SHAH & CO.  
Chartered Accountants  
Firm Registration No. 109818W

(For and on behalf of Board of Directors)  
Mumbai Railway Vikas Corporation Limited

  
V.C. Shah  
Partner  
Director  
Membership No. 10360

  
N.M. Misra  
Director-Finance

  
Rakesh Saksena  
Chairman & Managing

  
Vijay Angane  
Company Secretary

Place : Mumbai  
Date : 24/06/2013



## *Note 1 : Significant Accounting Policy*

### **1 Basis of Preparation of Accounts**

The accounts have been prepared using historical cost convention and on going concern basis in accordance with the Generally Accepted Accounting Principles (GAAP) in India on the accrual basis and in accordance with the Accounting Standards referred to in Section 211(3C) and other requirements of the Companies Act, 1956. Insurance and other claims are accounted for as and when admitted by the appropriate authorities.

The preparation of financial statements requires the management of the company to make estimates and assumptions that affect the reported amounts of incomes and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statement.

Wherever changes in presentation are made, comparative figures of previous years are regrouped accordingly.

### **2 Fixed Assets**

Fixed Assets are stated at Cost less accumulated depreciation.

Fixed Assets are eliminated from the financial statements either on disposal or when retired from active use. Such assets are removed from the fixed asset records on disposal. Generally such retired assets are disposed off soon thereafter.

Expenditure relating to existing fixed assets is added to the cost of the fixed asset where it increases the performance / life of the asset as assessed earlier.

The carrying amount of assets is reviewed at each balance sheet date for indicators of impairment based on internal/external factors. Impairment occurs when the carrying value exceeds the present value of the future cash flows expected to arise from the continuing use of the assets and its eventual disposal. The impairment loss to be expensed is determined as the excess of the carrying amount over the higher of the assets' net sales price or present value as determined above.

### **3 Depreciation/Amortization**

Depreciation has been provided on Straight Line Method at the rates prescribed in Schedule XIV of the Companies Act, 1956 and on pro-rata basis from the date of addition in respect of additions during the year.

Depreciation on assets, the individual cost of which does not exceed five thousand rupees are provided at the rate of 100% in the year put to use.

The company amortizes cost of acquisition or construction of residential premises acquired on lease, over the period of lease.

### **4 Foreign Exchange Transactions**

Expenditure incurred in foreign currency is accounted at the rates prevalent at the time when expenditure is incurred. Foreign currency current assets and liabilities are converted at the contracted year-end rate, as applicable.



Exchange difference on account of acquisition of fixed assets is expensed through Income and Expenditure. The exchange difference arising for Project expenditure is transferred to the respective project. Other exchange differences are recognized in the Statement of Income and Expenditure.

The transaction date and invoice date is different due to routing of invoice through various departments/division for approval. Company is regularly and consistently following the same accounting policy.

#### 5 Retirement Benefits

Retirement benefits in respect of employees on deputation from Indian Railways are provided as per the rules and regulations applicable to the Indian Railways, also a sample size of employees for valuation on actuarial basis was conducted to confirm with the Accounting Standard - 15 Employee Benefits accounting standard.

Retirement benefits in respect of regular employees of the company and on contract are provided as per actuarial valuation.

#### 6 Preliminary Expenses

The provision of revised Accounting Standard (AS-26 Intangible Assets) applies to Preliminary expenses incurred on or after 01/04/2004. Since Preliminary Expenses are incurred before 01/04/2004, the company has, as per its original policy amortized Preliminary Expenses over a period of ten years from the year of incorporation.

#### 7 Revenue Recognition

- a) The Company provides for Direction and General Charges (D&G) at specified percentage of expenses incurred on projects executed by the company and as per the Memorandum of Understanding (MOU) signed between MRVC and Government of India / Government of Maharashtra acting through Central and Western Railway and Mumbai Metropolitan Regional Development Authority (MMRDA) and as certified by them on the ongoing Mumbai Urban Transport Projects (MUTP).
- b) Interest on Term Deposits is accrued as per schemes of various banks with whom the deposits have been placed.

#### 8 Project Accounting

The amount spent on projects, which are being implemented by the Company and covered by separate budgetary allocation in the budget for Indian Railways and contribution from Government of Maharashtra, are accounted for as "MUTP Funds Utilized" and miscellaneous receipts on account of sale of tender documents are reduced from the project funds utilized and share of surcharge received on tickets issued by Indian Railways pertaining to the Government of Maharashtra (GOM) is disclosed as MUTP funds received from GOM. In respect of projects executed by MRVC, miscellaneous receipts on account of sale of tender documents are treated as miscellaneous income and credited to Statement of Income and Expenditure.



**9 Prior Period and Extraordinary Items**

Income and expenditure pertaining to prior period as well as extraordinary items, where material and affecting the operating results are disclosed separately.

**10 Contingencies and Events occurring after the Balance Sheet date**

Accounting for contingencies (gains and losses) arising out of contractual obligations are made only on basis of mutual acceptance.

Where material events occurring after the date of balance sheet are considered upto the date of approval of accounts by the Board of Directors.

**11 Assets of Mumbai Urban Transport Project (MUTP)- Rail Component**

MUTP consists of various works, out of which the works pertaining to the rail component are being executed by different agencies e.g. Western Railway, Central Railway and MRVC. To execute these works MRVC either gives advance payment to these agencies or alternatively the amounts spent by these agencies are reimbursed to them on regular basis.

According to the agreement-dated 13.09.2002 entered by MRVC with Ministry of Railway (MOR) all the operating assets of Rail Component under MUTP would be the property of Indian Railways only. Hence all the assets, which are created under the MUTP (Rail Component Division), whether directly by MRVC or through Western Railway and Central Railway are the property of the Indian Railways, and hence does not form part of Fixed Assets of the Company.

The amount spent by MRVC directly and through the different agencies viz. Western Railway and Central Railway has been disclosed in Note 5 "Other long term liabilities" by giving break-up of project fund received and amount utilised / adjusted.



## Note 2: Notes To Accounts



- 1 The company has obtained exemption under section 12A of the Income Tax Act, 1961. Hence no provision for Income tax has been made.
- 2 The Director of the Office of the Principal Director of Commercial Audit & Ex- Officio Member Audit Board-I had vide letter dated 6th December 2006, to the company, advised that the company get an opinion from the Expert Advisory Committee of the Institute of Chartered Accountants of India (ICAI) as regards the treatment of projects being executed by the company departmentally only or as the deposit works executed through Western Railway, Central Railway and MMRDA. The company has accordingly forwarded the matter to the Expert Advisory Committee of ICAI. The opinion from the Expert Advisory Committee has been received by the company on 04.02.2009. Expert Advisory Committee has suggested the accounting treatment on the basis of "Flow of the economic benefit or Service potential of the asset created in the project". The accounting policy adopted by the company is correct and in line with the opinion of the committee as the economic benefit of the asset created after completion of the project will flow to the Indian railways as per agreement dated 13.09.2002 to whom the asset will be transferred.
- 3 The company does not operate with a profit motive and based on the opinion of two Chartered Accountant Firms, Statement of Income and Expenditure is prepared in lieu of Statement of Profit and Loss for the year.
- 4 The estimated amount of contracts remaining to be executed by MRVC (excluding the contracts being executed by the Central Railway, Western Railway & MMRDA) on capital account and not provided for (net of Advances) ₹ 1281,30,75,065/- (Previous year ₹ 1239,76,35,192/-).
- 5 The company has acquired office premises from lessor Western Railway under an operating lease deeds dated 28.6.2001, 01.04.2004 and 06.09.2004 wherein the tenure of the lease is not mentioned.
- 6 The company has provided Foreign Services Contribution (FSC) of ₹ 68,51,528/- (net) on estimated basis towards terminal benefits of the Indian Railways employees working on deputation.
- 7 No provision for Deferred Tax in accordance with Accounting Standard – 22 issued by the Institute of Chartered Accountants of India has been made in the accounts, since the company has obtained exemption under section 12A of the Income Tax Act, 1961.
- 8 Particulars of remuneration paid to Directors are as under:

Particulars	(Amount in ₹)	
	Year Ended 31 March,2013	Year Ended 31 March,2012
Salary and Allowances	78,41,168	49,53,415
Contribution to Railways (Towards Terminal Benefits)	6,25,538	11,04,520
<b>Total</b>	<b>84,66,706</b>	<b>60,57,935</b>

- 9 The expenditure incurred by Central Railway, Western Railway, and Mumbai Metropolitan Regional Development Authority (MMRDA) have been accounted based on the respective audited / un-audited statements received from the respective zones. The Direction and General Charges are computed and accounted based on the expenditure as mentioned above.



10 Expenditure in Foreign Currency is as under:

(Amount in ₹)

Particulars	As at 31 March 2013	As at 31 March 2012
Capital goods for projects (C I F Basis)	27,60,18,200	215,89,84,719
Travelling and other expenses	18,50,258	96,425
Training Charges	21,98,000	13,47,174

- 11 a) As per the information available with the company, there are no outstanding dues payable to any Small Scale Industrial Undertaking as at 31 March 2013.
- b) The company has not received any information from suppliers regarding their status under the Micro, Small and Medium Enterprise Development Act, 2006 and hence disclosures, if any, relating to amount unpaid as at the year end together with interest paid / payable as required under the said Act have not been furnished.

12 The Company had commenced construction of residential quarters for the staff of Railways in financial year 2008-2009 on land provided by Railways, it is committed with Railways that 24 flats would be leased to MRVC for 30 years at a lease rent of ₹ 1000/- per annum per flat. However cost of entire project is to be borne by the company. The cost of construction of residential quarters stands included in tangible assets amounting to ₹ 35,20,42,908 as leasehold premises.

The company has capitalised 10 flats at Palli Hill amounting to ₹ 9,86,39,758 as leasehold property for 30 years at lease rent of ₹ 1000/- per annum per flat

Also the company has capitalised 1 flat taken from IRCON amounting to ₹ 1,50,00,000 as leasehold property for 22 years at lease rent of ₹ 1000/- per annum.

13 The following are the disclosures in respect of the calculation of earning per share for the year ended 31 March 2013

(Amount in ₹)

Particulars	As at 31 March 2013	As at 31 March 2012
<b>Numerator :</b>		
Excess of Income over Expenditure after tax and before Prior Period Items (₹)	11,99,18,475	22,82,23,850
<b>Denominator :</b>		
Weighted Average number of equity share (Nos)	2,50,000	2,50,000
Earnings per Share (Basic and Diluted)		
(₹)=Numerator/Denominator	479.67	912.90



- 14 The balances shown under the head of Unsecured Funds for Project, Loans and Advances and Current Liabilities are subject to confirmation and reconciliation, if any.
- 15 Additional information pursuant to provisions of paragraph 3, 4C and 4D of Part II of Schedule VI of the Companies Act, 1956 have been given to the extent applicable to the activity of the Company.
- 16 Previous year's figures have been regrouped/rearranged and reclassified wherever necessary to confirm the current year's presentation.

As per our report of even date  
**For V. C. SHAH & CO**  
Chartered Accountants  
Firm Registration No. 109818W

**V. C. Shah**  
Partner  
Membership No. 10360

**For and on behalf of Board of Directors**  
**Mumbai Railway Vikas Corporation Limited**

**N.M. Misra**  
Director-Finance

**Rakesh Saxena**  
Chairman & Managing Director

**Vijay Angane**  
Company Secretary

Place : Mumbai  
Date : 24/06/2013



Notes forming part of the financial statements



**Note 3 Share capital**

Particulars	As at 31 March, 2013		As at 31 March, 2012	
	Number of shares	₹	Number of shares	₹
(a) Authorised Equity shares of ₹ 1000/- each	2,50,000	25,00,00,000	2,50,000	25,00,00,000
(b) Issued,Subscribed and fully paid up Equity shares of ₹ 1000/- each	2,50,000	25,00,00,000	2,50,000	25,00,00,000
<b>Total</b>	<b>2,50,000</b>	<b>25,00,00,000</b>	<b>2,50,000</b>	<b>25,00,00,000</b>

**(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:**

Particulars	Opening Balance	Fresh issue	Buy Back	Closing Balance
Equity shares with equal voting rights Year ended 31 March, 2013	2,50,000	-	-	2,50,000
- Number of shares	2,50,000	-	-	2,50,000
- Amount (₹)	25,00,00,000	-	-	25,00,00,000
Year ended 31 March, 2012				
- Number of shares	2,50,000	-	-	2,50,000
- Amount (₹)	25,00,00,000	-	-	25,00,00,000

**(ii) Details of shares held by each shareholder holding more than 5% shares:**

Name of shareholder	As at 31 March, 2013		As at 31 March, 2012	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Ministry of Railways	127500	51	127500	51
Government of Maharashtra	122500	49	122500	49

**Note 4 Reserves and surplus**

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
(a) Surplus		
Income and Expenditure Account		
Opening balance	139,26,47,381	116,86,42,989
Add: Transferred from surplus in Statement of Income and Expenditure Account	12,24,35,290	22,71,13,910
Less: Transferred during the year :		
Corporate Social Responsibility	68,13,416	31,09,518
<b>Total</b>	<b>150,82,69,255</b>	<b>139,26,47,381</b>





Notes forming part of the financial statements



MUMBAI RAILWAY VIKAS CORPORATION LTD.

**Note 5 Other Long-term Liabilities**

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
(a) Others:		
Project funds received from related parties		
Gross amount received (Opening balance)	5257,30,20872	4628,68,74,210
Amount received during the year from :		
• <b>Ministry of Railways</b>		
MUTP-Phase-I	41,00,00,000	91,47,35,804
MUTP-Phase-II	279,66,00,000	193,34,92,359
• <b>Government of Maharashtra</b>		
MUTP-Phase-I		
Rehabilitation and resettlement	-	-
MUTP (Rail component)	2,24,37,000	97,51,60,520
MUTP-Phase-II		
MUTP (Rail component)	26,82,00,000	204,48,92,360
Surcharge adjusted towards dues	67,24,83,615	41,78,65,619
<b>Total amount received during the year</b>	<u>416,97,20,615</u>	<u>628,61,46,662</u>
<b>Total MUTP funds received (A)</b>	<u>5674,27,41,487</u>	<u>5257,30,20,872</u>
Less : Amount utilised / adjusted		
Gross amount utilised / adjusted (Opening balance)	5070,45,63,016	4441,62,63,893
Amount utilised during the year by :		
• <b>Western Railway</b>		
MUTP-Phase-I	*(10,59,19,284)	13,92,26,068
MUTP-Phase-II		
MUTP-2B	64,84,22,709	43,36,73,840
• <b>Central Railway</b>		
MUTP-Phase-I	*(1,15,85,710)	29,10,32,510
MUTP-Phase-II		
MUTP-2A	106,81,03,280	95,38,16,730
MUTP-2B	23,84,30,247	8,78,36,147
• <b>MRVC</b>		
MUTP-Phase-I	19,90,66,223	67,39,31,570
MUTP-Phase-II		
MUTP-2A	171,64,70,144	335,15,10,095
MUTP-2B	84,29,33,770	35,72,72,163
CSTM-PANVEL-Running of 12 Coach on Harbor Line	2,42,21,902	-
Other MUTP Works (ploughing back of surplus) #	4,57,31,719	-
<b>Total amount utilised during the year</b>	<u>466,58,75,000</u>	<u>628,82,99,123</u>
<b>Total MUTP funds utilised (B)</b>	<u>5537,04,38,016</u>	<u>5070,45,63,016</u>
<b>Unutilised funds for the project (A-B)</b>	<u>137,23,03,471</u>	<u>186,84,57,856</u>

\* The negative figures represent excess expenditure accounted in previous year. Now rectified/reversed in current year based on respective expenditure audit by CAG.

# The expenditure shown under other MUTP works is incurred by MRVC's own fund, there being no contribution from MoR and GoM.



*Notes forming part of the financial statements*



**Note 6 Long-term provisions**

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
Provision for employee benefits		
Provision for gratuity	22,11,951	14,19,814
<b>Total</b>	<b>22,11,951</b>	<b>14,19,814</b>

**Note 7 Trade payables**

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
Others	18,73,99,701	27,21,73,138
<b>Total</b>	<b>18,73,99,701</b>	<b>27,21,73,138</b>

**Note 8 Other current liabilities**

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
(a) Income received in advance	-	13,852
(b) Other payables		
(i) Statutory dues	1,29,30,486	66,05,451
(ii) Salary and other benefits	1,67,83,792	1,45,32,617
(iii) Outstanding expense payable	15,45,706	20,77,250
(iv) Trade / security deposits	7,73,78,922	6,53,36,991
(v) Rent payable	76,210	36,906
(vi) Book overdraft	35,59,984	2,96,31,962
(vii) Integral Coach Factory - FA&CAO (MUTP-I)	15,61,75,810	15,61,75,810
<b>Total</b>	<b>26,84,50,910</b>	<b>27,44,10,839</b>

**Note 9 Short-term provisions**

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
Others		
Corporate social responsibility	1,55,03,632	1,06,64,176
<b>Total</b>	<b>1,55,03,632</b>	<b>1,06,64,176</b>



Note 10 Fixed assets

Assets	Gross block			Depreciation / Amortisation				Net Block	
	Balance as at 1 April, 2012	Additions	Disposals	Balance as at 31 March, 2013	Balance as at 1 April, 2012	Depreciation / amortisation expense for the year	Deduction/ adjustments	Balance as at 31 March, 2013	Balance as at 31 March, 2012
	₹	₹	₹	₹	₹	₹	₹	₹	₹
<b>Tangible Assets</b>									
(a) Computers	1,86,68,023	25,69,258	22,38,266	1,89,99,015	98,88,419	26,74,769	(17,55,342)	1,08,07,846	87,79,604
(b) Furniture and fixtures	1,36,69,974	7,76,240	61,369	1,43,84,845	48,56,182	8,46,777	(39,127)	56,63,832	88,13,792
(c) Vehicles	17,45,770	-	-	17,45,770	12,68,428	76,840	-	13,45,268	4,77,342
(d) Office equipments	1,13,40,815	7,86,894	-	1,21,27,709	34,71,991	6,54,177	61,694	41,87,862	78,68,824
(e) Leasehold premises	30,17,77,228	16,39,05,438	-	46,56,82,666	1,00,59,241	1,57,62,349	13,63,636	2,71,85,226	29,17,17,987
<b>Total</b>	<b>34,72,01,810</b>	<b>16,80,37,830</b>	<b>22,99,635</b>	<b>51,29,40,005</b>	<b>2,95,44,261</b>	<b>2,00,14,912</b>	<b>(3,69,139)</b>	<b>4,91,90,034</b>	<b>31,76,57,549</b>
<b>Previous year</b>	<b>3,96,76,051</b>	<b>30,87,25,324</b>	<b>11,99,565</b>	<b>34,72,01,810</b>	<b>1,66,05,097</b>	<b>1,33,43,957</b>	<b>(4,04,793)</b>	<b>2,95,44,261</b>	<b>31,76,57,549</b>
<b>Intangible Assets</b>									
Computer software	23,22,221	4,46,233	-	27,68,454	14,37,788	3,96,304	-	18,34,092	8,84,433
<b>Total</b>	<b>23,22,221</b>	<b>4,46,233</b>	<b>-</b>	<b>27,68,454</b>	<b>14,37,788</b>	<b>3,96,304</b>	<b>-</b>	<b>18,34,092</b>	<b>8,84,433</b>
<b>Previous year</b>	<b>23,22,221</b>	<b>-</b>	<b>-</b>	<b>23,22,221</b>	<b>10,65,877</b>	<b>3,71,911</b>	<b>-</b>	<b>14,37,788</b>	<b>-</b>



*Notes forming part of the financial statements*



**Note 11 Cash and cash equivalents**

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
(a) Cash on hand	41,832	80,782
(b) Balances with banks		
(i) In current accounts	13,24,642	41,10,284
(ii) In deposit accounts		
For less than 3 months	8,95,24,829	195,85,01,140
For more than 3 months	131,23,83,663	95,17,94,903
<b>Total</b>	<b>140,32,74,966</b>	<b>291,44,87,109</b>

**Note 12 Short-term loans and advances**

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
(a) Loans and advances to related parties (Unsecured, considered good)		
(i) Advance with Western Railway	17,04,08,977	2,04,93,971
(ii) Advance with Central Railway	21,59,39,371	14,58,69,327
(iii) Advance with RDSO	1,07,68,805	3,03,68,805
(iv) Advance with IRCON International	-	1,50,00,000
(v) Advance with Integral Coach Factory (MUTP-II)	78,73,19,000	-
	<u>118,44,36,153</u>	<u>21,17,32,103</u>
(b) Others (Unsecured, considered good)		
(i) Security deposits		
(1) MUTP projects	2,81,30,504	2,55,69,689
(2) Others	9,38,970	6,68,647
(ii) Advances to contractors for MUTP projects	11,60,76,166	17,66,98,995
(iii) Advances to be recoverable in cash or in kind	1,21,91,944	36,886
(iv) Advances to MRVC staff and officials	15,76,140	10,09,929
(v) Balances with Government Authorities	8,61,19,354	13,39,62,157
	<u>24,50,33,078</u>	<u>33,79,46,303</u>
<b>Total</b>	<b>142,94,69,231</b>	<b>54,96,78,406</b>



*Notes forming part of the financial statements*



MUMBAI RAILWAY VIKAS CORPORATION LTD.

**Note 13 Other current assets**

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
(a) Interest accrued but not received		
(i) Bank deposits	5,71,95,812	6,87,43,411
(ii) Mobilisation advances	7,32,762	5,17,354
(iii) Advances to MRVC staff and officials	1,42,155	63,240
(b) Others		
(i) Surcharge receivable		
(1) Central railway	15,25,83,110	4,53,61,552
(2) Western railway	9,58,94,472	3,21,07,720
(ii) Advance recoverable in cash or in kind or for value to be received	1,62,079	2,81,922
<b>Total</b>	<b>30,67,10,390</b>	<b>14,70,75,199</b>

**Note 14 Revenue from operations**

Particulars	Year ended 31 March, 2013 ₹	Year ended 31 March, 2012 ₹
(a) Sale of services		
(i) Direction and general charges-Phase-I	90,30,257	3,16,85,009
(ii) Direction and general charges-Phase-II	10,59,59,525	8,62,17,017
(iii) Direction and general charges-New work	11,53,424	-
(iv) Direction and general charges-MRVC surplus	4,52,789	-
	<u>11,65,95,995</u>	<u>11,79,02,026</u>
(b) Other operating income		
(i) Interest on deposit with banks	20,70,12,049	30,23,56,152
(ii) Interest on mobilised advances given to contractors	65,71,243	81,21,927
(iii) Sundry receipts on project bid	6,72,380	4,55,860
(iv) Liquidated damages received	3,18,828	3,16,275
	<u>21,45,74,500</u>	<u>31,12,50,214</u>
<b>Total</b>	<b>33,11,70,495</b>	<b>42,91,52,240</b>



*Notes forming part of the financial statements*



**Note 15 Other income**

Particulars	Year ended 31 March, 2013 ₹	Year ended 31 March, 2012 ₹
(a) Interest income		
(i) Interest on Income Tax refund	1,63,50,179	-
(ii) Interest on multipurpose advances	92,207	71,218
(b) Other income		
(i) Exchange gain	-	4,869
(ii) Application fees	866	444
(c) Miscellaneous income	14,32,053	73,460
<b>Total</b>	<b>1,78,75,305</b>	<b>1,49,991</b>

**Note 16 Employee benefit expenses**

Particulars	Year ended 31 March, 2013 ₹	Year ended 31 March, 2012 ₹
(a) Salaries and wages	12,39,37,295	11,13,05,433
(b) Contribution and other fund	92,17,084	1,26,18,805
(c) Staff welfare	36,25,420	34,52,881
<b>Total</b>	<b>13,67,79,799</b>	<b>12,73,77,119</b>



*Notes forming part of the financial statements*



MUMBAI RAILWAY VIKAS CORPORATION LTD.

**Note 17 Other expenses**

Particulars	Year ended 31 March,2013 ₹	Year ended 31 March,2012 ₹
(a) Electricity	22,00,198	22,31,267
(b) Repair and maintenance	35,06,426	28,47,382
(c) Advertisement charges for tenders	1,06,69,494	76,39,256
(d) Outsourced employees payment	92,63,854	69,37,892
(e) Auditors remuneration		
(i) Statutory audit fees	1,32,024	1,20,085
(ii) Tax audit fees	34,242	31,601
(iii) Vat audit fees	16,854	17,500
(f) Rent, rates and taxes	11,30,830	8,90,828
(g) Insurance	40,561	45,771
(h) Travelling and conveyance	1,25,25,451	48,56,021
(i) Vehicle	1,51,07,241	1,34,19,842
(j) Communication	38,05,754	28,75,888
(k) Training and seminar	9,57,153	7,75,564
(l) Printing and stationery	17,94,513	15,45,151
(m) Hospitality	24,76,288	26,57,411
(n) Legal and professional fees	43,55,662	66,67,868
(o) Director's sitting fees	60,000	-
(p) Loss on sold/discarded assets	2,21,213	4,87,764
(q) Books and periodicals	81,426	2,55,570
(r) Security charges	4,19,063	8,42,413
(s) Bank charges	1,83,517	1,58,774
(t) Interest	9,440	9,23,992
(u) Computer consumables	15,67,678	14,01,685
(v) Miscellaneous expenses	13,77,428	23,55,870
<b>Total</b>	<b>7,19,36,310</b>	<b>5,99,85,394</b>



*Notes forming part of the financial statements  
as at 31.03.2013*



**NOTES -18 Prior Period Adjustments (Net)**

Particulars	Year ended	Year ended
	31 March, 2013	31 March, 2012
	₹	₹
Advertisement	7,43,643	3,83,485
Air travel domestic	-	71,317
Books and periodical	3,160	13,458
Accumulated depreciation and amortisation	14,25,330	2,01,134
Computer consumable	42,200	5,500
Contractor service	88,560	6,129
Electricity charges	-	665
Internet charges	-	21,700
Honorarium	4,360	-
Hospitality	212	-
Internet charges	7,917	-
Postage	62	-
Professional fees	39,917	23,163
Miscellaneous expenses	1,370	25,738
Salary and wages	9,600	(5,579)
New pension employer	-	11,438
Repairs and maintenance - computer	-	37,909
Repairs and maintenance - office equipments	7,861	19,945
Repairs and maintenance - office premises	-	11,963
Staff welfare	-	42,500
Subscription fees	1,534	8,316
Stationery	3,309	58
Telephone charges	12,764	(42,195)
Training charges	-	26,769
Vehicle hire charges	1,93,786	6,98,224
House rent payable	-	(4,40,621)
Interest	(76,64,289)	35,63,813
Photocopies	2,090	-
Direction and general charges	25,59,799	(35,74,889)
<b>Total</b>	<b>(25,16,815)</b>	<b>11,09,940</b>

Note: Above Figure has shown in bracket signifies "Income" and figure without bracket shows "Expenses".