KALYANIWALLA
& MISTRY LLP

CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT
To The Members of Metro One Operation Private Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **Metro One Operation Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS 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 Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at March 31, 2018, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company.

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration Number 104607W/W100166

FARHAD M. BHESANIA
PARTNER
Membership Number 127355
Place: Mumbai
Dated: April 26, 2018

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in in Para 1 'Report on Other Legal and Regulatory Requirements' in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended March 31, 2018.

Statement on Matters specified in paragraphs 3 & 4 of the Companies (Auditor's Report) Order, 2016:

1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) As explained to us, all fixed assets have not been physically verified by the management during the year but there is a program for physical verification of fixed assets at periodic intervals. In our opinion, the period of verification is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.

(c) The Company does not own any immovable property. Accordingly, paragraph 3 (i) (c) of the Order is not applicable.

2) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. No discrepancies were noticed on such verification.

3) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of sub-clause 3 (iii) (a) (b) and (c) of the Order are not applicable to the Company.

4) The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.

5) The Company has not accepted any deposits from the public.

6) According to the information and explanations given to us, the maintenance of cost records has not been prescribed by the Central Government under section 148 (1) of the Act, for any of the activities of the Company.

7) (a) According to the information and explanations given to us and the records examined by us, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, goods and service tax and other material statutory dues have not been regularly deposited with the appropriate authorities and there have been delays in large number of cases.
As informed to us, sales tax, duty of customs, duty of excise, value added tax and cess is not applicable to the Company.

According to the information and explanations given to us, there are no undisputed dues, payable in respect of above as at March 31, 2018 for a period of more than six months from the date on which they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of books of account and record, there are no dues of income tax, sales tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax or cess which have not been deposited on account of any dispute.

8) The Company does not have dues to financial institutions, banks, government or debenture holders. Accordingly, paragraph 3(vii) of the Order is not applicable.

9) The Company has not raised any funds by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, the paragraph 3 (ix) of the Order is not applicable.

10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

11) As the Company is a private limited company, provisions of section 197 read with Schedule V to the Companies Act are not applicable. Accordingly, paragraph 3(xi) of the Order is not applicable.

12) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

13) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

14) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

15) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

16) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration Number 104607W/W100166

FARHAD M. BHESANIA
PARTNER
Membership No. 127355
Place: Mumbai
Date: April 26, 2018

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in in Para 2 (f) 'Report on Other Legal and Regulatory Requirements' in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended March 31, 2018.

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

We have audited the Internal Financial Controls Over Financial Reporting of Metro One Operation Private Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's Internal Financial Controls Over Financial Reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of Internal Financial Controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls System Over Financial Reporting and their operating effectiveness.

Our audit of Internal Financial Controls System Over Financial Reporting included obtaining an understanding of Internal Financial Controls Over Financial Reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's Internal Financial Control over Financial Reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's Internal Financial Control Over Financial Reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of Internal Financial Controls Over Financial Reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the Internal Financial Control Over Financial Reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate Internal Financial Controls System Over Financial Reporting and such Internal Financial Controls over Financial Reporting were operating effectively as at March 31, 2018, based on "the Internal Control Over Financial Reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India"

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration Number 104607W/W100166

FARHAD M. BHESANIA
PARTNER
Membership No.127355
Place: Mumbai
Date: April 26, 2018

METRO ONE OPERATION PRIVATE LIMITED
BALANCE SHEET AS AT MARCH 31, 2018

(INR in '000)

Particulars	Notes	As at March 31, 2018	As at March 31, 2017
ASSETS			
1. Non-current assets			
a. Property, plant and equipment	3	341	674
b. Other intangible assets	4	-	1
c. Deferred tax assets (net)	5	19,110	22,027
d. Income Tax Assets (net)	7	35,615	47,251
		55,066	69,953
2. Current assets			
a. Inventories	8	4,652	6,060
b. Financial Assets			
i. Trade receivables	9a	99,495	105,389
ii. Cash and cash equivalents	9b	34,228	15,665
iii. Other financial assets	9c	3,846	552
c. Other current assets	6	8,427	5,943
		150,648	133,609
Total Assets		**205,714**	**203,562**
EQUITY AND LIABILITIES			
EQUITY			
a. Equity share capital	10	100	100
b. Other equity		25,094	16,636
		25,194	16,736
LIABILITIES			
1. Non-current liabilities			
a. Provisions	11	48,006	41,227
		48,006	41,227
2. Current liabilities			
a. Financial Liabilities			
Trade payables	12	86,168	105,034
b. Other current liabilities	13	36,840	29,862
c. Provisions	11	9,506	10,703
		132,514	145,599
Total Equity and Liabilities		**205,714**	**203,562**

The accompanying notes 1 to 26 form an integral part of the financial statements.

As per our report of even date

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm registration number: 104607W / W100166

FARHAD M. BHESANIA
PARTNER
Membership No.: 127355

Place: Mumbai
Date: April 26, 2018

For and on behalf of the Board of Directors
of METRO ONE OPERATION PRIVATE LIMITED

PAUL GARDEY DE SOOS
MANAGING DIRECTOR
DIN: 07972924

SATISH KUMAR MISHRA
DIRECTOR
DIN: 03538005

Place: Mumbai
Date: April 26, 2018

METRO ONE OPERATION PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

(INR in '000)

Particulars	Note	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue from operations	14	663,158	620,040
Other Income	15	4,290	1,575
Total income		**667,448**	**621,615**
Expenses			
Employee benefits expense	16	331,977	311,997
Operation, maintenance and other expenses	17	300,536	279,061
Depreciation and amortisation expenses		333	676
Total expenses		**632,846**	**591,734**
Profit / (loss) before tax		**34,602**	**29,881**
Tax expense			
- Current tax		(16,426)	(16,098)
- Income tax for earlier years		6,740	-
- Deferred tax		(3,001)	3,318
		(12,687)	(12,780)
Profit after tax		**21,915**	**17,101**
Other comprehensive income			
i. Items that will not be reclassified to profit or loss			
Remeasurements of net defined benefit plans : Gains / (Loss)		(302)	(2,229)
ii. Income tax relating to items that will not be reclassified to profit or loss			
Deferred tax assets on actuarial gains/losses transferred to other comprehensive income		84	737
Other comprehensive income/(loss)		**(218)**	**(1,492)**
Total comprehensive income / (loss) for the year		**21,697**	**15,609**
Earnings per equity share (INR)			
Basic earnings per share		2,191.50	1,710.10
Diluted earnings per share		2,191.50	1,710.10

The accompanying notes 1 to 26 form an integral part of the financial statements.

As per our report of even date

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm registration number: 104607W / W100166

FARHAD M. BHESANIA
PARTNER
Membership No.: 127355

Place: Mumbai
Date: April 26, 2018

For and on behalf of the Board of Directors
of METRO ONE OPERATION PRIVATE LIMITED

PAUL GARDEY DE SOOS
MANAGING DIRECTOR
DIN: 07972924

SATISH KUMAR MISHRA
DIRECTOR
DIN: 03538005

Place: Mumbai
Date: April 26, 2018

METRO ONE OPERATION PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

(INR in '000)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Cash flow from operating activities		
Profit before income tax from		
Continuing operations	34,602	29,881
Profit before income tax from continuing operations	**34,602**	**29,881**
Adjustments for:		
Depreciation and amortisation	333	676
Other adjustment through OCI	(302)	(2,229)
Change in operating assets and liabilities, net of effects from purchase of controlled entities and sale of subsidiary		
(Increase)/decrease in Inventory	1,408	(3,909)
(Increase)/decrease in financial assets - Trade receivables	5,894	(31,060)
(Increase)/decrease in Other financial assets	(3,294)	(552)
(Increase)/decrease in Other current assets	(2,484)	(17)
Increase/(decrease) in Non-current provisions	6,779	8,530
Increase/(decrease) in financial liabilites -Trade payables	(18,866)	30,204
Increase/(decrease) in Other current liabilities	6,978	1,309
Increase/(decrease) in Current provisions	(1,197)	1,676
Cash generated from operations	**29,851**	**34,509**
Income taxes refunded/(paid)	1,951	(19,597)
Net cash inflow/(outflow) from operating activities	**31,802**	**14,912**
Cash flows from investing activities		
Payments for acquisition of property, plant and equipment	-	(297)
Net cash inflow/(outflow) from investing activities	-	**(297)**
Cash flow from financing activities		
Dividends paid to company's shareholders including tax thereon	(13,239)	(18,415)
Net cash inflow/(outflow) from financing activities	**(13,239)**	**(18,415)**
Net increase/(decrease) in cash and cash equivalents	18,563	(3,800)
Cash and cash equivalents at the beginning of the financial year	15,665	19,465
Cash and cash equivalents at the end of the year	**34,228**	**15,665**
Cash and cash equivalents as per above comprise of the following		
Current Account	10,241	14,243
Deposit Account	22,000	-
Cash on hand (including float money at stations)	1,987	1,422
Balances as per statement of cash flows	**34,228**	**15,665**

The cash flow statement has been prepared under the 'indirect method' as set out in the Indian Accounting Standard (Ind AS) 7 Statement of Cash Flows and presents cash flows by operating, investing and financing activities.

Figures for the previous year have been regrouped / restated wherever necessary to conform to current year's classification.

As per our report of even date

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm registration number: 104607W / W100166

For and on behalf of the Board of Directors
of METRO ONE OPERATION PRIVATE LIMITED

FARHAD M. BHESANIA
PARTNER
Membership No.: 127355

PAUL GARDEY DE SOOS
MANAGING DIRECTOR
DIN: 07972924

SATISH KUMAR MISHRA
DIRECTOR
DIN: 03538005

Place: Mumbai
Date: April 26, 2018

Place: Mumbai
Date: April 26, 2018

METRO ONE OPERATION PRIVATE LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

A. EQUITY SHARE CAPITAL

(INR in '000)

Particulars	Balance at the beginning of the year	Changes in equity share capital during the year	Balance at the end of the year
For the year ended March 31, 2017	100	-	100
For the year ended March 31, 2018	100	-	100

B. OTHER EQUITY

(INR in '000)

Particulars	Reserves and Surplus
	Retained Earning
Balance at April 01, 2017	**16,636**
Profit / (Loss) for the year	21,915
Other comprehensive income for the year	(218)
Total comprehensive income for the year	**21,697**
Transaction with owners in their capacity as owners :	
Dividend Paid	(11,000)
Dividend Tax Paid	(2,239)
	(13,239)
Balance at March 31, 2018	**25,094**
Balance at April 01, 2016	**19,442**
Profit / (Loss) for the year	17,101
Other comprehensive income for the year	(1,492)
Total comprehensive income for the year	**15,609**
Transaction with owners in their capacity as owners :	
Dividend Paid	(18,415)
	(18,415)
Balance at March 31, 2017	**16,636**

As per our report of even date

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm registration number: 104607W / W100166

FARHAD M. BHESANIA
PARTNER
Membership No.: 127355

Place: Mumbai
Date: April 26, 2018

For and on behalf of the Board of Directors
of METRO ONE OPERATION PRIVATE LIMITED

PAUL GARDEY DE SOOS
MANAGING DIRECTOR
DIN: 07972924

SATISH KUMAR MISHRA
DIRECTOR
DIN: 03538005

Place: Mumbai
Date: April 26, 2018

Metro One Operation Private Limited
Notes forming part of the financial statements for the year ended March 31, 2018

Corporate information

Metro One Operation Private Limited ('the Company') is a private limited company domiciled in India having its registered office at OCC-RSS Building, J. P Road, Opposite Manish Garden CHS, D. N Nagar, Four Bungalows, Andheri (West), Mumbai 400053 and incorporated under the provisions of the Companies Act, 1956. The Company is the Operation and Maintenance Operator for the Mumbai Metro Line 1 from Versova to Ghatkopar.

Note 1: Significant accounting policies

(a) Basis of preparation

(i) Compliance with Ind AS

The financial statements comply in all material aspects with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements have been prepared in accordance with the requirements of the information and disclosures mandated by Schedule III, applicable Ind AS, other applicable pronouncements and regulations.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except defined benefit plans - plan assets measured at fair value.

(b) Current versus non-current classification

The company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The company has identified twelve months as its operating cycle.

(c) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using exchange rates at the date of the transaction. Foreign exchange gains and losses from settlement of these transactions, and from translation of monetary assets and liabilities at the reporting date exchange rates are recognised in the Statement of Profit and Loss. Foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/(losses).

(d) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are, wherever applicable, inclusive of excise duty and net of returns, trade allowances, rebates, value added taxes and amounts collected on behalf of third parties.

Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity regardless of when the payment is being made. Revenue is measured at fair value of the consideration received or receivable, taking into account contractually defined terms of payment & excluding taxes or duties collected on behalf of government.

Fees for Operation and Maintenance services are recognised on the completion of each month in accordance with the Operation and Maintenance (O&M) contract. The Company collects Service tax / Goods & Service Tax on behalf of the government and, therefore, it is not an economic benefit flowing to the company. Hence, it is excluded from revenue.

(e) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the country where the company generates taxable income. The Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Income tax expense for the year comprises of current tax and deferred tax. Income tax is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised in 'Other comprehensive income' or directly in equity, in which case the tax is recognised in 'Other comprehensive income' or directly in equity, respectively.

(f) Impairment of non-financial assets

Assessment for impairment is done at each Balance Sheet date as to whether there is any indication that a non-financial asset may be impaired. Indefinite-life intangibles are subject to a review for impairment annually or more frequently if events or circumstances indicate that it is necessary. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets is considered as a cash generating unit. If any indication of impairment exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made. Asset/cash generating unit whose carrying value exceeds their recoverable amount are written down to the recoverable amount by recognizing the impairment loss as an expense in the Statement of Profit and Loss. The impairment loss is allocated first to reduce the carrying amount of goodwill (if any) allocated to the cash generating unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Recoverable amount is higher of an asset's or cash generating unit's fair value less cost of disposal and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. An impairment loss recognised for goodwill is not reversed in subsequent periods.

(g) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(h) Trade receivables

Trade receivables are recognised at fair value and subsequently measured at amortised cost less provision for impairment.

(i) Inventories

Components, stores and spares are valued at Cost or net realisable value. Cost of components and stores and spares is determined on a weighted average basis.

(j) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

(k) Property, plant and equipment

Under the previous GAAP (Indian GAAP), tangible assets were carried at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

On transition to Ind AS, the Company had elected to continue with the carrying value of all of its Property, plant and equipment recognized as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of Property, plant and equipment in accordance with the stipulation of Ind AS 101"First Time Adoption of Indian Accounting standards"

Cost of Property, plant and equipments purchased during the year comprises the purchase price including any attributable cost of bringing the asset to its working condition for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in profit or loss within other gains/(losses).

Depreciation methods, estimated useful lives and residual value

i. Depreciation on Fixed Assets is calculated on straight line basis using the rates arrived at based on the useful lives estimated by the management. The Company has used the following rates to provide depreciation on its fixed assets.

Particulars	Estimated Useful life
Computers	3 years
Office Equipment	3 years
Furniture and Fixtures	5 years
Plant and Machinery	5 years

The management has estimated the useful lives of the following classes of assets, supported by internal assessments and taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset and anticipated technological changes.

- The useful lives of office equipment are estimated as 3 years, which is lower than those indicated in Schedule II.
- Furniture and fixtures are depreciated over the estimated useful life ranging from 5 years to 7 years, which is lower than that indicated in Schedule II.
- The useful lives of plant and machinery are estimated as 5 years, which is lower than those indicated in Schedule II.

ii. Computer software is amortized over a period of three years.

iii. Depreciation of an asset begins when it is available for use, ie when it is in the location & condition necessary for it to be capable of operating in the manner intended by the management.

(l) Intangible assets

Separately acquired intangibles are shown at historical cost. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses. Costs associated with maintaining software programmes are recognised as an expense as incurred.

(m)Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value.

(n) Provisions

The recognition and measurement of provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions.

If the effect of time value of money is material, provisions are discounted using a current pre tax rate that reflects, when appropriate the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

(o) Employee benefits

(i) Short-term obligations

Liabilities for salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

a. The liabilities for earned leave, sick leave and retention bonus are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

b. The liabilities toward Retention bonus liabilities are defined benefit obligations and are provided for on the basis of an actuarial valuation as per the projected unit credit method, at the end of each financial year.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The company operates the following post-employment schemes:

(a) Defined Benefit plans such as
  - gratuity

The liability or asset recognised in the balance sheet in respect of the defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by an actuarial valuation using the projected unit credit method. The actuarial valuation is based on key actuarial assumptions including discount rate, trends in salary escalation, attrition rates and life expectancy. Due to complexities involved in the valuation and its long term nature, the defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

(b) Defined Contribution plan

The group pays provident fund contributions to publicly administered provident funds as per local regulations. The group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

(p) Impairment of non-financial assets

The impairment provisions of financial assets are based on the assumptions about risk of default and expected loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(q) Dividends

Dividend distributed to Equity shareholders is recognized as distribution to owners of capital in the statement of changes in Equity, in the period in which it is paid.

(r) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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

(s) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Note 2:

(a) Significant Accounting Judgements, estimates and Assumptions

While preparing financial statements in conformity with Ind AS, the management has made certain estimates and assumptions that require subjective and complex judgments. These judgments affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses, disclosure of contingent liabilities at the statement of financial position date and the reported amount of income and expenses for the reporting period. Financial reporting results rely on the management estimate of the effect of certain matters that are inherently uncertain. Future events rarely develop exactly as forecasted and the best estimates require adjustments, as actual results may differ from these estimates under different assumptions or conditions. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Judgment, estimates and assumptions are required in particular for:

a) Determination of the estimated useful life of tangible assets

Useful life of tangible assets are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful life are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

b) Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period.

c) Recognition of deferred tax assets

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

(b) Standards issued but not yet effective

As per notification dated March 28, 2018, the Ministry of Corporate Affairs amended the Companies (Indian Accounting Standards) Amendments Rules, 2018, notifying "Ind AS-115 relating to Revenue from Contracts with Customers" and related amendments to other standards on account of notification of Ind AS 115. The effective date of adoption of this standard is annual periods beginning on or after April 01, 2018 onwards. The Company is currently evaluating the effect of the above amendments.

Metro One Operation Private Limited
Notes to the Financial Statements

Note 3: Property, plant and equipment (INR in '000)

Particulars	Plant and Equipment	Furniture and Fixtures	Office Equipment *	Computers	Total
Year ended March 31, 2018					
Gross carrying amount					
Gross carrying amount as at April 1, 2017	1,047	119	64	120	1,350
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Closing gross carrying amount	**1,047**	**119**	**64**	**120**	**1,350**
Accumulated depreciation and impairment	516	47	59	54	676
Depreciation charge for the year	254	39	5	35	333
Closing accumulated depreciation	**770**	**86**	**64**	**89**	**1,009**
Net carrying amount as at March 31, 2018	**277**	**33**	**0**	**31**	**341**
Year ended March 31, 2017					
Gross carrying amount					
Gross carrying amount as at April 1, 2016	800	119	64	70	1,053
Additions	247	-	-	50	297
Disposals	-	-	-	-	-
Closing gross carrying amount	**1,047**	**119**	**64**	**120**	**1,350**
Accumulated depreciation					
Depreciation charge for year	516	47	59	54	676
Closing accumulated depreciation	**516**	**47**	**59**	**54**	**676**
Net carrying amount as at March 31, 2017	**531**	**72**	**5**	**66**	**674**

* INR 0 represents amount less than INR 500

Note 4: Intangible assets (INR in '000)

Particulars	Computer software
Year ended March 31, 2018	
Gross carrying amount	
Gross carrying amount as at April 1, 2017	1
Additions	-
Closing gross carrying amount	**1**
Accumulated amortisation	
Amortisation charge for the year	1
Closing accumulated amortisation	**1**
Net carrying amount as at March 31, 2018	**-**
Year ended March 31, 2017	
Gross carrying amount	
Gross carrying amount as at April 1, 2016	1
Additions	-
Closing gross carrying amount	**1**
Accumulated amortisation	
Amortisation charge for the year	-
Closing accumulated amortisation	**-**
Net carrying amount as at March 31, 2017	**1**

Note: Intangible assets are fully amortised.

Metro One Operation Private Limited
Notes to the Financial Statements

Note 5: Income and deferred taxes

(i) Income tax expense (INR in '000)

Particulars	March 31, 2018	March 31, 2017
(a) Income tax expense		
Current tax		
Current tax on profits for the year	16,426	16,098
Adjustments for current tax of prior periods	(6,740)	-
Total current tax expense	9,686	16,098
Deferred tax		
Decrease/(increase) in deferred tax assets	3,001	(3,319)
(Decrease)/increase in deferred tax liabilities	-	-
Total deferred tax expense/(benefit)	3,001	(3,319)
Income tax expense	12,687	12,779
Income tax expense is attributable to:		
Profit from continuing operations	**12,687**	**12,779**

(ii) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate: (INR in '000)

Particulars	March 31, 2018	March 31, 2017
Profit from continuing operations before income tax expense	34,602	29,881
Indian tax Rate	33	33
Tax at the Indian tax rate	11,440	9,880
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:	(1,754)	6,217
Deferred tax expense relating to the origination and reversal of temporary differences	(492)	(3,318)
Deferred tax expense (income) resulting from reduction in tax rate from 33.063% to 27.820%	3,493	-
Income tax expense	12,687	12,779

(iii) Movement in deferred tax balances: (INR in '000)

Particulars	Fixed Assets (including depreciation)	Provisions	Total
At April 01, 2017			**22,027**
(Charged)/credited:			
- to profit or loss	(69)	(2,932)	(3,001)
- to other comprehensive income	-	84	84
At March 31, 2018	**(69)**	**(2,848)**	**19,110**
At April 01, 2016			**17,971**
(Charged)/credited:			
- to profit or loss	84	3,235	3,319
- to other comprehensive income	-	737	737
At March 31, 2017	**84**	**3,972**	**22,027**

Metro One Operation Private Limited
Notes to the Financial Statements

Note 6: Other assets

(INR in '000)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Current	Non-Current	Current	Non-Current
Prepaid Expenses	7,614	-	4,970	-
Advance to Employees	410	-	393	-
Advances recoverable in kind or for value to be received	403	-	580	-
Total	**8,427**	**-**	**5,943**	**-**

Note 7: Income Tax Assets (net)

(INR in '000)

Particulars	As at March 31, 2018	As at March 31, 2017
Advance Tax and Tax deducted at source (net of provision for tax)	35,615	47,251
Total	**35,615**	**47,251**

Note 8: Inventories

(INR in '000)

Particulars	As at March 31, 2018	As at March 31, 2017
Stores and Spares (valued at cost or NRV, whichever is lower)	4,652	6,060
Total	**4,652**	**6,060**

Note 9: Financial assets

9(a) Trade receivables

(INR in '000)

Particulars	As at March 31, 2018	As at March 31, 2017
Unsecured, considered good		
Receivables from related parties	99,495	105,389
Less: Allowance for doubtful debts	-	-
Total	**99,495**	**105,389**

9(b) Cash and cash equivalents

(INR in '000)

Particulars	As at March 31, 2018	As at March 31, 2017
Balances with banks in -		
Current Account	10,241	14,243
Deposit Account	22,000	-
Cash on hand (including float money at stations)	1,987	1,422
Total	**34,228**	**15,665**

9(c) Other financial assets

(INR in '000)

Particulars	As at March 31, 2018	As at March 31, 2017
Unbilled Revenue	3,764	552
Interest accrued on deposits	82	-
Total	**3,846**	**552**

Metro One Operation Private Limited
Notes to the Financial Statements

Note 10: Equity share capital and other equity

(INR in '000)

Authorised equity share capital	As at March 31, 2018	As at March 31, 2017
10,00,000 (March 31,2017 *10,00,000*) Equity Shares of INR 10 each	10,000	10,000
Total authorised equity share capital	**10,000**	**10,000**
Issued, Subscribed and fully paid-up shares	As at March 31, 2018	As at March 31, 2017
10,000 (March 31, 2017 *10,000*) Equity Shares of INR 10 each	100	100
Total Issued, Subscribed and fully paid-up shares	**100**	**100**

i. Reconciliation of the number of shares outstanding at the beginning & at the end of the period

Particulars	As at March 31, 2018		As at March 31, 2017	
Equity Shares -	**No. of shares**	**INR**	**No. of shares**	**INR**
At the beginning of the year	10,000	100	10,000	100
Outstanding at the end of the year	10,000	100	10,000	100

Terms / rights attached to Equity shares

The company has one class of share capital, i.e equity shares having face value of INR 10 per share. In the event of liquidation, the Equity Shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts in proportion to their shareholding

ii. The details of shareholders holding more than 5% shares

Particulars	As at March 31, 2018		As at March 31, 2017	
Name of the shareholders	No. of shares held	% holding in the class	No. of shares held	% holding in the class
RATP Dev Transdev India Private Limited (formerly Veolia Transport RATP India Private Limited)	6,300	63%	6,300	63%
Reliance Infrastructure Limited	3,000	30%	3,000	30%
ARY, SAS	700	7%	700	7%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

There are no shares reserved for issue under options and contracts or commitments for the sale of shares or disinvestment.

Note 11: Provisions (INR in '000)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Current	Non-current	Current	Non-current
Provision for Employee Benefits				
Retention Bonus	4,469	5,116	6,522	5,116
Leave encashment	5,037	24,030	4,181	21,936
Gratuity	-	18,860	-	14,175
Total	**9,506**	**48,006**	**10,703**	**41,227**

Note 12: Trade payables (INR in '000)

Particulars	As at March 31, 2018	As at March 31, 2017
Total outstanding dues to micro and small enterprises (Refer note 21)	286	-
Total outstanding dues to related parties	15,159	17,073
Total outstanding dues to others	70,723	87,961
Total	**86,168**	**105,034**

Note 13: Other current liabilities (INR in '000)

Particulars	As at March 31, 2018	As at March 31, 2017
TDS payable	4,863	4,577
PF Payable	2,474	2,330
Service Tax Payable	-	13,102
CGST Payable	6,152	-
SGST Payable	11,517	-
Others	11,834	9,853
Total	**36,840**	**29,862**

Metro One Operation Private Limited
Notes to the Financial Statements

Note 14: Revenue from operations **(INR in '000)**

Particular	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue from Operations		
Fees for O & M services	663,158	620,040
Total	**663,158**	**620,040**

Note 15: Other income **(INR in '000)**

Particular	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest income		
- on fixed deposit	82	-
- on income tax refund	4,208	1,570
Liabilities written back	-	5
Total	**4,290**	**1,575**

Metro One Operation Private Limited
Notes to the Financial Statements

Note 16: Employee benefit expense **(INR in '000)**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries and Bonus	290,634	275,658
Contributions to provident fund	15,242	14,524
Company Contribution - ESIC	1,336	571
Company Contribution - MLWF	32	32
Gratuity Expenses (Refer note 22)	6,104	5,030
Staff Welfare expenses	18,629	16,182
Total	**331,977**	**311,997**

Note 17: Operation, maintenance and other expenses **(INR in '000)**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Consumption of stores and spares	23,624	24,688
Technical Services	35,983	25,576
Commercial Fee	17,475	15,944
Maintenance sub-contracts	132,899	119,541
Marketing & Sales expenses	3,115	8,130
Training and Recruitment expenses	2,027	2,352
Communication	3,329	2,928
Travelling and conveyance	22,460	22,641
Printing and stationery	2,683	2,768
Subcontracting	49,612	49,308
Legal and professional charges	3,011	1,761
Payment to Auditors (Refer note below)	1,010	960
Security Expenses	279	389
Miscellaneous expenses	3,029	2,075
Total	**300,536**	**279,061**

Note: Payments to auditors

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
- Statutory audit	750	700
- Tax audit	110	110
- Other service	150	150

18. Contingent liabilities

(INR in '000)

Particulars	As at March 31, 2018	As at March 31, 2017
Contingent liabilities- claims against the company not acknowledged as debts These include:		
a. Claim From customer	4,880	4,880

Notes:

a. The company does not expect any reimbursement in respect of the above contingent liabilities

b. It is not practicable to estimate the timing of cash flows, if any, in respect of matters above.

19. Expenditure in Foreign currency

(INR in '000)

Particulars	2017-18	2016-17
Purchase of Spares	525	-

20. Proposed Dividend

The company has proposed dividend of INR (in '000) 16,750 (*Previous year: INR (in '000) 11,000*) to equity shareholders out of current year's profit.

21. The amount due to micro and small enterprises are disclosed in below table. This information has been determined to the extent such parties have been indentified on the basis of information available with the Company. This has been relied upon by the auditors.

(INR in '000)

Particulars	As at March 31, 2018	As at March 31, 2017
Dues remaining unpaid	286	NIL
Principal	286	NIL
Interest	NIL	NIL
Interest paid in terms of Section 16 of MSMED Act	NIL	NIL
Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year but without adding the interest specified under the MSMED Act	NIL	NIL

22. Disclosure under Indian Accounting Standards (Ind AS)19 "Employee Benefits":

The Company has classified various employee benefits as under:

A. Defined contribution plans
   a. Provident Fund
   b. State defined contribution plan
      - Employers' Contribution to Employees' Pension Scheme, 1995

The provident fund and the state defined contribution plan are operated by the Regional Provident Fund Commissioner. Under the schemes, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits. These funds are recognized by the Income tax authorities.

The Company has recognized INR (in '000) 14,524 (*previous year: INR (in '000) 13,722*) in the Statement of Profit and Loss towards contribution to Provident Fund and Employees' Pension Scheme, 1995 for the year.

B. Defined Benefit Plan
   a. Gratuity Under Payment of Gratuity Act, 1972

Valuation in respect of Gratuity has been carried out by an independent actuary, as at the reporting date, based on the following assumptions:

Sr. No	Particulars	As at March 31, 2018	As at March 31, 2017
(i)	Discount rate (per annum)	7.75%	7.15%
(ii)	Rate of increase in compensation levels	7.50%	7.50%
(iii)	Rate of return on Plan Assets	0%	0%
(iv)	Employee Turnover rate	4%	4%

The amounts recognized in the financial statements are as under:

(INR in '000)

	Particulars	**Gratuity**	
		2017-18	**2016-17**
I	**Change in present value of obligation**		
	Opening Balance of present value of Obligation	19,960	13,150
	Current service cost	5,283	4,461
	Past service cost	459	0
	Interest cost	1,359	1,020
	Benefit paid	(684)	(7,41)
	Actuarial (gain) / loss	(2,011)	2,070

	Closing Balance of present value of Obligation	24,366	19,960
II	**Changes in Fair value of plan assets**		
	Opening Balance of present value of Plan Assets	5,721	4,036
	Employer contributions	1,000	2,134
	Expected return on Plan assets	484	452
	Benefit paid	(684)	(742)
	Actuarial (gain) / loss on Plan Assets	(83)	(159)
	Closing Balance of Fair value of plan assets net of pending transfer	6,438	5,721
III	**Percentage of each category of Plan assets to total fair value of Plan assets as at March 31**	%	%
	Govt. Of India Securities	-	-
	Corporate Bonds	-	-
	Special Deposit Scheme	-	-
	Equity Shares of Listed Companies	-	-
	Property	-	-
	Insurer Managed Funds	100%	100%
	Others	-	-
IV	**Reconciliation of Present Value of Defined Present Obligations and the fair Value of Assets**		
	Closing Balance of Present Value of Obligation	24,366	19,960
	Closing Balance of Fair value of plan assets net of pending transfer	6,438	5,720
	(Assets)/Liability recognised in the Balance Sheet	17,928	14,240
V	**Amount Recognised in the Balance Sheet**		
	Closing Balance of Present Value of Obligation	24,366	19,960
	Closing Balance of Fair value of plan assets net of pending transfer	-	-
	Unfunded Liabilities recognized in the Balance Sheet	24,366	19,960

VI	**Expenses Recognised in Profit and Loss Account**		
	Current service cost	5,283	4,461
	Interest cost	875	569
	Past service cost	458	-
	Expected return on plan assets	-	-
	Net actuarial (gain) / loss to be recognized	-	-
	Expenses recognized in Profit and Loss Account	6,616	5,030
VII	Experience adjustments		
	On Plan Liabilities	(2,011)	2,070
	On Plan Assets	84	159
	Total Experience Adjustments	1,927	2,229
VIII	Expected Employer's Contribution for the next year	4,000	4,000

The Company has partly funded the closing balance of present value of obligations to the extent of INR (in '000) 6,438 and the balance of INR (in '000) 17,928 is unfunded.

23. Related Party Disclosure:

Related Party Disclosures as required under Indian Accounting Standard (Ind AS) 24 "Related Party Disclosure", for transactions with related parties given below. The disclosure has been made for related parties with whom there were transactions during the year.

A	Ultimate Holding Company	RATP Developement SA
B	Holding Company	RATP Dev Transdev India Private Limited (formerly Veolia Transport RATP India Private Limited)
C	Company having substantial interest	Reliance Infrastructure Limited
D	Subsidiary of Company having substantial Interest	Mumbai Metro One Private Limited
E	Key Management Personnel:	Mr. Eric Labartette, Managing Director (Upto November 2, 2017) Mr. Paul Gardery De Soos , Managing Director (w.e.f. November 3, 2017)

Details of transactions during the year and closing balances as at the year end-

(INR in '000)

Particulars		Holding Company	Company having substantial interest	Subsidiary of Company having substantial interest	Key Managerial Personnel
(a) Statement of Profit and Loss Head: **(I) Income**					
Fees for Operation and Maintenance Services	2017-18 2016-17	- -	- -	663,158 620,040	- -
(II) Expenses					
Operating Expenses	2017-18 2016-17	53,458* 41,520	- 165	 -	 -
Managerial Remuneration	2017-18 2016-17	 -	 -	 -	35,983 25,401
(b)Balance Sheet Heads (Closing Balances):					
Trade Payables	2017-18 2016-17	15,159 17,073	- -	- -	- -
Trade Receivables	2017-18 2016-17	- -	- -	99,495 105,389	- -
Unbilled Revenue	2017-18 2016-17	3,764 552	- -	- -	- -
Prepaid Expenses	2017-18 2016-17	- -	3,683 1,316	- -	- -

* Includes reimbursement of Technical fees paid to Holding Company INR (in '000) 35,983 Previous Year INR in ('000) 25,401 in relation to employment of key managerial personnel which is also disclosed separately as mentioned above.

24. Earnings Per Share

(INR in '000)

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Net Profit / (Loss) as per Statement of Profit & Loss	21,915	17,101
Weighted average number of Equity shares outstanding	10,000	10,000
Basic & Diluted earnings per share in INR (Nominal Value of shares INR 10 each; *Previous period : INR 10 each*)	**2191.50**	**1710.10**

25. I. Financial Risk Management

a. Categories of financial assets and financial liabilities

(INR in '000)

Particulars	As at March 31, 2018	As at March 31, 2017
Financial Assets		
Trade receivables	99,495	105,389
Cash and Cash equivalents	34,228	15,665
Other financial assets	3,846	552
Total Financial Assets	**137,569**	**121,606**
Financial Liabilities		
Trade Payable	86,168	105,034
Total Financial Liabilities	**86,168**	**105,034**

b. Financial instruments – Fair values and risk management

i. The following table shows the carrying amount and fair values of financial assets and financial liabilities, including their levels of in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

(INR in '000)

	Carrying Amount			**Fair Value**			
On March 2018	**Fair value through profit and loss**	**Amortised cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets							
Current							
Trade receivables							
Receivables from related parties	-	99,495	99,495	-	-	-	-
Cash and cash equivalents							
Current Account	-	10,241	10,241	-	-	-	-
Deposit Account	-	22,000	22,000	-	-	-	-
Cash on hand (including float money at stations)	-	1,987	1,987	-	-	-	-
Other financial assets							
Unbilled Revenue	-	3,764	3,764	-	-	-	-
Interest accrued on depoists	-	82	82	-	-	-	-
Total Financial Assets	-	**1,37,569**	**1,37,569**				
Financial Liabilities							
Current							
Trade payables	-	86,168	86,168	-	-	-	-
Total Financial Liabilities	-	**86,168**	**86,168**				

	Carrying Amount			Fair Value			
On March 2017	**Fair value through profit and loss**	**Amortised cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets							
Current							
Trade receivables							
Receivables from related parties	-	1,05,389	1,05,389	-	-	-	-
Cash and cash equivalents							
Current Account	-	14,243	14,243	-	-	-	-
Deposit Account	-	-	-	-	-	-	-
Cash on hand (including float money at stations)	-	1,422	1,422	-	-	-	-
Other financial assets							
Unbilled Revenue	-	552	552	-	-	-	-
Interest accrued on deposits	-	-	-	-	-	-	-
Total Financial Assets	-	**1,21,606**	**1,21,606**				

Financial Liabilities							
Current							
Trade payables	-	1,05,034	1,05,034	-	-	-	-
Total Financial Liabilities	-	**1,05,034**	**1,05,034**				

ii. Measurement of Fair Value

There are no items that require fair valuation.

c. Financial risk management

The Company's business activities expose it to variety of financial risks, liquidity risk and market risk.

i. Credit Risk

Credit risk management

The Company is exposed to credit risk, which is the risk that arises when a counter party defaults on its contractual obligations to pay, resulting in financial loss to the Company. The Company's business is such that it has only a single customer and this customer is a Related Party, being a subsidiary of a company having substantial interest. The Company manages its credit risk by continuous monitoring of the ageing of its receivables. The carrying amount of financial assets represents the maximum credit exposure. Based on prior experience and an assessment of the current economic environment, management believed there is no credit risk provision required.

B. Liquidity Risk

i. Liquidity risk management

The Company manages liquidity risk by continuously monitoring the forecasted and actual cash flows. It matches its outflows to its inflows, thereby ensuring that it does not have any operational cash shortfalls which need to be funded.

ii. Maturity of financial liabilities

As all the Company's financial liabilities (Trade payables) are due within 12 months, they are stated at their carrying balance as the impact of discounting is not significant.

C. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in market prices. There are two types of market risks, namely, currency risk and interest rate risk. Exposure to currency risk related primarily to the Company's operating activities when transactions are denominated in a different currency from the Company's functional currency. The Company does not have an significant exposure to currency risk as the value of its foreign exchange transactions is not significant. The Company has no exposure to interest rate risk as it has neither any interest bearing investments nor borrowings.

II. Capital Management

The Company's capital management objective is to optimize the returns to its shareholders and to ensure that the Company will be able to continue as a going concern. The Company's business model does not require it to build up reserves and hence it distributes majority of its profits earned during the year as dividend to its shareholders.

26. Previous year figures

Previous year's figures have been regrouped where necessary to confirm to this year's classification.

For and on behalf of the Board of Directors
of METRO ONE OPERATION PRIVATE LIMITED

PAUL GARDEY DE SOOS	**SATISH KUMAR MISHRA**
MANAGING DIRECTOR	**DIRECTOR**
DIN: 07972924	DIN: 03538005

Place: Mumbai
Date: April 26, 2018