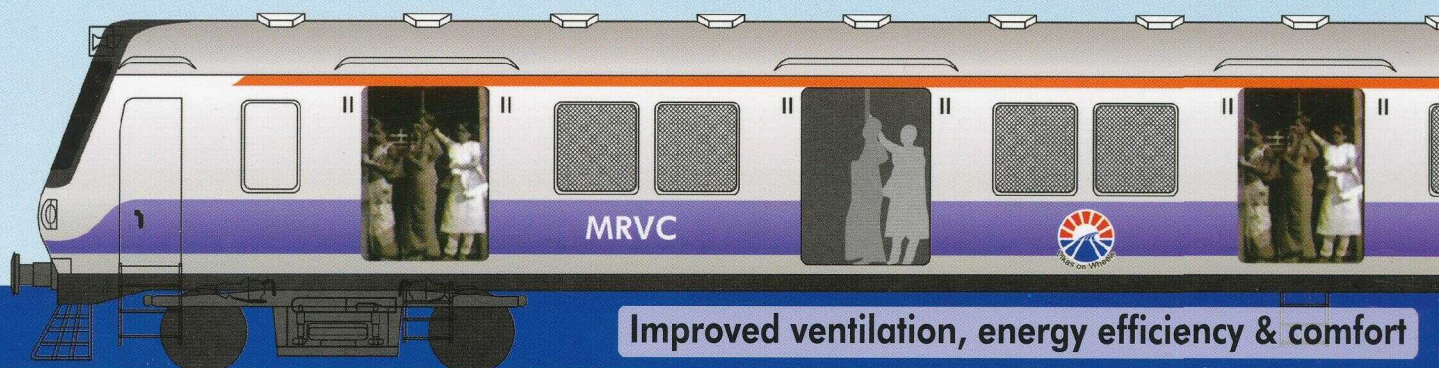


MUMBAI RAILWAY VIKAS CORPORATION LTD.

(A PSU of Ministry of Railways)



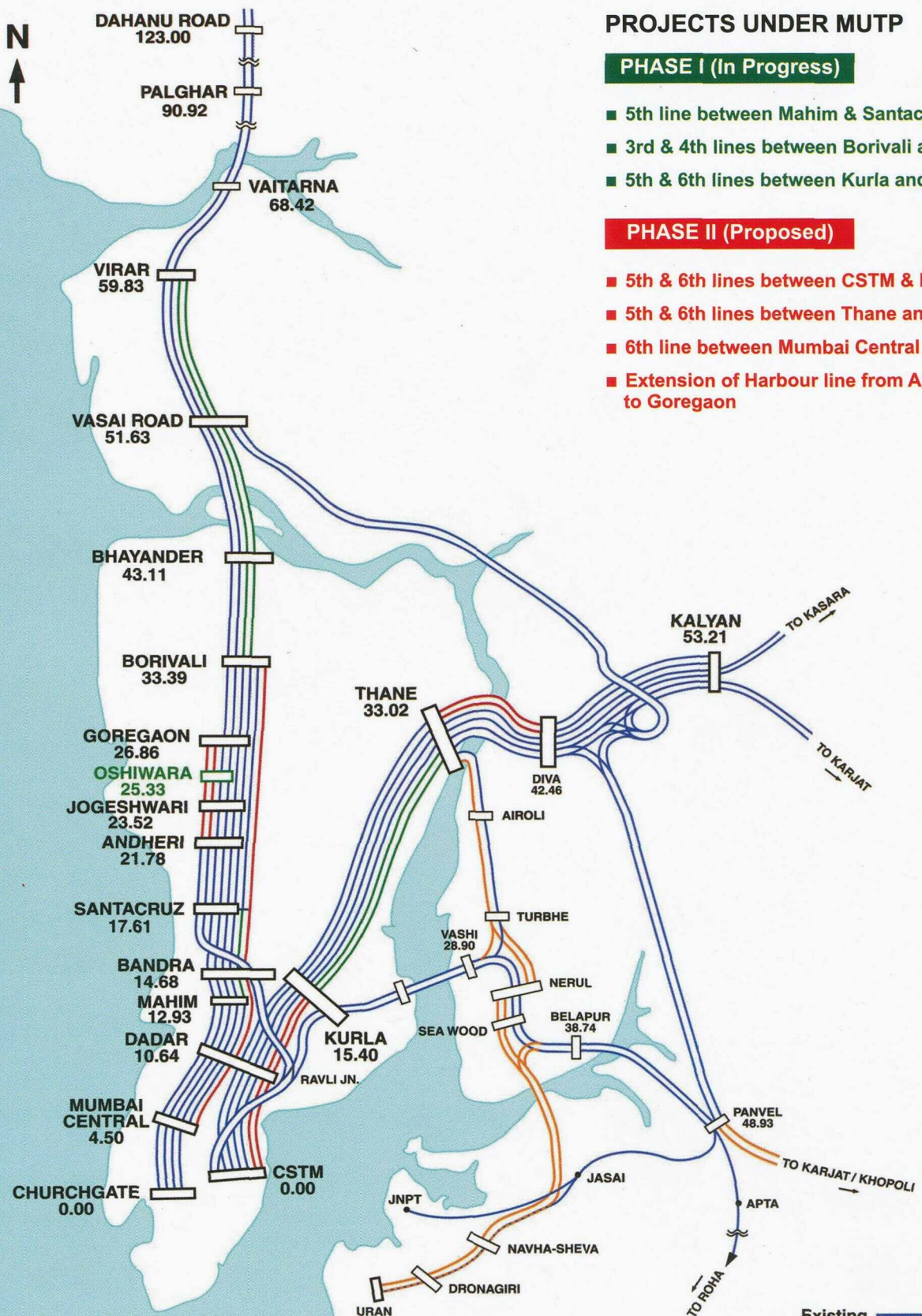
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**ANNUAL REPORT
2005-2006**

MUMBAI SUBURBAN RAIL NETWORK



MUMBAI RAILWAY VIKAS CORPORATION LTD.



Mumbai Railway Vikas Corporation Limited



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

Annual Report 2005-06

Table of Contents

Contents	Page No.
Notice	2
Board of Directors	3
Chairman's Speech	4-5
Directors' Report	6-11
Project of MUTP (Rail-Component)	12
Auditors' Report	13-14
Annexure to Auditors' Report	15-16
Comments of the C&AG of India	17
Balance Sheet & Income & Expenditure A/C..... (With Notes)	18-32

AUDITORS :- Lakhani & Co.
Chartered Accountants
Jeevan Udyog
278 D. N. Road
Fort, Mumbai – 400 001.

BANKERS :- (1) ICICI Bank, Mumbai
(2) State Bank of India
(3) IndusInd Bank, Mumbai
(4) H.D.F.C. Bank, Mumbai

**REGISTERED
OFFICE :-** 2nd Floor
Churchgate Station Building
Mumbai – 400 020.
Tel: 022-2201 4623.
Fax: 022-2209 6972.
Website: www.mrvco.org

MUMBAI RAILWAY VIKAS CORPORATION LTD.



Notice



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

NOTICE OF THE SEVENTH ANNUAL GENERAL MEETING

Notice is hereby given that the Seventh Annual General Meeting of **M/s. Mumbai Railway Vikas Corporation Limited** will be held on 21st December, 2006, (Thursday) at 10.45 hrs. at the Registered Office of the Corporation at 2nd Floor, Churchgate Station Bldg., Mumbai - 400 020 to transact the following business:

Ordinary Business :-

- (1) To receive, consider and adopt the Audited Income and Expenditure Account for the year ended 31st March, 2006 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 Auditors M/s Lakhani & Co., appointed by the Comptroller and Auditor General of India vide their letter no. CA. V/COY/CENTRAL GOVT., MUMRLY (1)/241 dtd. 5th July, 2006 pursuant to Sections 224 (8) (aa)/619 of the Companies Act, 1956 for the financial year 2006-07 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 Managing Director and/or Director (Finance) be and is hereby authorized to fix the remuneration of Statutory Auditors for the financial year 2006-07 in consultation with them".

By order of the Board of Directors

Place: Mumbai
Date : 29th November, 2006

(Vijay G. Angane)
Company Secretary

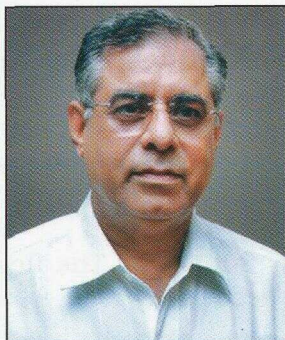
NOTES

- (1) 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.
- (2) 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.
- (3) **Kindly note that if at the Seventh Annual General Meeting quorum (i.e. 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.**

Board of Directors



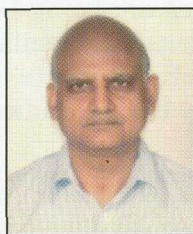
MUMBAI RAILWAY VIKAS CORPORATION LTD.



Shri J. P. Batra
Chairman



Shri P. C. Sehgal
Managing Director



Shri Vishnu Kumar
Director (Projects)



Shri A. K. Malhotra
Director (Technical)



Dr. T. Chandrashekar
Director (Resettlement & Rehabilitation)



Shri K. L. Dhingra
Director (Finance)



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



Shri S. K. Suri
Part Time Official
Director (IR)



Shri Ramanand Tiwari
Part Time Official
Director (GOM)



Chairman's Speech



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

GENTLEMEN,

It gives me great pleasure to welcome you to the 7th Annual General Meeting of Mumbai Railway Vikas Corporation Ltd.

Implementation of MUTP phase I is now in take-off stage and progressing satisfactorily. The total expenditure incurred on MUTP phase I upto 31.03.2006 is Rs. 1269.08 crore.

MRVC has closed its accounts for 2005-06. The financial results are reported in the Directors' Report as well as in the accounts.

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

- (1) The contract for supply of electrics for 101 EMU rakes was signed with the Joint Venture(JV) of M/s Siemens AG and M/s Siemens Ltd, India on September 16, 2005. The coaches are being manufactured at ICF, Chennai. First two prototype 12-car rakes are expected by March, 2007. After field trial of prototype rakes, manufacture of 12-car rakes is likely to start from July-2007. Supply of seventy-five 12 car rakes and one 9 car rake is expected to be completed by June, 2009.

a) Cost of 9-car EMU Rake :

The cost of a 9-car MRVC DC/AC EMU rake is Rs. 19 crore (Mechanical – Rs. 10.39 crore., Electrics – Rs. 8.60 crore). However the cost of imported 9-car rake similar to DMRC design would have been Rs. 54 crore. As such MRVC rake is 3 times cheaper. This has been possible as the rakes are being built by Indian Railways Coach Production Unit, ICF, where indigenously available materials for shell are being used and labour & overhead costs are comparatively low and no profit margins are being charged by Indian Railways on the cost of the rakes.

b) Improved Features of MRVC DC/AC EMU Rakes :

20 new features have been introduced in MRVC EMU rakes. Salient features are :-

- i) Forced air ventilation system provided having 4 blowers per coach which will send 15000 cum/hr fresh air to improve comfort and reduce CO₂ level inside coaches. ii) Windows of bigger size. iii) Pneumatic spring used in secondary suspension for improved comfort. iv) Passenger Information System with 4 displays inside coaches. v) Polycarbonate seat in 2nd class and P.U. cushion seats in First class. vi) Use of stainless steel Grab Handles, Grab rails. vii) Stainless Steel Flooring. viii) FRP Panelling. ix) Exterior colour scheme designed by NID, Ahmedabad. x) Speed Potential of 100 kmph against present speed of 80 kmph.



- (2) The overall performance of MRVC for the year 2005-06 as per Memorandum of Understanding (MoU) signed between Ministry of Railway and MRVC is 'Very Good'. Since 2005-06 was the first year of MRVC signing MoU, 'Very Good' rating achieved by MRVC is appreciable. MoU for the year 2006-07 has been signed on 27.03.2006 by MRVC with the Ministry of Railways.
- (3) MRVC has been granted ISO 9001:2000 certificate by the ISO Certification Body during the year 2005-06.
- (4) Out of the 15857 Project Affected Households (under rail-segment) to be resettled and rehabilitated, all households except 216 have already been settled. Efforts are on to resettle the balance 216 Project Affected Households at the earliest.

Improvement in the Mumbai suburban railway system would be a continuous process. To fulfill our commitments to Mumbai commuters, we have already made a proposal for Phase II of MUTP costing around Rs. 4,500/- crores. This will enable us to bring down overcrowding to a reasonable level of 3000 passengers per 9-car rake. The proposal is expected to be approved by Govt. of Maharashtra shortly after which it will be processed for sanction of Govt. of India.

With this brief overview, I conclude by thanking the Ministry of Railways, the Government of Maharashtra 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.

J. P. Batra
Chairman/MRVC

Note: This does not purport to be the proceedings of the Seventh Annual General Meeting.

MUMBAI RAILWAY VIKAS CORPORATION LTD.



Directors' Report



MUMBAI RAILWAY VIKAS CORPORATION LTD.

DIRECTORS' REPORT

Gentlemen,

The Directors of Mumbai Railway Vikas Corporation Limited have great pleasure in presenting the Seventh Annual Report on the business and operations of the Company and Statements of Accounts for the year ended 31st March 2006.

(1) **Financial Results :-**

The salient features of the financial results of the Corporation for the year ended 31st March 2006 are as under: -

Rupees in Lakhs

Particulars	Year Ended 31.3.2006	Year Ended 31.3.2005
Income	1999.95	1094.00
Expenditure	583.67	427.91
Excess of Income over Expenditure before prior period Items & Taxes	1416.28	666.09
Add- Prior period adjustment (Net)	(5.57)	394.36
Excess of Income over Expenditure for the year	1410.71	1060.46
Brought forward Surplus from previous year	1718.24	657.78
Balance carried to Balance Sheet	3128.95	1718.24
Earning per Share (in Rupees) - Face Value of Share Rs. 1000	566.51	266.44

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 profit in compliance of Income Tax Act, 1961.

In the current financial year Company has charged Direction and General charges (D&G) on projects being executed by itself, i.e. projects other than those being executed by Western Railway, Central Railway and MMRDA, in terms of Item No. 12 (vi) of MoU signed between MRVC and Western and Central Railway, as against no D&G charges being charged for the projects implemented by MRVC in the previous year. The impact of the change in the Accounting Policy as referred to above has been quantified and stated in the Financial Statements as well as the Auditors' Report.

(2) Railway Infrastructure Projects :-

The list of projects being undertaken by MRVC along with the progress of the projects are given at Annexure 'A'.

(3) Works handled by MRVC :-

Some of the major works handled by MRVC during the year 2005-2006 are as follows:

(a) EMU procurement/manufacture

The contract for the supply of equipment for 101 nine-car EMU rakes was signed with the JV of M/s Siemens AG, Germany and M/s Siemens Ltd, India on September 16, 2005.

An opinion survey was carried out amongst Mumbai suburban commuters in order to ascertain the preference of users for layout and other amenities provided in three prototype EMU coaches manufactured by ICF with different type of layouts. National Institute of Design (NID), Ahmedabad was also assigned for suggestions for exterior design and colour scheme. Based on the feedback received in the survey and advice by NID, it has been decided to implement 20 specific design improvements in the EMU coaches to be manufactured at ICF under MUTP.

(b) Audio Frequency Track Circuits

The supply against the first Audio Frequency Track Circuit (AFTC) contract has been completed and the commissioning is in progress. The overall progress is 88.9%.

(c) Digital Axle Counters

Digital Axle Counter (DAC) has been cleared by RDSO and commissioned at Atgaon. DACs have been received for Kasara-Titwala section and is under installation.

(d) Performance of Memorandum of Understanding

The overall performance of MRVC as per the Memorandum of Understanding (MoU) signed between Ministry of Railways and MRVC for the year 2005-06 is 'Very Good'.

The MoU for the year 2006-07 has been signed on March 27, 2006.

(e) Commercial Development at Carnac Bunder

A consultancy contract has been awarded to joint venture of M/s Tata Economic Services (TES) and Hafiz Contractor for carrying out the study for commercial development of Railway land at Carnac Bunder and development of a landmark station building.



(f) **Resettlement & Rehabilitation**

- i) **Borivali-Virar Quadrupling** - All encroachments including the leper families have been removed.
- ii) **5th Line Mahim-Santacruz** - The remaining 40 Project Affected Households have been removed and RCC boundary wall has been constructed by the Railways all along the area cleared.
- iii) **5th & 6th Lines Kurla-Thane** - 106 out of 121 legal tenants have been shifted. (Shifting of Project Affected Households and commercial shops from Anand Nagar and Vikhroli is still holding up this work).

(g) **Technical Assistance**

- i) **TA for OHE and Substations**
The study has been completed on April 29, 2005.
- ii) **TA for Signalling to improve headway**
The study has been completed on May 31, 2005.
- iii) **TA for OHE system improvement**
Measurement of various parameters at two substations (one each on Central & Western Railway) has been completed on 22.04.06. Consultant has submitted Draft Final Report (DFR) Part I & II on 02.05.06 & 03.05.06 respectively.
- iv) **TA for Virar Car Shed**
The revised packages for procurement of Machinery and Plant (M&P) approved by World Bank (WB). Bid documents for procurement of major M&Ps sent to WB for NoC. Comments from WB received and the reply is under preparation. As per revised package bid invitation for package 2 is under process.
- v) **TA for Station Design & Engineering**
Concept plans for 5 stations finalized. Reference design on final concept plan for 2 stations under preparation.
- vi) **TA for Upgradation of EMU maintenance facilities**
Consultant has submitted the DFR on 16.02.06. Training-cum-study tour held from 28.02.06 to 07.04.06. Comments on DFR being conveyed.
- vii) **TA for S&T Reliability Improvement**
The consultant has submitted all the working papers except Financial Analysis, which will be submitted after acceptance of all other working papers.
- viii) **TA for Quality Control and Testing of EMU rakes at ICF**
Comments on working paper and DFR received from ICF on 27.02.06 and the same is being forwarded to M/s. DE-Consult.
- ix) **TA for Commercial Development of Railway land and airspace**
Report on real estate market, status of infrastructure at railway stations and selection of 2 stations completed. Project report on 2 selected stations under finalisation.

x) TA for Track Improvement

World Bank's NoC to draft Request For Proposal (RFP) received on 19.04.2006. RFP issued to short listed firms on 21.04.2006. Technical bid opening on 24.07.2006. Pre-bid meeting on 15.06.2006.

xi) TA for Simulation Study Update

Bids were opened on 04.10.05. Under evaluation.

(4) Change in the Board of Directors :-

Shri A.K. Verma, Managing Director, Mumbai Railway Vikas Corporation Ltd. relinquished his charge from 31st October, 2005 on account of his superannuation.

Shri Vishnu Kumar, Director (Project) was entrusted charge of the post of Managing Director for the period from 1st November 2005 to 11th June 2006. Shri P. C. Sehgal took over charge as Managing Director w.e.f. 12th June 2006.

Shri V. K. Raina, Advisor Planning, Railway Board was appointed as Part-time official Director on 23rd September, 2005 vice Shri Sumant Chak, who superannuated on 31st August, 2005.

Shri S. K. Suri, AM Planning, was appointed w.e.f. 30th January, 2006, vice Shri V. K. Raina, who relinquished the office on 30th January, 2006 on account of his transfer.

(5) Directors' Responsibility Statement :-

In terms of Section 217 (2AA) of the Companies Act, 1956, your Directors state :-

- (i) that in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departure.
- (ii) that 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 profit or loss of the company of that period.
- iii) that 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) that these Annual Accounts have been prepared on a going concern basis.



(6) Audit Committee :-

In accordance with the provisions of Section 292A of the Companies Act, 1956, the Audit Committee of the Board of Directors has already been constituted consisting of three members comprising of Part-time Official. Director from Railways viz. Additional Member (Planning) and Part-time Govt. Director from Govt. of Maharashtra viz. Principal Secretary-1, (Urban Development Department), Govt. of Maharashtra and Director (Technical), MRVC Ltd. During the Financial Year 2005-06, two meetings of the Audit Committee have been held.

(7) Auditors :-

- (a) M/s. Lakhani & Co., Chartered Accountants, Mumbai have been appointed by the Comptroller & Auditor General of India, New Delhi on 22nd August 2005 as the Statutory Auditors for MRVC Ltd. for the financial year 2005-06 and also re-appointed for the financial year 2006-07.
- (b) The Comptroller and Auditor General of India has entrusted the Govt. Audit of Mumbai Railway Vikas Corporation Ltd. to the Principal Director of Commercial Audit and Ex-officio Member, Audit Board-I, Mumbai.
- (c) M/s. A. K. Sabat & Co., Chartered Accountants have been appointed as the Internal Auditors of MRVC Ltd. for the financial year 2005-06.

(8) Auditors' Report :

Report of the Statutory Auditors contains qualification regarding accounting for retirement benefits for employees on deputation from Indian Railways as the company has not provided retirement benefits on the basis of actuarial value as prescribed under Accounting Standards (AS-15), issued by the Institute of the Chartered Accountants of India (ICAI). In the absence of actuarial valuation for retirement benefits, the auditors are unable to comment upon the adequacy of the provision made by the company and its consequent impact on the excess of income or expenditure of a company, reserves and surplus and liability as stated in the financial statement.

The retirement benefits of employees from Indian Railways on deputation basis are done as per the practice followed in the Indian Railways. Since its financial implications are nominal and its implementation impracticable, the aforesaid qualification is appearing as statutory disclosure in audit report.

C & AG has issued "No" comment certificate on the accounts of the Company for the year ended 31st March, 2006 under section 619(4) of the Companies Act, 1956.



(9) **Particulars of employees :-**

During the year under review the particulars of employees to be disclosed under section 217 (2) (A) 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".

(10) **Acknowledgements :-**

The Board of Directors gratefully acknowledge the co-operation and guidance received from the Ministry of Railways, Govt. of Maharashtra, MMRDA 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 the employees of the Company during the year under review.

For and on behalf of the Board of Directors

(K.L. Dhingra)

Director (Finance)

(P.C. Sehgal)

Managing Director

Place :- MUMBAI

Date :- 29-11-2006



Projects of M'UTP (Rail Component)



MUMBAI RAILWAY VIKAS CORPORATION LTD.

ANNEX-A

1.0 Phase -I

(In crores of Rupees)

Sr. No.	Name of Work	Anticipated cost	Total Exp.Upto Mar'06	Planned Exp.for 2006-07	Balance to Complete the work
1	Provision of 5th Line Western Railway	59.00	10.58	16.00	32.42
2	5th and 6th line between Kurla-Thane	166.00	124.01	4.00	37.99
3	Borivali-Virar Quadrupling	436.00	336.74	57.00	42.26
4	Virar Carshed	73.00	26.24	17.00	29.76
5	Optimisation of Western Railway	50.10	24.24	25.83	0.03
6	Optimisation of Central Railway	99.50	22.67	9.32	67.51
7	Optimisation of Harbour Line	19.70	0.00	0.00	19.70
8	DC to AC Conversion	380.40	138.33	54.47	187.60
9	EMU Maintenance Facilities	64.30	3.31	17.20	43.79
10	Stabling Lines for EMUs	48.50	0.00	9.38	39.12
11	EMU Procurement/manufacture/retrofitment	1359.20	175.65	30.00	1153.55
12	Procurement of Track Machines	31.30	2.43	17.70	11.17
13	Technical Assistance	40.40	8.18	15.60	16.62
14	Resettlement & Rehabilitation	290.00	396.65	10.00	-116.65
15	Capital expenditure for setting up of MRVC	7.79	0.05	10.00	-2.26
TOTAL		3125.19	1269.08	293.50	1562.61

(In crores of Rupees)

2.0 Phase -II

1	Kurla-CSTM fifth and sixth line	464
2	Thane-Diva additional pair of lines	99
3	Borivali-Mumbai Central Sixth line	372
4	Extention of Harbour line to Goregaon	76
5	DC to AC Conversion	205
6	EMU Procurement/manufacture	2009
7	EMU Maintenance facilities	144
8	Stabling Lines for EMUs	96
9	Technical Assistance and Institutional Strengthening	45
10	Resettlement & Rehabilitation	94
11	Station Improvement and Tresspassing Control	96
Grand Total		3700



TO THE MEMBERS OF MUMBAI RAILWAY VIKAS CORPORATION LIMITED

1. We have audited the attached Balance Sheet of MUMBAI RAILWAY VIKAS CORPORATION LIMITED (the Company) as at 31st March, 2006 and also the Income and Expenditure Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the 'Order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 (the 'act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. *Attention is invited to Note No. (V) (a) of Schedule A regarding accounting for retirement benefit of employees on deputation from Indian Railways, the company has not provided retirement benefit on the basis of actuarial valuation as prescribed under Accounting Standard - 15 (AS-15) regarding Accounting for Retirement Benefits issued by The Institute of Chartered Accountants of India (ICAI). In the absence of actuarial valuation for retirement benefits we are unable to comment upon the adequacy of the provision made by the company and its consequent impact on the excess of income over expenditure of the company, reserve and surplus and liability as stated in the financial statement.*
5. *Subject to our comments in paragraph 4 above, with consequential aggregate effects, the quantification of which could not be determined on the excess of income over expenditure for the year, reserves and surplus and the liability as at the balance sheet date, we report that:*
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) 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;
 - (iii) The Balance Sheet and Income and Expenditure Account dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet and the Income and Expenditure Account dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (v) 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: and



(vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies in Schedule 'A' and

a) Note 3 of Schedule "B" regarding change in policy of charging Direction & General Charges on MRVC Projects and the impact thereon. Had the accounting policy remained unchanged:

- i. the excess of Income over Expenditure for the year would have been lower by Rs. 2,33,68.694/-
- ii. the fixed assets would have been lower by Rs.4,86,526/-
- iii. the accumulated depreciation would have been lower by Rs.33,529/-
- iv. the reserves and surplus would have been lower by Rs. 2,33,68.694/-
- v. the MUTP funds utilised would have been lower by Rs. 2,33,68.694/-
- vi. the Earnings Per Share for the year would have been Rs. 473.4 instead of Rs.566.51.

b) Note 6 of Schedule "B" 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 Schedule "B" thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2006; and
- (b) in the case of the Income and Expenditure Account, of the excess of income over expenditure of the Company for the year ended on that date.

For Lakhani & Co.
Chartered Accountants

S. Katudia

Sailesh Katudia
(Partner)

Mem. No. 105529

Place : Mumbai
Date : 06/10/06

(REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF MUMBAI RAILWAY VIKAS CORPORATION LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2006)

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) According to the information and explanations given to us, all the assets have been physically verified, at intervals, by the management during the year, which in our opinion is reasonable, having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) In our opinion, a substantial part of the fixed assets has not been disposed off by the company during the year.
- (ii) The company in the normal course of business does not hold any inventory. Accordingly clause 4(ii) of the Order is not applicable.
- (iii) (a) The company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly sub-clauses (a), (b), (c), and (d) of clause 4(iii) of the Order are not applicable.
- (b) The Company has not taken any unsecured loan from companies covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly sub-clauses (e), (f) and (g) of clause 4(iii) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of fixed assets, inventory for project and sale of services. The activities of the Company do not involve sale of goods. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any instance of major weaknesses in the aforesaid internal control system.
- (v) (a) In our opinion and according to the information and explanations given to us, there were no transactions that need to be entered into the register to be maintained under section 301 of the Companies Act, 1956. Accordingly sub-clause (b) of clause 4(v) of the order is not applicable.
- (vi) The Company has not accepted any deposits from public within the meaning of the provisions of Sections 58A and 58AA or any other relevant provisions of the act, and the rules framed there under. Accordingly clause 4(vi) of the Order is not applicable.
- (vii) In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.
- (viii) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 in respect of services carried by the Company.
- (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 31st March, 2006 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 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 M/s. Lakhani & Co.
Chartered Accountants

S. Katudia

Sailesh Katudia
(Partner)

Mem. No. 105529

Place : Mumbai
Date : 6/10/06



Comments Of The Comptroller & Auditor General of India Under Section 619(4) Of The Companies Act, 1956, On The Accounts Of Mumbai Railway Vikas Corporation Limited, Mumbai, For The Year Ended 31st March, 2006.

I have to state that the Comptroller and Auditor General of India has no comments upon or supplement to the Auditors' Report under Section 619(4) of the Companies Act 1956, on the Accounts of Mumbai Railway Vikas Corporation Limited, Mumbai for the year ended 31st March, 2006.



(Sushama V. Dabak)
Principal Director of Commercial Audit
& Ex-Officio Member, Audit Board-I, Mumbai

Date: 29th November, 2006



Balance Sheet as at 31.03.2006



MUMBAI RAILWAY VIKAS CORPORATION LTD.

Particulars	Sch. No.	Rs.	As at 31.03.2006 Rs.	As at 31.03.2005 Rs.
SOURCES OF FUNDS				
Shareholders' Funds				
Share Capital	1		250,000,000	250,000,000
Reserves and Surplus	2		312,895,273	171,824,303
Unsecured Funds For Projects				
Total MUTP Funds Received	3	14,442,148,789		12,248,793,992
Less : Total MUTP Funds Utilised		<u>12,690,824,731</u>		<u>9,713,653,807</u>
			1,751,324,058	2,535,140,185
TOTAL			2,314,219,331	2,956,964,488
APPLICATION OF FUNDS				
Fixed Assets				
Gross Block	4	17,032,964		15,691,706
Less Depreciation		<u>6,810,130</u>		<u>5,427,567</u>
Net Block		10,222,834		10,264,139
			10,222,834	10,264,139
Current Assets, Loans and Advances				
Cash and Bank Balance	5		1,846,816,002	2,836,118,670
Loans and Advances	6		<u>669,328,415</u>	<u>211,948,318</u>
SUB TOTAL (A)			2,516,144,417	3,048,066,988
Less:				
Current Liabilities and Provisions				
Current Liabilities	7		212,184,731	101,643,651
Provisions			<u>480,000</u>	<u>369,004</u>
SUB TOTAL (B)			212,664,731	102,012,655
Net Current Assets (A-B)			2,303,479,686	2,946,054,333
Miscellaneous Expenditure (to the extent not written off or adjusted.)	8		<u>516,811</u>	<u>646,016</u>
TOTAL			2,314,219,331	2,956,964,488
Significant Accounting Policies	A			
Notes on Accounts	B			

The schedules referred to above and the notes attached form an integral part of the Accounts

As per our report of even date

For LAKHANI & Co.
Chartered Accountants

S. Katadia

(Sailesh Katadia)
Partner

Membership No. 105529
Date: 6/10/2006
Place: Mumbai

For and on behalf of Board of Directors of
MUMBAI RAILWAY VIKAS CORPORATION LTD.

K. L. Dhingra

(K. L. Dhingra)
Director (Finance)

P. C. Sehgal

(P C Sehgal)
Managing Director

Vijay Angane
(Vijay Angane)
Company Secretary

Income & Expenditure Account For The Year Ended 31.03.2006



Particulars	Sch. No.	Year Ended 31.03.06 Rs.	Year Ended 31.03.05 Rs.
INCOME			
Service Revenue :			
Direction and General Charges		37,007,206	15,071,600
Other income :			
Interest Income from Bank		161,872,747	93,954,422
(TDS Rs. 5273/- :			
Previous year Rs.9,39,289/-)			
Miscellaneous Income		1,115,394	374,823
		162,988,141	94,329,245
TOTAL		199,995,347	109,400,845
EXPENDITURE			
Establishment Expenses	9	37,636,562	28,208,340
Administrative and Operational Expenses	10	19,187,562	13,063,818
Depreciation		1,413,627	1,390,037
Preliminary Expenses Amortised		129,205	129,205
Total		58,366,956	42,791,400
EXCESS OF INCOME OVER EXPENDITURE FOR THE YEAR			
Add : Prior Period Adjustments (Net)	11	141,628,391 (557,421)	66,609,445 39,436,636
EXCESS OF INCOME OVER EXPENDITURE			
Brought forward surplus from Previous year		141,070,970	106,046,081
		171,824,303	65,778,222
Balance carried to Balance Sheet		312,895,273	171,824,303
Earnings per Share (Basic and Diluted)		566.51	266.44
Significant Accounting Policies	A		
Notes to Accounts	B		

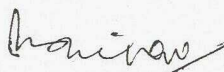
The schedules referred to above and the notes attached form an integral part of the Accounts As per our report of even date

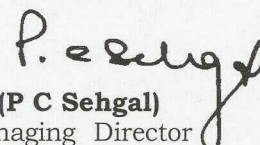
For LAKHANI & Co.
Chartered Accountants

For and on behalf of Board of Directors of
MUMBAI RAILWAY VIKAS CORPORATION LTD.


(Sailesh Katudia)
Partner

Date: 6/10/2006
Place: Mumbai


(K. L. Dhingra)
Director (Finance)


(P C Sehgal)
Managing Director


(Vijay Angane)
Company Secretary



Schedules Forming Part Of Balance Sheet As At 31.3.2006



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

SCHEDULE 1

	As at 31.03.2006 Rs.	As at 31.03.2005 Rs.
SHARE CAPITAL		
AUTHORISED SHARE CAPITAL		
2,50,000 Equity shares of Rs.1000/- each	250,000,000	250,000,000
ISSUED , SUBSCRIBED AND PAID UP		
2,50,000 Equity shares of Rs.1000/- each fully paid up	250,000,000	250,000,000
TOTAL	250,000,000	250,000,000
Of the above, following equity shares were allotted to :		
Ministry of Railways (127,500 Equity Shares)	127,500,000	127,500,000
Government of Maharashtra (122,500 Equity Shares)	122,500,000	122,500,000
TOTAL	250,000,000	250,000,000

SCHEDULE 2

	As at 31.03.2006 Rs.	As at 31.03.2005 Rs.
RESERVES AND SURPLUS		
Income and Expenditure Account		
Opening Balance	171,824,303	65,778,222
Add: Transfer during the year	141,070,970	106,046,081
TOTAL	312,895,273	171,824,303



Schedules Forming Part Of Balance Sheet As At 31.3.2006



MUMBAI RAILWAY VIKAS CORPORATION LTD.

SCHEDULE 3

UNSECURED FUNDS FOR PROJECTS

	As at 31.03.2006 Rs.	As at 31.03.2005 Rs.
Opening Balance	12,248,793,992	9,073,249,446
Less: Interest on MUTP Funds deployed	—	39,361,536
	12,248,793,992	9,033,887,910
Amount Received From :		
Ministry of Railways :	740,000,000	1,991,100,000
Government of Maharashtra :		
Rehabilitation and Resettlement	178,161,998	908,880,000
EMU Procurement	930,000,000	—
Surcharge Adjusted Towards Dues	345,192,799	314,926,082
TOTAL	2,193,354,797	3,214,906,082
Total MUTP Funds Received (A)	14,442,148,789	12,248,793,992
Amount Utilised/Adjusted		
Opening Balance	9,713,653,807	7,966,441,961
Amount Spent By :		
Western Railway	399,989,900	458,506,752
MMRDA	179,943,618	917,968,800
Central Railway	312,079,914	134,185,374
Mumbai Railway Vikas Corporation Ltd.	2,085,157,492	236,550,920
TOTAL	2,977,170,924	1,747,211,846
Total MUTP Funds Utilised (B)	12,690,824,731	9,713,653,807
Unsecured Funds for Project (A - B)	1,751,324,058	2,535,140,185

MUMBAI RAILWAY VIKAS CORPORATION LTD.



Schedules Forming Part Of Balance Sheet As At 31.3.2006

SCHEDULE 4 - FIXED ASSETS

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 1.4.2005	ADDITIONS/ ADJUST- MENTS	DEDUC- TION	AS AT 31st Mar'06	AS AT 1.4.2005	FOR THE YEAR	ON DEDU- CTION	AS AT 31.3.2006	AS AT 31.3.2006	AS AT 31.3.2005
Computer and Softwares	5,095,763	456,263	0	5,552,026	2,491,445	834,584	0	3,326,029	2,225,997	2,604,318
Furniture and Fixtures	4,365,410	500,413	0	4,865,823	1,719,868	199,473	0	1,919,341	2,946,482	2,645,542
Office Equipments	5,293,611	502,549	117,967	5,678,193	830,781	290,562	31,064	1,090,279	4,587,914	4,462,830
Vehicles	936,922	0	0	936,922	385,473	89,008	0	474,481	462,441	551,449
Sub Total	15,691,706	1,459,225	117,967	17,032,964	5,427,567	1,413,627	31,064	6,810,130	10,222,834	10,264,139
Previous Year	13,828,306	1,863,400	0	15,691,706	4,037,530	1,390,037	0	5,427,567	10,264,139	9,849,276

Schedules Forming Part Of Balance Sheet As At 31.3.2006



SCHEDULE 5 - CASH AND BANK BALANCES

	As at 31.03.2006 Rs.	As at 31.03.2005 Rs.
Cash in hand	95,077	57,072
Balances with Banks		
In Scheduled Banks		
a) In Current Accounts	1,017,336	989,770
b) In Term Deposit Account (including interest accrued thereon Rs.4,25,24,277/- previous year Rs.3,41,69,988/-)	1,845,703,589	2,835,071,828
TOTAL	1,846,816,002	2,836,118,670

SCHEDULE 6- LOANS AND ADVANCES

	As at 31.03.2006 Rs.	As at 31.03.2005 Rs.
(Unsecured, considered good)		
Advances recoverable in cash or in kind or for the value to be received	244,392,194	11,695,476
Share of Surcharge due from*		
Central Railway	26,337,412	26,000,000
Western Railway	31,962,280	27,508,518
Balance with Railway		
Central Railway	—	43,314,976
Western Railway	360,246,602	97,044,694
Tax Deducted at Source	6,389,927	6,384,654
TOTAL	669,328,415	211,948,318
* Since received		



Schedules Forming Part of Balance Sheet As At 31.3.2006



MUMBAI RAILWAY VIKAS CORPORATION LTD.

SCHEDULE 7 - CURRENT LIABILITIES AND PROVISIONS

	As at 31.03.2006 Rs.	As at 31.03.2005 Rs.
CURRENT LIABILITIES :		
Sundry Creditors	15,831,389	24,904,879
Other Liabilities	190,264,759	8,127,231
Liability towards share of sucharge collected (For Government of Maharashtra)	345,192,799	314,926,082
Less : Adjusted towards Project Fund due from Government of Maharashtra	<u>345,192,799</u>	<u>314,926,082</u>
	-	-
Temporary book overdraft since cleared	6,088,583	68,611,541
(A)	<u>212,184,731</u>	<u>101,643,651</u>
PROVISIONS :		
- Gratuity	480,000	369,004
(B)	<u>480,000</u>	<u>369,004</u>

SCHEDULE 8 - MISCELLANEOUS EXPENDITURE

	As at 31.03.2006 Rs.	As at 31.03.2005 Rs.
(to the extent not written off or adjusted)		
<i>Preliminary expenses :</i>		
Opening balance	646,016	775,221
Less : Amortised during the year	<u>129,205</u>	<u>129,205</u>
	<u>516,811</u>	<u>646,016</u>

Schedules Forming Part Of Income and Expenditure Account For The Year Ended 31.03.2006



SCHEDULE - 9- ESTABLISHMENT EXPENSES

	Year ended 31.03.2006 Rs.	Year ended 31.03.2005 Rs.
Salary, Wages & Allowances	* 35,786,722	26,915,984
Contribution to Provident Fund and Employees State Insurance Scheme	482,528	306,997
Gratuity Provision (in respect of employees on contract)	110,996	136,265
Staff Welfare Expenses	1,256,316	849,094
	37,636,562	28,208,340

* includes retirement benefits in respect of employees on deputation amounting to Rs. 37,31,805/- (Previous year Rs.33,83,033/-)

SCHEDULE - 10 - ADMINISTRATIVE & OPERATIONAL EXPENSES

	Year ended 31.03.2006 Rs.	Year ended 31.03.2005 Rs.
Electricity Expenses	1,577,578	1,260,763
Repair and Maintenance		
Office Premises	701,359	461,540
Others	616,349	486,098
	1,317,708	947,638
Advertisement Charges	708,008	69,400
Auditor's Remuneration (includes Service Tax)		
Statutory Audit Fees	39,284	38,570
Tax Audit Fees	16,836	16,530
	56,120	55,100
Rent	842,666	321,546
Rates and Taxes	2,665	7,616
Insurance	11,525	13,983
Travelling and Conveyance	3,121,321	2,806,314
Vehicle Expenses	3,363,890	2,297,024
Communication Expenses	1,652,802	1,227,307

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Schedules Forming Part Of Income and Expenditure Account For The Year Ended 31.03.2006



MUMBAI RAILWAY VIKAS CORPORATION LTD.

SCHEDULE - 10 - ADMINISTRATIVE & OPERATIONAL EXPENSES

	Year ended 31.03.2006 Rs.	Year ended 31.03.2005 Rs.
Training and Seminar expenses	910,301	533,082
Printing and Stationary	1,207,696	908,368
Hospitality Expenses	624,043	343,652
Legal and Professional Fees	2,588,537	1,781,341
Director's Sitting fees	25,000	30,000
Books and Periodicals	132,943	132,144
Security services	192,000	0
Bank Charges	439,643	88,989
Miscellaneous Expenses	413,116	239,551
TOTAL	19,187,562	13,063,818

SCHEDULE - 11 - PRIOR PERIOD ADJUSTMENTS (Net)

	Year ended 31.03.2006 Rs.	Year ended 31.03.2005 Rs.
House Rent Allowance	(407,312)	0
Consultancy fees	(78,899)	0
Miscellaneous Expenses	(78,984)	(75,962)
Sundry Receipts	9,498	0
Interest on MUTP	0	39,361,536
Salary	300,000	0
Electricity Charges	(72,818)	328,798
Ex-Gratia	(228,906)	(177,736)
Total	(557,421)	39,436,636



SCHEDULE - A

SIGNIFICANT ACCOUNTING POLICIES

(i) **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.

(ii) **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.

(iii) **Depreciation**

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.

(iv) **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 adjusted to carrying cost of the fixed assets in the year of purchase. Other exchange differences are recognized in the Income and Expenditure Account.



(v) Retirement Benefits

- a) Retirement benefits in respect of employees on deputation from Indian Railways are provided as per the rules and regulations applicable to the Indian Railways.
- b) Retirement benefits in respect of employees on contract are provided as per actuarial valuation.

(vi) Preliminary Expenses

Preliminary expenses are amortized over a period of ten years from the year of incorporation.

(vii) 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.

(viii) 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 Utilised" 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 Income & Expenditure account.

(ix) 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.

(x) 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.

SCHEDULE B :

NOTES TO ACCOUNTS

1. No provision for Income Tax and Fringe Benefit Tax has been made since the company has obtained exemption under section 12A of the Income Tax Act.
2. 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 12 A of the Income Tax Act.
3. The Company has in the current year charged Direction & General charges (D&G) on projects being executed by itself i.e. projects other than those being executed by Western Railway, Central Railway & MMRDA (herein after referred to as "MRVC Projects") in terms of item no. 12(vi) of MOU signed between MRVC and Western and Central Railway as against no D&G charges being charged for the projects implemented by itself in the previous years. As a result of such change in the policy of charging the D&G charges on MRVC Projects, following are the changes made in financial statements of the company:
 - 1) The company has credited D&G income on MRVC Projects amounting to Rs.2,81,20,590/- to Income & Expenditure Account.
 - 2) The company has credited miscellaneous income earned on MRVC Projects amounting to Rs.4,33,500/- to Income & Expenditure Account.
 - 3) The company has debited indirect expense incurred on MRVC Projects amounting to Rs.51,51,867/- to Income & Expenditure Account.
 - 4) The company has debited to Fixed Assets an amount of Rs.4,86,526/- on account of miscellaneous assets purchased for MRVC Projects.
 - 5) The company has debited depreciation on the said fixed assets amounting to Rs.33,529/- to the Income & Expenditure Account.
 - 6) The Total MUTP Funds Utilised as reflected in schedule 3 "Unsecured Funds for Projects" forming part of Balance Sheet and Income & Expenditure account for the year has increased by Rs.2,33,68.694/-.

Had the company not charged D&G charges on MRVC Projects, the excess of Income over Expenditure would have been lower by Rs. 2,33,68.694/-, Reserves and Surplus would have been lower by Rs. 2,33,68.694/-, Fixed Assets would have been lower by Rs.4,86,526/-, Accumulated Depreciation would have been lower by Rs.33,529/- and Earning Per Share (EPS) for the year would have been Rs.473.04 instead of Rs.566.51.

4. The Company with no profit motive and based on the opinion of two Chartered Accountant Firms, Income and Expenditure Account is prepared in lieu of Profit and Loss Account.



5. The company has acquired an office premises under a operating lease vide letter dated 28.6.2001 of lessor (Western Railways) wherein the tenure of the lease is not mentioned.

6. Particulars of remuneration paid to Directors are as under:

(In Rupees)

Particulars	As at 31.03.2006	As at 31.03.2005
Salary and Allowances	22,71,512	23,11,302
Contribution to Railways (Towards Terminal Benefits)	3,09,427	4,54,282
Others	47,354	4,26,829
Total	26,28,293	31,92,413

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

8. Expenditure in Foreign Currency is as under:

(In Rupees)

Particulars	As at 31.03.2006	As at 31.03.2005
Capital goods for projects (C I F Basis)	88,50,44,666	72,416,236
Consultancy (Net of TDS)	2,42,71,488	13,417,274
Others	5,75,676	529,636

9. As per the information available with the Company, there are no outstanding dues payable to suppliers being Small Scale Industrial Undertaking as at 31st March 2006.

10. The estimated amount of contracts remaining to be executed on capital account and not provided for (net of Advances) Rs. 10,08,59,72,978 (Previous year Rs. 507,280,802/-).

11. Loans and Advances includes loan given to director amounting Rs. 169087 (Previous Year Rs. **Nil**). Maximum outstanding during the year Rs. 187087 (Previous Year Rs. **Nil**)

12. The following are the disclosures in respect of the calculation of earning per share for the year ended 31st March 2006.

Particulars	31.03.2006	31.03.2005
Numerator :		
Excess of Income over Expenditure after tax and before Prior Period Items (Rs.)	14,16,28,391	6,66,09,445
Denominator :		
Weighted Average number of equity share Nos	250,000	250,000
Earnings per Share (Basic and Diluted) (Rs.)		
= Numerator / Denominator	566.51	266.14

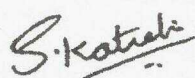
13. The balances shown under the head of Loans and Advances and Current Liabilities are subject to confirmation and reconciliation, if any.
14. Contingent Liabilities : Nil
15. Additional information pursuant to provisions of paragraph 3, 4C and 4D of Part II of Schedule VI of the Companies Act, 1956 have been given to the extent applicable to the business of the Company.

As per our report of even date

For and on behalf of Board of Directors
Mumbai Railway Vikas Corporation Ltd.

For Lakhani & Co.

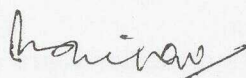
Chartered Accountants



(Sailash Katadia)

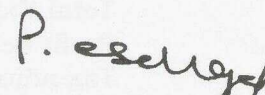
Partner

Membership No. : 105529



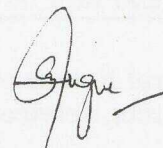
(K. L. Dhingra)

Director - Finance



(P. C. Sehgal)

Managing Director



(Vijay Angane)

Company Secretary

Place: Mumbai

Date: 6/10/2006



Balance-sheet Abstract and Company's General Business Profile –

- (i) Registration No. : 11-120765
Balance-sheet Date : 31.03.2006
State Code : 11
-
- (ii) Capital raised during the year (Amount in Rs. thousands)
- | | |
|----------------------|-------|
| a) Public | - Nil |
| b) Rights | - Nil |
| c) Bonus | - Nil |
| d) Private Placement | - Nil |
- (iii) Position of Mobilization and Development of Funds (Amount in Rs. Thousands)
- | | |
|-------------------------------|-----------|
| Total liabilities | 25,26,884 |
| Total Assets | 25,26,884 |
| Sources of Funds : | |
| Paid up Capital | 2,50,000 |
| Reserves and Surplus | 3,12,895 |
| Unsecured Funds for project | 17,51,324 |
| Secured Loans | - |
| Unsecured Loans | - |
| Application of Funds : | |
| Net Fixed Assets | 10,223 |
| Net Current Assets | 23,03,479 |
| Miscellaneous Expenditure | 517 |
- (iv) Performance of the Company (Amount in Rs. Thousands)
- | | |
|----------------------------------|----------|
| Service revenue | 37,007 |
| Other Income | 1,62,988 |
| Total Expenses | 58,367 |
| Profit before Tax | 1,41,628 |
| Tax adjustments of earlier years | - |
| Profit after Tax | 1,41,628 |
| Earnings per share (in Rupees) | 566.51 |
| Dividend Rate % | Nil |
- (v) General Names of Principal products, services of the Company - Not Applicable