

Mumbai Metro One Private Limited
Financial Statements
For the year ended March 31, 2021

INDEPENDENT AUDITORS' REPORT

To the Members of Mumbai Metro One Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Mumbai Metro One Private Limited** ("the Company"), which comprise the Balance sheet as at 31st March 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2021, and profit/loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

SR No	Key Audit Matters	How the matter was addressed
1	<p>Impact of COVID-19 pandemic on Going Concern assessment of the Company</p> <p><u>Refer Note No. 25 in the Financial Statements</u></p> <p>We draw attention to the Material Uncertainty Related to Going Concern Paragraph in the Auditors Report.</p> <p>The World Health Organization in February 2020 declared COVID 19 as a pandemic. Governments around the world</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of the Company's internal controls over its forecasting process; • Compared the key assumptions adopted by the Company in

	<p>including India have taken significant measures to curb the spread of the virus including imposing mandatory lockdowns and restrictions in activities. Consequent to the above, the operations of Mumbai Metro One Pvt. Ltd were shut down till 19th October, 2020.</p> <p>The operations resumed thereafter with reduced passengers footfalls on account of restrictions on local train travel which acts as a feeder line.</p> <p>The company was also not able to realize the full rental from lessee, and consequently rental receipts up to 50% were waived off.</p> <p>These lockdowns have a significant impact on the overall economic activity in India and in particular on the passenger transport industry. Accordingly, the future cash flow projections, probability of loan recast etc. used to assess going concern assumption is subject to significant estimation uncertainties.</p> <p>In view of the above along with the financial position of the company, we have identified our assessment of the going concern basis of accounting as a key audit matter.</p>	<p>preparing the forecasted cash flows with our expectations based on actual cash flows of 2020-21.</p> <ul style="list-style-type: none"> • Verified the correspondence between the company and lessee for waiver of rental receipts. • Verified credit notes raised in this regard. • Verified the monthly MIS to gauge the impact of Covid 19 assumptions.
<p>2.</p>	<p>Default in Loan Repayments.</p> <p><u>Refer Note No.13 in the Financial Statements</u></p> <p>The Company has not been able to comply with the financial covenants during the year in respect of non-payment of Rs. 89.28 crores towards installments of repayment of principal amount of loans and Rs. 532.58 crores towards interest for the period from April 2018 to March 2021. Accordingly, the loans have been classified as current in the financial statements.</p> <p>The company is in active consultation with the banks for resolution plan.</p> <p>We have identified the default in loan payments as a Key Audit matter based on the amount involved, EIR rate etc.</p>	<p>Audit procedures included the following:</p> <ul style="list-style-type: none"> • We evaluated the working as per Ind As 109. • We assessed the adequacy of the related disclosures.

Material uncertainty related to Going Concern

We also draw your attention to the financial statement, which indicates that the company has incurred a net loss of Rs. 419.69 Crores during the year ended 31st March 2021 and as of that date the company's current liability continues to exceed its current assets thereby eroding its net worth.

These events and conditions along with the other matters indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. However, the financial statements of the company have been prepared on a going concern basis for the reasons stated in note no. 25. Our opinion is not modified in respect of this matter.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work and(ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.
- e) The matter described in the material uncertainty related to going concern section above, in our opinion, may have an adverse impact on the functioning of the company.
- f) On the basis of the written representations received from the directors as on 31st March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2021 from being appointed as a director in terms of Section 164(2) of the Act.
- g) With respect to the adequacy of the Internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure'.
- h) With respect to the other matters to be included in the Auditors' 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 as at 31st March 2021 on its financial position in its financial statements - Refer Note 24 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
 - iii. There has been no amount, required to be transferred, to the Investor Education and Protection Fund by the Company.

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(B) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For SHRIDHAR & ASSOCIATES
Chartered Accountants
ICAI Firm's Registration No. 134427W

Jitendra Sawjanya
Partner
(Membership No. 050980)
Place: Mumbai
Date: 11th May, 2021
UDIN: 21050980AAAALM6092

Annexure 'A' to Auditors' Report

[Referred to in our Auditors' Report of even date to the members of Mumbai Metro One Private Limited on the financial statements for the year ended March 31, 2021]

(i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of its fixed assets included within the intangible assets.

(b) The Company has a regular Programme of physical verification of its fixed assets, by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies between the book records and the physical assets were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records examined by us, we report that, the title of the land does not reside in the name of the company; it belongs to the Mumbai Metropolitan Region Development Authority (MMRDA) and has been provided to the company for the project. The Immovable Properties, included within the Intangible Assets, are constructed by the company and the rights (titles) on the same are governed by the concession agreement dated 7th March 2007 between the MMRDA and the Company until the end of the concession and upon the expiry of the concession period (i.e. till August 2043) the company is required to handover all the project assets back to the MMRDA.

(ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been properly dealt with in the books of accounts.

(iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to any company, firm, limited liability partnerships or other party covered in the register maintained under Section 189 of the Act .

(d) Based on the information and explanations given to us in respect of loans, investments, guarantees and securities, the Company has complied with the provisions of Section 185 and 186 of the Act, to the extent applicable.

(e) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning the directives issued by the Reserve Bank of India, provisions of Section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed there under.

(f) The maintenance of cost records has been specified by the by the Central Government under sub-section (1) of Section 148 of the Companies Act,2013 and the rules framed there under. We have broadly reviewed the cost records maintained by the company pursuant to the Company's (Cost records & Audit) Rules,2014 as amended prescribed by the Central Government under sub section(1) of section 148 of The Companies Act 2013 and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the Company is generally regular in depositing the

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undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services tax, duty of customs, cess and other material statutory dues as applicable

(b) According to the information and explanations given to us, there are no undisputed dues in respect of provident fund, employees' state insurance, income tax, duty of customs, goods and services tax and cess as at March 31, 2021 which were outstanding for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us and the records of the Company examined by us, disputed dues of income-tax, sales-tax, works contract tax, service-tax, duty of customs, duty of excise and value added tax as at March 31, 2021 are as follows:

Name of the statute	Nature of dues	Amount (Rs. Lakhs)	Period to which the amount relates	Forum where the dispute is pending
NIL				

However, there is dispute on account of municipal taxes and octroi raised by Municipal Corporation of Greater Mumbai (MCGM) amounting to Rs. 115.57 crores and Rs.1586.65 crores respectively.

(viii) According to the information and explanations given to us and based on examination of the records of the Company, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or dues to debenture holders except for the following instances of defaults in repayment of principal and interest amount.

Sr No	Name of the lenders	Amount of defaults as at March 31, 2021 (Rs. in Crores)		Period of default as at 31 March 31, 2021
		Principal	Interest	
A.	Due to Financial Institutions			
1	Indian Infrastructure Finance Company (UK) Limited	89.28	78.11	Apr 2018 to Mar 2021
B.	Dues to Banks			
1	Syndicate Bank	-	179.14	Apr 2018 to Mar 2021
2	Indian Bank	-	136.58	Apr 2018 to Mar 2021
3	Bank of Maharashtra	-	60.05	Apr 2018 to Mar 2021
4	State Bank of India	-	51.23	Apr 2018 to Mar 2021
5	IDBI Bank	-	27.47	Apr 2018 to Mar 2021

The company has not issued any debentures

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and in our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were raised.

(x) According to the information and explanations given to us, in respect of whom we are unable to comment on any potential implications for the reasons described therein, no fraud by the Company or fraud on the Company by its officers and employees has been noticed or reported during the course of our audit.

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(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the provisions of Section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and accordingly the provisions of clause 3(xii) of the Order are not applicable.

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

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence the provisions of clause 3(xiv) of the Order are not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company in respect of which we are unable to comment on any potential implications for the reasons described therein, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the Company.

(xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of clause 3(xvi) of the Order are not applicable to the Company.

For SHRIDHAR & ASSOCIATES
Chartered Accountants
Firm's Registration No 134427W

Jitendra Sawjany
Partner
(Membership No. 050980)
Place: Mumbai
Date: 11th May, 2021

UDIN: 21050980AAAALM6092

Annexure – B to Auditor’s report

[Annexure to the Independent Auditor’s Report referred to in paragraph “14(g)” under the heading “Report on other legal and regulatory requirements” of our report of even date on the financial statements of Mumbai Metro One Private Limited for year ended March 31, 2021.]

Report on the Internal Financial Controls Over Financial Reporting 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 **Mumbai Metro One Private Limited** (“the Company”) as of March 31, 2021 in conjunction with our audit of the Ind AS 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 (“ICAI”). 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 Act.

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, specified under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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 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 unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls 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, 2021, 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 and on behalf of
SHRIDHAR AND ASSOCIATES
Chartered Accountants
Firm Registration No. 0134427W

Jitendra Sawjany
Partner
Membership number: 050980
Place: Mumbai
Date: 11th May, 2021
UDIN: 21050980AAAALM6092

Mumbai Metro One Private Limited
Balance Sheet
(Amount in Lakhs)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
(a) Intangible asset	5	2,62,073.33	2,74,819.58
(b) Financial assets			
(i) Loans	6	12.86	21.59
(ii) Other financial assets	7	114.88	113.72
(c) Other non-current assets	8	212.51	376.32
Total non-current assets		2,62,413.58	2,75,331.21
Current assets			
(a) Financial assets			
(i) Trade receivables	9	105.30	497.14
(ii) Cash and cash equivalents	10	117.00	5,782.40
(iii) Loans	6	3.11	5.80
(iv) Other financial assets	7	0.73	454.53
(b) Other current assets	8	487.61	501.88
Total current assets		713.75	7,241.75
Total assets		2,63,127.33	2,82,572.96
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	11	51,200.00	51,200.00
(b) Other equity	12	(1,39,936.03)	(97,967.16)
Total equity		(88,736.03)	(46,767.16)
LIABILITIES			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	13	12,399.51	11,075.67
(ii) Other financial liabilities	15	958.29	947.31
(b) Provisions	16	12,174.63	12,235.62
Total non-current liabilities		25,532.43	24,258.60
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	14	2,23,171.93	2,30,147.64
(ii) Trade payables			
- total outstanding dues of micro enterprises and small enterprises		690.96	250.72
- total outstanding dues of creditors other than micro enterprises and small enterprises		3,665.16	1,934.10
(iii) Other financial liabilities	15	97,147.54	71,569.53
(b) Provisions	16	194.75	156.14
(c) Other current liabilities	17	1,460.59	1,023.39
Total current liabilities		3,26,330.93	3,05,081.52
Total liabilities		3,51,863.36	3,29,340.12
Total equity and liabilities		2,63,127.33	2,82,572.96

Significant accounting policies

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See accompanying notes forming part of the financial statements.
In terms of our report attached

For Shridhar & Associates
Chartered Accountants
Firm Registration No. 134427W

For and on behalf of Board of Directors

Jitendra Sawjiyani
Partner
Membership No. 050980

Shri ~~Shri~~ Mukherjee
Whole-time Director
DIN : 05151354

~~RA~~ Rajeev
Director
DIN : 03125952

Mumbai, dated: May 11, 2021

Virendra Joshi
Chief Financial Officer

Shivprakash Singh
Company Secretary
Membership No. ACS9245

Mumbai, dated: May 11, 2021

Mumbai Metro One Private Limited
Statement of Profit and Loss
(Amount in Lakhs)

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
(I) Revenue from operations	18	5,126.47	34,639.62
(II) Other income	19	1,115.96	(975.91)
(III) Total income (I+II)		6,242.43	33,663.71
(IV) Expenses			
Operating expenses	20	3,957.70	10,109.46
Employee benefits expense	21	3,560.26	5,409.39
Finance costs	22	27,824.05	28,071.24
Amortisation expense	5	11,306.37	11,397.50
Other expenses	23	1,634.45	2,833.33
Total expenses (IV)		48,282.83	57,820.92
Loss for the year (III-IV)		(42,040.40)	(24,157.21)
Other comprehensive income/(loss)			
Items that will not be reclassified to profit and loss			
- Remeasurements of net defined benefit plans : gain/(loss)		71.53	(55.48)
Other comprehensive income/(loss)		71.53	(55.48)
Total comprehensive loss		(41,968.87)	(24,212.69)
Earnings per share			
(a) Basic earnings per share (Rs.)		(8.21)	(4.72)
(b) Diluted earnings per share (Rs.)		(8.21)	(4.72)

Significant accounting policies 3

See accompanying notes forming part of the financial statements.
In terms of our report attached

For Shridhar & Associates
Chartered Accountants
Firm Registration No. 134427W

For and on behalf of Board of Directors

Jitendra Sawjani
Partner
Membership No. 050980

Shubhodoy Mukherjee
Whole-time Director
DIN : 05151354

RA Rajeev
Director
DIN : -03125952

Mumbai, dated: May 11, 2021

Virendra Joshi
Chief Financial Officer

Shivprakash Singh
Company Secretary
Membership No. ACS9245

Mumbai, dated: May 11, 2021

Mumbai Metro One Private Limited
Statement of Changes in Equity
(Amount in Lakhs)

A. EQUITY SHARE CAPITAL

Particulars	Note No.	Balance at the beginning of the year	Changes in equity share capital during the year	Balance at the end of the year
As at March 31, 2020	11	51,200.00	-	51,200.00
As at March 31, 2021		51,200.00	-	51,200.00

B. OTHER EQUITY

(Amount in Lakhs)

Particulars	Note No.	Deemed capital component relating to subordinated debt	Retained earnings	Total
As at March 31, 2019	12	70,752.21	(1,44,506.68)	(73,754.47)
Loss for the year		-	(24,157.21)	(24,157.21)
Other comprehensive income for the year		-	(55.48)	(55.48)
Total comprehensive loss for the year		-	(24,212.69)	(24,212.69)
As at March 31, 2020		70,752.21	(1,68,719.37)	(97,967.16)
Loss for the year		-	(42,040.40)	(42,040.40)
Other comprehensive loss for the year		-	71.53	71.53
Total comprehensive loss for the year		-	(41,968.87)	(41,968.87)
As at March 31, 2021		70,752.21	(2,10,688.24)	(1,39,936.03)

Significant accounting policies 3

See accompanying notes forming part of the financial statements.
In terms of our report attached

For Shridhar & Associates
Chartered Accountants
Firm Registration No. 134427W

For and on behalf of Board of Directors

Jitendra Sawjany
Partner
Membership No. 050980

Srubhodoy Mukherjee
Whole-time Director
DIN : 05151354

RA Rajeév
Director
DIN : 03125952

Mumbai, dated: May 11, 2021

Virendra Joshi
Chief Financial Officer

Shivprakash Singh
Company Secretary
Membership No ACS9245

Mumbai, dated: May 11, 2021

Mumbai Metro One Private Limited
Statement of Cash Flows
(Amount in Lakhs)

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
Cash flows from operating activities			
Loss for the year		(41,968.87)	(24,212.69)
Adjustments for:			
Amortisation of intangible asset	5	11,306.37	11,397.50
Finance costs recognised in Statement of Profit and Loss	22	27,824.05	28,071.24
Interest income recognised in Statement of Profit and Loss	19	(20.24)	(4.43)
Provision for additional liability towards capital expenditure/ reversal of liabilities (net)	23	0.05	1,070.34
Net foreign exchange (gain)/loss	19	(433.15)	1,073.10
Provision for doubtful debts	9	-	130.22
Provision for major maintenance and overhaul expenses	20	-	1,737.56
		(3,291.78)	19,262.84
Movements in working capital:			
Adjustments for (increase)/decrease in operating assets			
Loans	6	11.41	5.70
Other financial assets	7	452.48	7.30
Other current assets	8	14.26	(11.73)
Trade receivables	9	391.84	(363.87)
Adjustments for increase/(decrease) in operating liabilities			
Other financial liabilities	15	27.16	221.89
Provisions	16	(22.39)	(138.78)
Other current liabilities	17	437.20	(297.15)
Trade payables		2,171.30	(262.72)
Cash generated from operations		191.48	18,423.48
Income taxes paid (net)	8	163.82	(154.50)
Net cash generated from operations		355.30	18,268.98
Cash flows from investing activities			
Payment to capital creditors (net)		(348.36)	(1,950.99)
Investment in fixed deposits including margin money (net)	7	(0.23)	(0.08)
Interest received	19	20.63	3.99
Net cash generated from investing activities		(327.96)	(1,947.08)
Cash flow from financing activities			
Repayment of long-term borrowings	14	(5,506.24)	(7,998.03)
Finance costs paid	22	(186.50)	(2,917.32)
Net cash used in financing activities		(5,692.74)	(10,915.35)
Net (decrease)/increase in cash and cash equivalents		(5,665.40)	5,406.55
Cash and cash equivalents at the beginning of the financial year		5,782.40	375.85
Cash and cash equivalents at end of the year	10	117.00	5,782.40

Mumbai Metro One Private Limited
Statement of Cash Flows
(Amount in Lakhs)

Notes:

1. Reconciliation of liabilities arising out from financing activities

Particulars	As at April 1, 2020	Cash flows	Non-cash changes		As at March 31, 2021
			Foreign exchange movement	Fair value changes	
Long-term borrowings	1,87,665.62	(5,506.24)	(1,469.47)	1,323.84	1,82,013.75
	As at April 1, 2019	Cash flows	Non-cash changes		As at March 31, 2020
			Foreign exchange movement	Fair value changes	
	1,90,718.35	(7,998.03)	3,760.03	1,185.27	1,87,665.62

2. Cash balances not available for use : Fixed deposits have been given as margin money for loans taken and bank guarantees Rs. 11.60 lakhs (previous year 11.37 lakhs) (Refer note 7)

Significant accounting policies

3

See accompanying notes forming part of the financial statements.
In terms of our report attached

For Shridhar & Associates
Chartered Accountants
Firm Registration No. 134427W

For and on behalf of Board of Directors

Jitendra Sawjany
Partner
Membership No. 050980

Shubhodoy Mukherjee
Whole-time Director
DIN : 05151354

RA Rajeav
Director
DIN : 03125952

Mumbai, dated: May 11, 2021

Virendra Joshi
Chief Financial Officer

Shivprakash Singh
Company Secretary
Membership No. ACS9245

Mumbai, dated: May 11, 2021

Notes forming part of financial statements

1. General information

Mumbai Metro One Private Limited (the Company) was incorporated on December 22, 2006 to undertake the design, construction, operation and maintenance of the Mass Rapid Transit System (MRTS) for the Versova – Andheri - Ghatkopar corridor in Mumbai – Mumbai Metro. The Mumbai Metropolitan Region Development Authority (MMRDA), on March 7, 2007 granted the Company a concession for a period of 35 years, for the exclusive rights to construct, operate and charge fares to users of the Mumbai Metro in accordance with the provisions of the concession agreement, at the close of which the Company must transfer the rights, title and interest in the Mumbai Metro Project assets, in a serviceable condition, free of encumbrances to MMRDA. The project commenced commercial operations from June 8, 2014.

2. Statement of compliance

The financial statements have been prepared in accordance with Ind ASs notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended to date.

Recent accounting pronouncements:

(a) Ind AS 116 - Leases

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the Statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The directors of the Company have evaluated the impact of this amendment which is not significant on the Company's financial statements.

(b) Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The directors of the company do not expect any impact on the financial statements on account of this amendment.

(c) Amendment to Ind AS 12 – Income taxes

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The directors of the company do not expect any impact on the financial statements on account of this amendment.

(d) Amendment to Ind AS 19 – plan amendment, curtailment or settlement

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The directors of the company do not expect any material impact on the financial statements on account of this amendment.

3. Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at amortised cost at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given at the date of the transaction in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

3.1 Intangible asset and amortisation

The Mumbai Metro project is accounted as an Intangible Asset since the concession arrangement provides only the right to access the asset for the provision of public service and the asset is returned to the concession grantor at the end of the concession arrangement. Thus, the Company has recognised an intangible asset to the extent it is authorized (entitled) to charge fares from public utility users & for usage of the permissible facilities and does not have an irrefutable right to receive cash or other financial asset from the concession grantor. The intangible asset is initially measured at the fair value of the construction services rendered. In making their judgment, the directors noted that the construction work of the project was assigned to various contractors and the Company was mainly involved in smooth co-ordination and ensuring proper execution of the project. In lieu of this, the management believes that the fair value of the construction services rendered approximates to the cost of the construction.

The amortization of the infrastructure operation right (the intangible asset) is recognized in the Statement of Profit and Loss on a straight-line basis over the operation of the concession period (i.e. 30 years).

Impairment of intangible asset

At the end of each reporting period, the Company reviews the carrying amounts of its intangible asset to determine whether there is any indication that the asset has suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

The Intangible asset is tested for impairment at least annually, or when there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value, less costs of disposal, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3.2 Revenue recognition

Revenue is recognised when the Company transfers control of the promised services to the customer. The Company measures revenue, for the consideration to which the Company is expected to be entitled in.

Exchange for transferring promised services.

(i) Revenue from fare charged to passengers is recognized when the services are provided, based on usage of tokens and smart cards.

(ii) Rental Income - Rental income from operating leases is recognised when the service is transferred over time to the customer on a straight line basis, i.e. customer simultaneously receives and consumes the benefits of the assets provided by the Company.

The Company presents revenues net of indirect taxes in its Statement of Profit and Loss.

3.3 Foreign currencies

The functional currency of the Company and the presentation currency used in the financial statements is Indian Rupees. In preparing the financial statements, transactions in currencies other than Indian Rupees are recognised at the rate of exchange prevailing at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are restated at the rate prevailing at that date.

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise except for exchange differences arising on restatement of long-term foreign currency monetary liabilities recognised up to March 31, 2016 on which the Company has elected to continue the policy adopted under the previous GAAP i.e. the exchange differences on restatement thereof are adjusted to the carrying amount of the intangible asset.

3.4 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

3.5 Grants

Amount received from the MMRDA that relate to the Mumbai Metro Project Assets has been deducted from the gross values of the amounts capitalised.

3.6 Employee benefits

3.6.1 Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to Statement of Profit and Loss. Past service cost is recognised in the Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement

The Company presents the first two components of defined benefit costs in the Statement of Profit and Loss in the line item 'Employee benefits expense'.

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

3.6.2 Short-term and other long-term employee benefits

A liability is recognised for short-term employee benefits accruing to employees in respect of wages and salaries, annual and sick leave expected to be availed / encashed in the next 12 months, in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

3.7 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

3.7.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

3.7.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3.7.3 Current and deferred tax for the year

Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

3.8 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). The unwinding of the time value of money is recognised as a finance cost.

The Company recognises a provision for major maintenance and overhaul expenses based on the above principles.

3.9 Contingent liabilities

Contingent liabilities are not recognised but disclosed unless the probability of an outflow of resources is remote.

3.10 Financial instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Statement of Profit and Loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through Statement of Profit and Loss are recognised immediately in profit and loss.

3.11 Financial assets

All recognised financial assets are subsequently measured in their entirety either at amortised cost or fair value, depending on the classification of the financial assets.

3.11.1 Classification of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost (except for financial assets that are designated as at fair value through Statement of Profit and Loss on initial recognition):

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3.11.2 Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in the Statement of Profit and Loss and is included in the "Other income" line item.

3.11.3 Impairment of financial assets

For trade receivables or any contractual right to receive cash or another financial assets that result from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables and other financial assets, the Company has used a practical expedient as permitted under Ind AS 109. The expected credit loss allowance has been made taking into account historical credit loss experience and adjusted for forward-looking information.

3.11.4 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

3.12 Financial liabilities and equity instruments

3.12.1 Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

3.12.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity.

3.12.3 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

3.12.4 Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income' except for foreign currency gains and losses arising on long-term monetary liabilities which are adjusted in the cost of the intangible asset as per the previous GAAP.

3.12.5 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

3.13 Earnings per share

The Company reports basic and diluted Earnings per Share (EPS) in accordance with Ind AS 33 on Earnings per Share.

Basic EPS is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

4.1 Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see note 4.2 below), that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

4.1.1 Recognition of the intangible asset

The intangible asset under the service concession arrangement is initially measured at the fair value of the construction services rendered. In making their judgment, the directors noted that the construction work of the project was assigned to various contractors and the Company was mainly involved in smooth co-ordination and ensuring proper execution of the project. In lieu of this, the management believes that the fair value of the construction services rendered approximates to the cost of the construction.

4.2 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4.2.1 Provision for major maintenance and overhaul

The Company is required to operate and maintain the project assets in a serviceable condition which requires periodical replacement and overhaul of certain components of project assets. The Company has accordingly recognised a provision in respect of this obligation. The measurement of this provision considers the future estimated cost of replacement/overhaul of assets and the timing of replacement / overhaul. These amounts are being discounted to present value since the time value of money is material. The carrying amount of the provision as at March 31, 2021 is Rs. 12,089.26 lakhs (as at March 31, 2020: Rs. 12,089.26 lakhs)

Mumbai Metro One Private Limited
Notes to accounts forming part of financial statements

5 Intangible asset

(Amount in Lakhs)

Particulars	Right under Concession Agreement with MMRDA
Gross carrying amount	
As at March 31, 2019	3,36,047.34
Effect of foreign currency exchange difference	3,760.03
As at March 31, 2020	3,39,807.37
Additions during the year	-
Effect of foreign currency exchange difference	(1,439.88)
As at March 31, 2021	3,38,367.49
Accumulated amortisation	
As at March 31, 2019	53,590.29
Amortisation expense	11,397.50
As at March 31, 2020	64,987.79
Amortisation expense	11,306.37
As at March 31, 2021	76,294.16
Closing net carrying amount	
As at March 31, 2020	2,74,819.58
As at March 31, 2021	2,62,073.33

Concession arrangement - main features

Name of entity	Mumbai Metro One Private Limited
Description of the arrangement	The concession is granted by Mumbai Metropolitan Region Development Authority (MMRDA) for the Mumbai Metro Line-1 project on the Versova-Andheri-Ghatkopar corridor.
Significant terms of the arrangement	Period of concession: 35 years (including 5 years for construction) Remuneration: Passenger fare and revenue from advertisement and rentals etc. Investment grant from concession grantor : Yes Obligation of the company: To operate and maintain the project in accordance with the requirements of concession agreement. Infrastructure to be returned at the end of concession period : Yes

Note : 1) Mumbai Metro Project assets mainly comprise of Civil Structures (Tracks, Stations, Viaduct, Bridges and Depot), Equipments (Rolling Stock, Escalators, Signaling and Telecommunication systems, Automated Fare Collection System, Lifts, Escalators and Electrical Installations).

2) Viability Gap Funding aggregating Rs. 567.23 crores received from the MMRDA that relates to Mumbai Metro Project Assets has been deducted from the gross values of the amounts capitalized.

Mumbai Metro One Private Limited
Notes to accounts forming part of financial statements

6 Loans (Amount in Lakhs)

	As at March 31, 2021		As at March 31, 2020	
	Current	Non-current	Current	Non-current
Unsecured, considered good				
Loans to employees	3.11	12.86	5.80	21.59
Total	3.11	12.86	5.80	21.59

Note:

No amounts due from officer of the Company (Previous year Rs. 8.33 lakhs)

7 Other financial assets (Amount in Lakhs)

	As at March 31, 2021		As at March 31, 2020	
	Current	Non-current	Current	Non-current
Security deposits	-	103.28	-	102.35
Claims receivable from related party	-	-	453.41	-
Bank deposits given as margin money for loans taken and bank guarantees	-	11.60	-	11.37
Interest accrued on bank deposits	0.73	-	1.12	-
Total	0.73	114.88	454.53	113.72

8 Other assets (Amount in Lakhs)

	As at March 31, 2021		As at March 31, 2020	
	Current	Non-current	Current	Non-current
Goods and service tax balances	101.56	-	16.58	-
Income tax balances	-	212.51	-	376.32
Advance to Employees	3.25	-	-	-
Advance to vendors	71.00	-	102.69	-
Stores & consumables	245.65	-	297.36	-
Prepaid expenses	66.16	-	85.25	-
Total	487.61	212.51	501.88	376.32

9 Trade receivables (Amount in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Current:		
Secured, considered good	100.71	492.50
Unsecured, considered good	4.59	4.64
Credit impaired	-	130.22
Less: Allowance for doubtful debts	-	(130.22)
	-	-
Total	105.30	497.14

10 Cash and cash equivalents (Amount in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Balances with banks		
- in current accounts	78.62	5,752.99
Cash on hand	38.38	29.41
Total	117.00	5,782.40

Mumbai Metro One Private Limited
Notes to accounts forming part of financial statements

11 Share capital (Amount in Lakhs except number of shares)

(a) Authorised capital	As at March 31, 2021	As at March 31, 2020
550,000,000 Equity Shares of Rs.10 each	55,000.00	55,000.00
500,000,000 0.1% Non-Cumulative Preference Shares of Rs.10 each	50,000.00	50,000.00
Total authorised share capital	1,05,000.00	1,05,000.00

(b) Issued, subscribed and fully paid up	As at March 31, 2021	As at March 31, 2020
512,000,000 Equity Shares of Rs. 10 each	51,200.00	51,200.00
	51,200.00	51,200.00

(c) Reconciliation of the number of shares outstanding as at the beginning and at the end of the year	As at March 31, 2021	As at March 31, 2020
Number of shares outstanding as at the beginning and at the end of the year	51,20,00,000	51,20,00,000

(d) Details of equity shares held by the holding company

Particulars	Number of Shares	
	As at March 31, 2021	As at March 31, 2020
Reliance Infrastructure Limited	37,88,80,000	35,32,80,000

(e) Details of shareholders holding more than 5% shares in the company

Name of the shareholders	As at March 31, 2021	
	Number of Shares	% holding
Reliance Infrastructure Limited	37,88,80,000	74.00
Mumbai Metropolitan Region Development Authority (MMRDA)	13,31,20,000	26.00
As at March 31, 2020		
Reliance Infrastructure Limited	35,32,80,000	69.00
Mumbai Metropolitan Region Development Authority (MMRDA)	13,31,20,000	26.00

(f) Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders. 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.

Lock-in conditions for Equity Share holders:

Equity shareholding as per the Concession agreement between the members is subject to the following lock-in conditions:

- The equity shareholding of Reliance Infrastructure Limited and Transdev ite de France shall not be less than 51% of the issued and paid up Equity Share Capital of the Company up to a period of 2 years following the Commercial Operation Date (COD).
- The equity shareholding of Reliance Infrastructure Limited shall not be less than 26% of the issued and paid up Equity Share Capital of the Company up to a minimum period of 15 years following the COD.
- The equity shareholding of each Consortium Member other than Reliance Infrastructure Limited shall not be less than 5% of the total issued and paid up Equity Share Capital of the Company for a minimum period of 2 years following the COD.

12 Other equity

(Amount in Lakhs)

	As at March 31, 2021	As at March 31, 2020
(i) Retained earnings (Refer note (i) below)	(2,10,688.24)	(1,68,719.37)
(ii) Deemed capital contribution (Refer note (ii) below)	70,752.21	70,752.21
	(1,39,936.03)	(97,967.16)

	As at March 31, 2021	As at March 31, 2020
(i) Retained earnings		
Balance at the beginning of year	(1,68,719.37)	(1,44,506.68)
Loss as per Statement of Profit and Loss	(42,040.40)	(24,157.21)
Other comprehensive income / (loss) for the year	71.53	(55.48)
Balance at the end of the year	(2,10,688.24)	(1,68,719.37)

(ii) Deemed capital contribution

In terms of the rupee term loan agreements from banks dated February 12, 2013, Reliance Infrastructure Limited has extended a subordinated debt of Rs. 759 crores to the Company. This subordinated debt is unsecured, interest free, non-convertible and shall be repaid from available cash flow after the repayment of the entire rupee term loans.

This subordinated debt is measured at amortised cost and the day 1 fair value difference is recognised as deemed capital contribution from Reliance Infrastructure Limited.

Mumbai Metro One Private Limited
Notes to accounts forming part of financial statements

13 Non-current borrowings

(Amount in Lakhs)					
	Maturity date	Terms of repayment	Effective interest rate	As at March 31, 2021	As at March 31, 2020
Secured - at amortised cost (Refer note (a) below)					
External commercial borrowings in foreign currency from financial institution (Refer note (b) below)	October 1, 2027	Repayable in 60 quarterly installments commencing from April 1, 2012.	6 month USD LIBOR rate + margin (340 to 485 basis points)	-	-
Term loans from banks (Refer note (b) below)	March 31, 2037	Rs. 50 crores repayable on March 31, 2018. The remaining portion is repayable in 76 quarterly installments commencing from June 30, 2018.	9.80% to 10.75%	-	-
Unsecured - at amortised cost (Refer note 12(ii))					
Subordinated debt from the holding company (related party)			Interest free	12,399.51	11,075.67
Total				12,399.51	11,075.67

Note:

a) As per the common rupee loan agreement and foreign currency term loan facility agreement the loans are secured by:

(i) first mortgage/charge of all immovable properties, all moveable machinery, machinery spares, equipment, rolling stock, tools and accessories, vehicles, charges on the non-fund based instruments and all other moveable assets, all other intangible assets both present and future, save and except project assets;

(ii) first mortgage/charge on all receivables, escrow accounts, bank accounts, revenues of whatsoever nature and wherever arising, both present and future;

The above securities rank pari passu to the security interest created in favor of the Rupee term loans and the buyers credit facilities availed from banks.

b) The Company has not been able to comply with the financial covenants during the year in respect of non-payment of Rs. 89.28 crores towards installments of repayment of principal amount of loans, Rs.532.58 crores towards interest and Rs. 9.44 crores towards penal interest (not provided for) for the period from April 2018 to March 2021. Accordingly, the loans have been classified as current in the financial statements.

14 Current borrowings

(Amount in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Secured (Refer note 13(a) above)		
External commercial borrowings in foreign currency from financial institution (In USD 56.36 Mn @ 73.11) (As at March 31, 2020 in USD 57.76 @ 75.665) (Refer note 13(b) above)	41,201.54	43,702.40
Term loans from banks (Refer note 13(b) above)	1,28,412.70	1,32,887.55
Unsecured		
Loans from holding company - repayable on demand	53,557.69	53,557.69
Total	2,23,171.93	2,30,147.64

15 Other financial liabilities

(Amount in Lakhs)

	As at March 31, 2021		As at March 31, 2020	
	Current	Non-current	Current	Non-current
Security deposits received from customers	694.85	958.29	678.68	947.31
Interest accrued	75,943.99	-	49,630.28	-
Creditors for capital expenditure	20,508.70	-	21,260.57	-
Total	97,147.54	958.29	71,569.53	947.31

16 Provisions

(Amount in Lakhs)

	As at March 31, 2021		As at March 31, 2020	
	Current	Non-current	Current	Non-current
Provision for employee benefits				
Compensated absences	194.75	52.68	156.14	108.77
Gratuity	-	32.69	-	37.59
Other provisions				
Provision for major maintenance and overhaul expenses (Refer note (i) below)	-	12,089.26	-	12,089.26
Total	194.75	12,174.63	156.14	12,235.62

Details of movement in other provisions - Major maintenance and overhaul

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance	12,089.26	9,498.35
Additional provisions recognised	-	1,737.56
Unwinding of discount	-	853.35
Closing balance	12,089.26	12,089.26

Notes:

(i) The provision for major maintenance and overhaul expenses relates to the estimated cost of replacement/overhaul of assets. These amounts are being discounted for the purposes of measuring the provisions. No provision made during the current financial year.

17 Other current liabilities

(Amount in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Advance from customers	1,229.15	671.50
Statutory remittances	206.49	311.57
Others	24.95	40.32
Total	1,460.59	1,023.39

Mumbai Metro One Private Limited
Notes to accounts forming part of financial statements

18 Revenue from operations

(Amount in Lakhs)

	For the year ended March 31, 2021	For the year ended March 31, 2020
a) Income from collection of fares from passengers	2,610.35	30,042.38
b) Other operating income		
- Rental	934.41	1,596.56
- Advertisement	600.89	1,381.26
- Others	980.82	1,619.42
Total	5,126.47	34,639.62

19 Other income

(Amount in Lakhs)

	For the year ended March 31, 2021	For the year ended March 31, 2020
a) Interest income (earned on financial assets that are not designated as at fair value through profit and loss)		
- Interest income on bank deposit (at amortised cost)	0.35	1.05
- Other interest income (at amortised cost)	19.89	3.38
c) Other non-operating income		
- Others	662.57	92.76
d) Other gains and (losses)		
- Gains / (losses) on foreign currency transactions	433.15	(1,073.10)
Total	1,115.96	(975.91)

20 Operating expenses

(Amount in Lakhs)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Power and fuel	1,375.72	3,447.87
Operation & maintenance expenses	115.63	1,233.60
Provision for major maintenance and overhaul expenses	-	1,737.56
Security expenses	317.47	731.53
Housekeeping expenses	753.87	1,001.27
Other repairs and maintenance :		
- Building	10.99	5.91
- Plant and machinery	413.07	597.76
- Others	970.95	1,353.96
Total	3,957.70	10,109.46

21 Employee benefits expense

(Amount in Lakhs)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Salary and wages	3,126.92	4,885.63
Contribution to provident and other funds	189.72	242.49
Staff welfare expenses	243.62	281.27
Total	3,560.26	5,409.39

22 Finance costs

(Amount in Lakhs)

	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) Interest costs :-		
- Interest on loans (other than those from related party)	16,564.09	15,498.48
- Interest on loans from related party	4,978.89	4,992.53
- Interest on foreign currency loans	4,894.87	5,382.15
Total interest expense for financial liabilities not classified as fair value through profit and loss	26,437.85	25,873.16
- Others - delayed payment of taxes	1.34	2.76
(b) Other borrowing costs :-		
- Unwinding of discounts on major maintenance and overhaul provision	-	853.35
- Unwinding of discounts on subordinated debts	1,323.84	1,185.27
- Other finance charges	61.02	158.70
	1,384.86	2,195.32
Total	27,824.05	28,071.24

23 Other expenses

(Amount in Lakhs)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Rent, rates and taxes	38.52	33.71
Insurance	734.55	306.59
Legal and professional charges	497.56	934.96
Provision for additional liability towards capex vendors (Net)	0.05	1,070.34
Miscellaneous expenses	363.77	487.73
Total	1,634.45	2,833.33
Note:		
Legal and professional charges include payment to auditors as follows:		
a) for audit	12.50	12.50
b) for other services	4.50	4.50
c) for reimbursement of expenses	0.60	-
Total	17.60	17.00

Mumbai Metro One Private Limited
Notas to accounts forming part of financial statements
(Amount in Lakh)

24 Contingent liabilities

a) Claims against the Company not acknowledged as debts	As at March 31, 2021	As at March 31, 2020
(i) Claims by MMRDA:		
- for damages for delay in achieving project milestones and completion of the project	1,64,380.01	1,64,380.01
- for fares charged in violation of the Concession Agreement	6,187.00	6,187.00
- for rent	3,578.79	3,578.79
- for concessions in custom duty	3,900.00	3,900.00
- for consultancy charges	200.00	200.00
(ii) Claims of suppliers against the Company	15,148.00	15,148.00
(iii) Demand for non-agricultural assessment tax	1,120.43	1,095.97
Total	1,94,514.23	1,94,489.77

- b) The Municipal Corporation of Greater Mumbai (MCGM) denied the exemption to the Company from payment of municipal taxes and octroi. The Company has filed an appeal dated April 20, 2016 in the Court of Small Causes at Bombay for claiming exemptions for payment of municipal taxes and octroi. The company has received a demand notice for payment of municipal taxes and octroi aggregating Rs. 115.57 crores and Rs.1586.65 crores respectively which has been disputed by the company. The Government of Maharashtra vide its letter dated April 17, 2018 has directed MCGM to provide concession from payment of local taxes/property tax to the Company since it is a public transportation project. The order from MCGM is however awaited.
- c) The Ministry of Housing and Urban Affairs, Government of India had constituted a fresh Fair Fixation Committee (FFC) on November 28, 2018 for the purpose of recommending the metro fare for Mumbai Metro One Private Limited (MMOPL). The FFC vide its Order dated March 11, 2019 had recommended a fare structure of Rs. 10 to Rs. 35 and had reduced the existing fares. MMOPL has filed a Writ Petition challenging the same on June 07, 2019. Matter was heard on June 20, 2019. Hon'ble High Court of Mumbai has granted Stay on the FFC recommendations. The matter is sub-judice. The last hearing was held on November 08, 2019. Next date of hearing is yet to be fixed by the Court.
- d) The Company has filed various claims against MMRDA on account of damages incurred due to delays by MMRDA in handing over of unencumbered Right of Way and land, and additional cost incurred due to various changes in design to accommodate project encumbrances. The amount of claims filed against MMRDA aggregate Rs.1,766.25 crores. MMRDA has not accepted the said claims filed by the Company and hence the Company has initiated arbitration proceedings as per the provisions of the Concession Agreement.

25 As at March 31, 2021, the accumulated losses have eroded the net worth of the Company and the current liabilities have exceeded its current assets.

The Company has shown year-on-year growth in passenger traffic and revenues till FY20. During FY21, metro operations were suspended for about 7 months due to lockdown orders received from government authorities due to covid pandemic. However, the Company is entitled to get the extension of the concession period to compensate the continuing revenue loss.

The overall infrastructure facility of the Company has a long useful life and the remaining period of concession is approximately 24 years. Company is in active discussion with its bankers for restructuring of their loans. The lead bank had already approved the Resolution Plan proposed by the Company and other lenders were also considering giving approvals. However, due to arrival of covid and shutdown of metro operations, Lenders have now asked Company to revise the Resolution Plan by incorporating the impact of covid shutdown and lower ridership thereafter. Company has revised the Resolution Plan and submitted to Lenders for approval, which is under their active consideration.

The Parent Company has given a letter of comfort to lenders for giving necessary support. Accordingly, the financial statements of Company have been prepared on a going concern basis. Company is taking a number of steps to improve overall commercial viability which will result in an improvement in cash flows and enable the Company to meet its financial obligations. Based on the foregoing, the going concern assumption is considered to be appropriate.

26 Related party disclosures

a) List of related parties

Description of relationship	Names of related parties
1. Holding company	Reliance Infrastructure Limited
2. Investing parties	i.) Mumbai Metropolitan Region Development Authority ii.) Transdev ile de France (formerly known as "Veolia Transport S.A.") till February 07, 2021.
3. Enterprises where holding company has significant influence	(i) Metro One Operation Private Limited (ii) Mumbai Metro Transport Private Limited
4. Key management personnel	Mr. Shubhodoy Mukherjee - Whole Time Director

Mumbai Metro One Private Limited
Notes to accounts forming part of financial statements
(Amount in Lakh)

Related party disclosures (contd..)

b) Details of related party transactions

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Income:		
Other Income (Training Income)		
- Maha Mumbai Metro (M3) Operation Corporation Limited	51.22	1.89
Reimbursement of expenses incurred for:		
- Mumbai Metropolitan Region Development Authority	45.92	80.27
Expenses:		
Operation and maintenance expenses		
- Metro One Operation Private Limited	-	352.39
Rent / lease- charges		
- Mumbai Metropolitan Region Development Authority	0.99	0.99
Interest expenses		
- Reliance Infrastructure Limited	4,978.89	4,992.53

c) Balances outstanding at the end of the year:

Particulars	As at March 31, 2021	As at March 31, 2020
Payables		
- Metro One Operation Private Limited	266.16	266.16
- Mumbai Metropolitan Region Development Authority	280.08	144.59
- Reliance Infrastructure Limited	21,307.56	16,452.80
Receivables		
- Maha Mumbai Metro (M3) Operation Corporation Limited	-	2.23

d) Loans from related party

Particulars	As at March 31, 2021	As at March 31, 2020
Current borrowings		
- Reliance Infrastructure Limited	53,557.69	53,557.69
Subordinated debt		
- Reliance Infrastructure Limited (movement during the year is consequent to unwinding of discount on subordinated debt)	12,399.51	11,075.67

Particulars	As at March 31, 2021	As at March 31, 2020
Deemed capital contribution on issue of subordinated debt		
Reliance Infrastructure Limited	70,752.21	70,752.21

f) Compensation of key management personnel

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Compensation of key management personnel	54.12	115.79

Mumbai Metro One Private Limited
Notes to accounts forming part of financial statements
(Amount in Lakh)

27 Segment reporting

The Company is primarily engaged in the business of operating and maintaining the Mass Rapid Transit System for Versova- Andheri-Ghatkopar corridor in Mumbai, which in the context of Ind AS 108 on Operating Segment, constitutes a single reportable segment.

28 Leasing transactions

a) Operating lease rentals during the year:

Particulars	As at March 31, 2021	As at March 31, 2020
Rent paid- depot and other premises	0.99	0.99
Re. 1 per sqm is paid as rent for depot and other premises in accordance with the concession agreement.		

b) The future minimum lease payments in respect of non-cancellable leases:

Particulars	As at March 31, 2021	As at March 31, 2020
Due not later than one year	0.99	0.99
Due later than one year and not later than five years	3.95	3.95
Due later than five years	17.97	18.96
	22.91	23.90

c) The Company has provided space on operating lease for periods ranging from 1 to 15 years with a non-cancellable period at the beginning of the agreement ranging from 1 to 5 years.

Future minimum lease payments expected to be received under non-cancellable leases:

Particulars	As at March 31, 2021	As at March 31, 2020
Due not later than one year	257.44	434.55
Due later than one year and not later than five years	376.02	731.74
Due later than five years	-	5.46
	633.46	1,171.75

29 Earnings per share

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Loss for the year attributable to the owners of the Company (Rs.)	(42,040.40)	(24,157.21)
Weighted average number of equity shares	51,20,00,000	51,20,00,000
Nominal value per share (Rs.)	10	10
Basic earnings per share (Rs.)	(8.21)	(4.72)
Diluted earnings per share (Rs.)	(8.21)	(4.72)
(see note below)		

Note: There are no outstanding dilutive potential equity shares.

30 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Principal amount and interest due thereon remaining unpaid to any supplier as at the end of the accounting year	690.96	250.72
(ii) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(iii) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	20.87	20.78
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	58.08	29.83
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.

Mumbai Metro One Private Limited
Notes to accounts forming part of financial statements
(Amount in Lakh)

31 Employee benefit obligations

(i) Defined contribution plans

The Company is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits. The only obligation of the company with respect to the retirement benefit plan is to make the specified contribution. The total expense recognised in the Statement of Profit and Loss represents contributions payable to these plans by the company at rates specified in the rules of the plans.

The Company has recognised the following amounts as expense in the Statement of Profit and Loss:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Contribution to provident fund	156.36	206.09
Contribution to superannuation fund	4.94	5.10
Contribution to national pension scheme	14.05	17.02
Contribution to employees' state insurance corporation	14.37	14.27
Total	189.72	242.48

(ii) Defined benefit plan

The Company sponsors funded defined benefit plan for qualifying employees. The defined benefit plan is administered by a third-party insurer. This third-party insurer is responsible for the investment policy with regard to the assets of the plan.

Under the plan, the employees are entitled to a lump-sum amounting to 15 days' final basic salary for each year of completed service payable at the time of retirement/resignation provided the employee has completed 5 years of continuous service.

a) The plan exposes the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.
Interest rate risk	A decrease in the bond interest rate will increase the plan liability.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

b) The principal assumptions used for the purposes of the actuarial valuations were as follows.

Particulars	As at March 31, 2021	As at March 31, 2020
Discount rate	6.57%	6.59%
Expected rate of salary increase	5.00%	8.00%
Average longevity at retirement age for current beneficiaries of the plan (years)	Indian assured lives mortality (2006-08) ultimate	
Rate of employee turnover	10.00%	12.00%

c) Amount recognised in Statement of Profit and Loss in respect of the defined benefit plan

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current service cost	64.16	44.03
Net interest cost	2.48	(11.17)
Past service cost	-	-
Components of defined benefit costs recognised in profit and loss.	66.64	32.86
Remeasurements on the net defined benefit liability :		
- Return on plan assets, excluding interest income	10.25	13.14
- Actuarial loss from change in demographic assumptions	7.24	0.42
- Actuarial loss from change in financial assumptions	(75.40)	33.42
- Actuarial loss from change in experience adjustments	(13.62)	8.50
Total amount recognised in other comprehensive income	(71.53)	55.48
Total	(4.89)	88.34

The current service cost, past service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the Statement of Profit and Loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income

Mumbai Metro One Private Limited
Notes to accounts forming part of financial statements

(Amount in Lakh)

d) The amount included in the balance sheet arising from Company's obligation in respect of its defined benefit plan is as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Present value of funded defined benefit obligation	(388.98)	(473.12)
Fair value of plan assets	356.28	435.53
Net (liability)/assets arising from defined benefit obligation	(32.70)	(37.59)

e) Movement in the present value of the defined benefit obligation are as follows:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening defined benefit obligation	473.12	310.33
Current service cost	84.16	44.03
Past service cost	-	-
Interest cost	31.18	23.18
Liability transferred to Company on account of employees taken over from group company (Refer note 16(i))	-	100.12
Remeasurements (gains)/losses:		
- Actuarial loss from change in demographic assumptions	7.24	0.42
- Actuarial loss from change in financial assumptions	(75.40)	33.42
- Actuarial loss from change in experience adjustments	(13.62)	8.50
Benefits paid	(97.70)	(46.88)
Closing defined benefit obligation	388.98	473.12

f) Movement in the fair value of the plan assets are as follows.

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening fair value of plan assets	435.53	459.81
Interest income	28.70	34.35
Remeasurement (gains)/losses:		
- Return on plan assets, excluding interest income	(10.25)	(13.14)
Asset transferred to Company on account of employees taken over from group company	-	-
Contributions to the fund	-	-
Benefits paid	(97.70)	(45.49)
Closing fair value of plan assets	356.28	435.53

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

If the discount rate is 100 basis points higher/(lower), the defined benefit obligation would decrease by Rs.21.00 lakhs (increase by Rs. 23.77 lakhs) (as at March 31, 2020: decrease by Rs. 25.61 lakhs (increase by Rs. 29.02 lakhs))

If the expected salary growth increases/(decreases) by 1%, the defined benefit obligation would increase by Rs. 23.06 lakhs (decrease by Rs. 20.94 lakhs) (as at March 31, 2020: increase by Rs. 25.33 lakhs (decrease by Rs. 23.22 lakhs))

If the employee turnover increases/(decreases) by 1%, the defined benefit obligation would decrease by Rs. 1.71 lakhs (increase by Rs. 2.01 lakhs) (as at March 31, 2020: decrease by Rs. 2.44 lakhs (increase by Rs. 2.68 lakhs))

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit asset recognised in the balance sheet.

There was no change in the methods and actuarial assumptions used in preparing the sensitivity analysis from prior years.

g) Breakup of Plan Assets

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Cash and cash equivalents	356.29	385.43
Insurer managed funds	(0.01)	50.10
Total	356.28	435.53

Mumbai Metro One Private Limited
Notes to accounts forming part of financial statements
(Amount in Lakh)

32 Financial instruments

a) Capital management

The company's capital management objectives is to provide an adequate return to shareholders by pricing services commensurately with the level of risk.

The Company is not subject to externally enforced capital regulation.

b) Categories of financial assets and financial liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Financial assets		
Measured at amortised cost:		
Trade receivables	105.30	497.14
Cash and cash equivalents	117.00	5,782.40
Loans	15.98	27.38
Other financial assets	115.61	568.25
Total	353.89	6,875.17
Financial liabilities		
Measured at amortised cost:		
Borrowings	2,35,571.44	2,41,223.31
Trade payables	4,356.14	2,184.84
Other financial liabilities	98,105.84	72,516.83
Total	3,38,033.42	3,15,924.98

c) Financial risk management framework

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

(i) CREDIT RISK

Credit risk management

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The company's business model is such that it works purely on a cash basis for its fare revenue (which is the predominant source of revenue). Therefore there is insignificant credit risk. In case of non fare revenue, the Company has a policy of only dealing with creditworthy counterparties and obtaining sufficient security deposits, where practicable, as a means of mitigating the risk of financial loss from defaults.

(ii) LIQUIDITY RISK

(a) Liquidity risk management

The Company manages liquidity risk by continuously monitoring forecast and actual cash flows. Further, in case of operational cash shortfalls, the Company can obtain short term funding from the holding company.

(b) Maturities of financial liabilities

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table include both interest and principal cash flows. The future cash flows are expected to vary based on future interest rates and foreign exchange rates. The amounts in this disclosure have been derived based on the interest rates and foreign exchange rates at the end of the respective reporting periods. Therefore the actual cash flows are subject to change if there are changes in variable interest rates and foreign exchange rates.

The contractual maturity is based on the earliest date on which the Company may be required to pay.

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Financial liabilities				
31-Mar-21				
Borrowings	2,23,171.93	-	-	75,900.00
Trade payables	4,356.14	-	-	-
Other financial liabilities	97,147.54	89.46	422.39	446.45
Total	3,24,675.61	89.46	422.39	76,346.45
31-Mar-20				
Borrowings	2,30,147.64	-	-	75,900.00
Trade payables	2,184.84	-	-	-
Other financial liabilities	71,569.52	91.06	251.35	604.89
Total	3,03,902.00	91.06	251.35	76,504.89

(iii) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The company is exposed to 2 types of market risks namely currency risk and interest rate risk. The company monitors the risks arising out of these on a regular basis with the help of the holding company treasury team. Further the company may enter into derivatives if the exposure arising out of these risks exceeds significantly.

(a) Currency risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exposure to currency risk relates primarily to the Company's operations and borrowings when transactions are denominated in a different currency from the Company's functional currency.

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Notes to accounts forming part of financial statements
(Amount in Lakh)

Financial Instruments (contd..)

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

Particulars	Currency	As at March 31, 2021		As at March 31, 2020	
		Amounts in foreign currency	Amount	Amounts in foreign currency	Amount
Capital creditors	USD	169.96	12,425.72	168.62	12,758.51
	EUR	9.83	842.50	9.99	827.09
	GBP	0.01	1.24	0.01	1.15
Secured loans	USD	563.56	41,201.54	577.58	43,702.40

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in USD and EUR exchange rates, with all other variables held constant. The impact on the Company's loss before tax and equity is due to changes in the carrying value of monetary assets and liabilities other than secured loans since the exchange differences in respect of these loans are adjusted to the carrying amount of the intangible asset. However these exchange differences will affect future amortisation of the intangible asset. The Company's exposure to foreign currency changes for all other currencies is not material.

Particulars	Currency	Change in rate	Effect on loss before tax and pre-tax equity
March 31, 2021 Based on YOY change between FY2020 & FY2021	USD	+10%	(1,242.57)
	USD	-10%	1,242.57
	EUR	+10%	(84.25)
	EUR	-10%	84.25
March 31, 2020 Based on YOY change between FY2019 & FY2020	USD	+10%	(1,275.85)
	USD	-10%	1,275.85
	EUR	+10%	(82.71)
	EUR	-10%	82.71

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's borrowings with floating interest rates.

Interest rate sensitivity

The sensitivity analyses below have been determined based on exposure to interest rate for variable rate borrowings at the end of reporting period. The analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on variable rate borrowings with all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Interest basis	Increase / decrease in basis points	Effect on loss before tax and pre-tax equity
March 31, 2021	Base rate + Spread	+100	(1,284.13)
	LIBOR	+50	(242.36)
	Base rate + Spread	-100	1,284.13
	LIBOR	-50	242.36
March 31, 2020	Base rate + Spread	+100	(1,328.88)
	LIBOR	+50	(257.07)
	Base rate + Spread	-100	1,328.88
	LIBOR	-50	257.07

Mumbai Metro One Private Limited
Notes to accounts forming part of financial statements
(Amount in Lakh)

33 Tax disclosures

Deferred tax

- (i) Deferred tax asset has not been recognised in relation to accumulated losses and depreciation on consideration of prudence.
- (ii) Unused tax losses

Particulars	As at March 31, 2021	As at March 31, 2020
Unused tax losses on which no deferred tax assets have been recognised are attributable to the following:		
Unabsorbed depreciation	1,69,014.16	1,60,305.76
Accumulated business losses	53,409.16	53,409.16
Total	2,22,423.32	2,13,714.92

Note: The accumulated business losses would start to get expire from 2023. The unabsorbed depreciation can be carried forward indefinitely under the tax laws.

34 Fair value disclosures

The management considers that the carrying amount of financial assets and financial liabilities recognised in the financial statements approximates their fair values because of short term nature of certain financial assets and liabilities. In case of long term financial liabilities from third parties the interest rates are periodically reset to market interest rates. Further in case of the subordinated debt the carrying value and the fair value thereof at the respective reporting dates are reflected below:

Particulars	As at March 31, 2021		As at March 31, 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities at amortised cost				
Subordinated debt from holding company	12,399.51	8,600.49	11,075.67	7,506.82
Total	12,399.51	8,600.49	11,075.67	7,506.82

Note: The above fair value has been categorised into level 3 in the fair value hierarchy. The above fair value has been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant input being the discount rate that reflects the credit risk of the Company.

35 The financial statements were approved by the Board of Directors on May 11, 2021.

Significant accounting policies 3

See accompanying notes forming part of the financial statements.
In terms of our report attached

For and on behalf of Board of Directors

Shubhodoy Mukherjee
Whole-time Director
DIN : 05151334

RA Rajeev I
Director
DIN : 03125952

Virendra Joshi
Chief Financial Officer

Shivprakash Singh
Company Secretary
Membership No. ACS9245

Mumbai, dated: May 11, 2021

