

# KALYANIWALLA & MISTRY LLP

CHARTERED ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REPORT

To The Members of Metro One Operation Private Limited

### Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **Metro One Operation Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Ind AS Financial Statements

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

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

l statements in accordance with the Standards on  
re Act. Those Standards require that we comply  
n the audit to obtain reasonable assurance about  
from material misstatement.



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

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at March 31, 2017, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

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

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

- e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
  - iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 19.

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

**FARHAD M. BHESANIA  
PARTNER  
Membership Number 127355  
Place: Mumbai  
Dated: 12<sup>th</sup> April, 2017**

**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT**

Referred to in in Para I 'Report on Other Legal and Regulatory Requirements' in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended March 31, 2017.

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

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) As explained to us, all fixed assets have not been physically verified by the management during the year but there is a program for physical verification of fixed assets at periodic intervals. In our opinion, the period of verification is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.
  - (c) The Company does not own any immovable property. Accordingly, paragraph 3 (i) (c) of the Order is not applicable.
- 2) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. No discrepancies were noticed on such verification.
- 3) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of sub-clause 3 (iii)(a) (b) and (c) of the Order are not applicable to the Company.
- 4) The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- 5) The Company has not accepted any deposits from the public.
- 6) According to the information and explanations given to us, the maintenance of cost records has not been prescribed by the Central Government under section 148 (1) of the Act, for any of the activities of the Company.

- 7) (a) According to the information and explanations given to us and the records examined by us, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax and other material statutory dues have not been regularly deposited with the appropriate authorities and there have been delays in large number of cases.

As informed to us, sales tax, duty of customs, duty of excise, value added tax and cess is not applicable to the Company.

According to the information and explanations given to us, there are no undisputed dues, payable in respect of above as at March 31, 2017 for a period of more than six months from the date on which they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of books of account and record, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax or cess which have not been deposited on account of any dispute.
- 8) The Company does not have dues to financial institutions, banks, government or debenture holders. Accordingly, paragraph 3(vii) of the Order is not applicable.
- 9) The Company has not raised any funds by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, the paragraph 3 (ix) of the Order is not applicable.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.
- 11) As the Company is a private limited company, provisions of section 197 read with Schedule V to the Companies Act are not applicable. Accordingly, paragraph 3(xi) of the Order is not applicable.
- 12) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- 13) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
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**KALYANIWALLA  
& MISTRY LLP**

- 14) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- 15) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- 16) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

**FARHAD M. BHESANIA**  
**PARTNER**  
**Membership No. 127355**  
Place: Mumbai  
Date: 12<sup>th</sup> April, 2017

## **ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT**

Referred to in in Para 2 (f) 'Report on Other Legal and Regulatory Requirements' in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended March 31, 2017.

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

We have audited the Internal Financial Controls Over Financial Reporting of Metro One Operation Private Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditors' Responsibility**

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

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

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

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

### **Meaning of Internal Financial Controls Over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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



**Opinion**

In our opinion, the Company has, in all material respects, an adequate Internal Financial Controls System Over Financial Reporting and such Internal Financial Controls over Financial Reporting were operating effectively as at March 31, 2017, based on “the Internal Control Over Financial Reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”

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

**FARHAD M. BHESANIA**  
**PARTNER**  
**Membership No.127355**  
**Place: Mumbai**  
**Date: 12<sup>th</sup> April, 2017**

**METRO ONE OPERATION PRIVATE LIMITED**  
**BALANCE SHEET AS AT MARCH 31, 2017**

(INR in '000)

Particulars	Notes	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>ASSETS</b>				
<b>1. Non-current assets</b>				
a. Property, plant and equipment	3	674	1,053	1,380
b. Other intangible assets	4	1	1	36
c. Deferred tax assets (net)	5	22,027	17,971	14,847
d. Other non-current assets	6	52,743	47,752	19,644
		75,445	66,777	35,907
<b>2. Current assets</b>				
a. Inventories	7	6,060	2,151	744
<b>b. Financial Assets</b>				
i. Trade receivables	8a	105,389	74,329	59,822
ii. Cash and cash equivalents	8b	15,665	19,465	18,494
iii. Other financial assets	8c	552	-	-
c. Other current assets	6	5,943	5,926	5,614
		133,609	101,871	84,674
<b>Total Assets</b>		<b>209,054</b>	<b>168,648</b>	<b>120,581</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
a. Equity share capital	9	100	100	100
b. Other equity		16,636	19,442	9,788
		16,736	19,542	9,888
<b>LIABILITIES</b>				
<b>1. Non-current liabilities</b>				
a. Provisions	10	46,719	36,697	31,665
		46,719	36,697	31,665
<b>2. Current liabilities</b>				
<b>a. Financial Liabilities</b>				
Trade payables	11	105,034	74,829	49,366
b. Other current liabilities	12	29,862	28,553	21,757
c. Provisions	10	10,703	9,027	7,905
		145,599	112,409	79,028
<b>Total Equity and Liabilities</b>		<b>209,054</b>	<b>168,648</b>	<b>120,581</b>

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

As per our report of even date

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

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

FARHAD M. BRESANIA  
 PARTNER  
 Membership No.: 127355

ERIC LABARTETTE  
 MANAGING DIRECTOR  
 DIN: 07048836

SATISH KUMAR MISHRA  
 DIRECTOR  
 DIN: 03538005

Place: Mumbai  
 Date: 12 APR 2017

Place: Mumbai  
 Date: 12 APR 2017



**METRO ONE OPERATION PRIVATE LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017**

(INR in '000)

Particulars	Note	Year ended March 31, 2017	Year ended March 31, 2016
Revenue from operations	13	620,040	557,588
Other Income	14	1,575	1,419
<b>Total income</b>		<b>621,615</b>	<b>559,007</b>
<b>Expenses</b>			
Employee benefits expense	15	311,997	290,948
Operation, maintenance and other expenses	16	279,061	238,220
Depreciation and amortisation expenses		676	731
<b>Total expenses</b>		<b>591,734</b>	<b>529,899</b>
<b>Profit / (loss) before tax</b>		<b>29,881</b>	<b>29,108</b>
Tax expense			
- Current tax		(16,098)	(14,699)
- Deferred tax		3,318	3,268
- Income tax for earlier years		-	229
		(12,780)	(11,202)
<b>Profit after tax</b>		<b>17,101</b>	<b>17,906</b>
<b>Other comprehensive income</b>			
<b>i. Items that will not be reclassified to profit or loss</b>			
Remeasurements of net defined benefit plans : Gains / (Loss)		(2,229)	437
<b>ii. Income tax relating to items that will not be reclassified to profit or loss</b>			
Deferred tax assets on actuarial gains/losses transferred to Other comprehensive income		737	(144)
<b>Other comprehensive income/(loss)</b>		<b>(1,492)</b>	<b>293</b>
<b>Total comprehensive income / (loss) for the period</b>		<b>15,609</b>	<b>18,199</b>
		<b>INR</b>	<b>INR</b>
<b>Earnings per equity share for profit to Owners of Metro One Operation Private Limited</b>			
Basic earnings per share		1,560.90	1,819.92
Diluted earnings per share		1,560.90	1,819.92

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

As per our report of even date

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

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

FARHAD M. BHESANIA  
 PARTNER  
 Membership No.: 127355

ERIC LABARTETTE  
 MANAGING DIRECTOR  
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 DIRECTOR  
 DIN: 03538005

Place: Mumbai  
 Date: 12 APR 2017

Place: Mumbai  
 Date: 12 APR 2017



**METRO ONE OPERATION PRIVATE LIMITED**  
**CASH FLOW STATEMENT AS AT MARCH 31, 2017**

(INR in '000)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
<b>Cash flow from operating activities</b>		
<b>Profit before income tax from</b>		
Continuing operations	29,881	29,108
<b>Profit before income tax from continuing operations</b>	<b>29,881</b>	<b>29,108</b>
<b>Adjustments for:</b>		
Depreciation (Net of transfer from reserves)	676	731
Provisions/Liabilities written back	-	(1,406)
Other adjustment through OCI	(2,229)	437
<b>Change in operating assets and liabilities, net of effects from purchase of controlled entities and sale of subsidiary</b>		
(Increase)/decrease in financial assets - Trade receivables	(31,060)	(14,506)
(Increase)/decrease in Other non - current assets	(1,492)	(4,000)
(Increase)/decrease in Other current assets	(17)	(311)
(Increase)/decrease in Other financial assets	(552)	-
(Increase)/decrease in Inventory	(3,909)	(1,407)
Increase/(decrease) in financial liabilities -Trade payables	30,204	26,868
Increase/(decrease) in Other non-current liabilities	10,022	5,032
Increase/(decrease) in Other current liabilities	1,309	6,795
Increase/(decrease) in Provisions	1,676	1,121
<b>Cash generated from operations</b>	<b>34,509</b>	<b>48,462</b>
Income taxes paid	(19,597)	(38,577)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>14,912</b>	<b>9,885</b>
<b>Cash flows from investing activities</b>		
Payments for acquisition of property, plant and equipment	(297)	(369)
<b>Net cash inflow/(outflow) from investing activities</b>	<b>(297)</b>	<b>(369)</b>
<b>Cash flow from financing activities</b>		
Dividends paid to company's shareholders including tax	(18,415)	(8,545)
<b>Net cash inflow/(outflow) from financing activities</b>	<b>(18,415)</b>	<b>(8,545)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(3,800)</b>	<b>971</b>
Cash and cash equivalents at the beginning of the financial year	19,465	18,494
<b>Cash and cash equivalents at end of the year</b>	<b>15,665</b>	<b>19,465</b>
Cash and cash equivalents as per above comprise of the following		
Cash in hand	1,422	976
Balances with banks in current accounts	14,243	18,489
<b>Balances as per statement of cash flows</b>	<b>15,665</b>	<b>19,465</b>

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

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

As per our report of even date

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

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

**FARHAD M. BHESANIA**  
**PARTNER**  
Membership No.: 127355

**ERIC LABARTETTE**  
**MANAGING DIRECTOR**  
DIN: 07048836

**SATISH KUMAR MISHRA**  
**DIRECTOR**  
DIN: 03538005

Place: Mumbai  
Date: 12 APR 2017

Place: Mumbai  
Date: 12 APR 2017

**METRO ONE OPERATION PRIVATE LIMITED**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2017**

**A. EQUITY SHARE CAPITAL**

(INR in '000)

Particulars	Balance at the beginning of the year / half year	Changes in equity share capital during the year / half year	Balance at the end of the year / half year
For the year ended April 1, 2015	100	-	100
For the year ended March 31, 2016	100	-	100
For the year ended March 31, 2017	100	-	100

**B. OTHER EQUITY**

(INR in '000)

Particulars	Reserves and Surplus
	Retained Earning
<b>As at April 1, 2014</b>	417
Profit / (Loss) for the year	9,574
Other comprehensive income for the year	(203)
<b>Total comprehensive income for the year</b>	<b>9,371</b>
<b>Transaction with owners in their capacity as owners :</b>	
Dividend Paid	-
	-
<b>Balance at March 31, 2015</b>	<b>9,788</b>
<b>Balance at April 01, 2015</b>	<b>9,788</b>
Profit / (Loss) for the year	17,906
Other comprehensive income for the year	293
<b>Total comprehensive income for the year</b>	<b>18,199</b>
<b>Transaction with owners in their capacity as owners :</b>	
Dividend Paid	(8,545)
	(8,545)
<b>Balance at March 31, 2016</b>	<b>19,442</b>
<b>Balance at April 01, 2016</b>	<b>19,442</b>
Profit / (Loss) for the year	17,101
Other comprehensive income for the year	(1,492)
<b>Total comprehensive income for the half year</b>	<b>15,609</b>
<b>Transaction with owners in their capacity as owners :</b>	
Dividend Paid	(18,415)
	(18,415)
<b>Balance at March 31, 2017</b>	<b>16,636</b>

As per our report of even date

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

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

FARHAD M. BHESANIA  
 Partner  
 Membership No.: 127355

ERIC LABARTETTE  
 MANAGING DIRECTOR  
 DIN: 07048836

SATISH KUMAR MISHRA  
 DIRECTOR  
 DIN: 03538005

Place: Mumbai  
 Date: 12 APR 2017

Place: Mumbai  
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Metro One Operation Private Limited  
Notes to the Financial Statements

Note 3: Property, plant and equipment

(INR in '000)

Particulars	Plant and Equipment	Furniture and Fixtures	Office Equipment	Computers	Total
<b>Year ended March 31, 2015</b>					
Gross carrying amount					
Deemed cost as at April 1, 2014	573	149	267	114	1,103
Additions	666	106	66	56	894
Disposals	-	-	-	-	-
<b>Closing gross carrying amount</b>	<b>1,239</b>	<b>255</b>	<b>333</b>	<b>170</b>	<b>1,997</b>
<b>Accumulated depreciation</b>					
Depreciation charge during the year	322	64	151	80	617
<b>Closing accumulated depreciation</b>	<b>322</b>	<b>64</b>	<b>151</b>	<b>80</b>	<b>617</b>
<b>Net carrying amount as at March 31, 2015</b>	<b>917</b>	<b>191</b>	<b>182</b>	<b>90</b>	<b>1,380</b>
<b>Year ended March 31, 2016</b>					
Gross carrying amount					
Deemed cost as at April 1, 2015	917	191	182	90	1,380
Additions	320	-	12	37	369
Disposals	-	-	-	-	-
<b>Closing gross carrying amount</b>	<b>1,237</b>	<b>191</b>	<b>194</b>	<b>127</b>	<b>1,749</b>
<b>Accumulated depreciation</b>					
Depreciation charge during the year	437	72	130	57	696
<b>Closing accumulated depreciation</b>	<b>437</b>	<b>72</b>	<b>130</b>	<b>57</b>	<b>696</b>
<b>Net carrying amount as at March 31, 2016</b>	<b>800</b>	<b>119</b>	<b>64</b>	<b>70</b>	<b>1,053</b>
<b>Year ended March 31, 2017</b>					
Gross carrying amount					
Opening gross carrying amount	800	119	64	70	1,053
Additions	247	-	-	50	297
Disposals	-	-	-	-	-
<b>Closing gross carrying amount</b>	<b>1,047</b>	<b>119</b>	<b>64</b>	<b>120</b>	<b>1,350</b>
<b>Accumulated depreciation and impairment</b>					
Depreciation charge during the year	516	47	59	54	676
<b>Closing accumulated depreciation</b>	<b>516</b>	<b>47</b>	<b>59</b>	<b>54</b>	<b>676</b>
<b>Net carrying amount as at March 31, 2017</b>	<b>531</b>	<b>72</b>	<b>5</b>	<b>66</b>	<b>674</b>

Note 4: Intangible assets

(INR in '000)

Particulars	Computer software
<b>Year ended 31 March 2015</b>	
Gross carrying amount	
Deemed cost as at 1 April 2014	160
Additions	-
<b>Closing gross carrying amount</b>	<b>160</b>
<b>Accumulated amortisation</b>	
Amortisation charge for the year	124
<b>Closing accumulated amortisation</b>	<b>124</b>
<b>Closing net carrying amount as at March 31, 2015</b>	<b>36</b>
<b>Year ended 31 March 2016</b>	
Gross carrying amount	
Deemed cost as at 1 April 2015	36
Additions	-
<b>Closing gross carrying amount</b>	<b>36</b>
<b>Accumulated amortisation</b>	
Amortisation charge for the year	35
<b>Closing accumulated amortisation</b>	<b>35</b>
<b>Closing net carrying amount as at March 31, 2016</b>	<b>1</b>
<b>Year ended 31 March 2017</b>	
Gross carrying amount	
Opening gross carrying amount	1
Additions	-
<b>Closing gross carrying amount</b>	<b>1</b>
<b>Accumulated amortisation</b>	
Amortisation charge for the year	-
<b>Closing accumulated amortisation</b>	<b>-</b>
<b>Closing net carrying amount as at March 31, 2017</b>	<b>1</b>

**Metro One Operation Private Limited**  
**Notes to the Financial Statements**

**Note 5: Income and deferred taxes**

**(i) Income tax expense**

(INR in '000)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
<b>(a) Income tax expense</b>			
<i>Current tax</i>			
Current tax on profits for the year	16,098	14,699	9,426
Adjustments for current tax of prior periods	-	(229)	-
<b>Total current tax expense</b>	<b>16,098</b>	<b>14,470</b>	<b>9,426</b>
<i>Deferred tax</i>			
Decrease/(increase) in deferred tax assets	(3,319)	(3,269)	(5,273)
(Decrease)/increase in deferred tax liabilities	-	-	-
<b>Total deferred tax expense/(benefit)</b>	<b>(3,319)</b>	<b>(3,269)</b>	<b>(5,273)</b>
<b>Income tax expense</b>	<b>12,779</b>	<b>11,201</b>	<b>4,153</b>
<b>Income tax expense is attributable to:</b>			
Profit from continuing operations	<b>12,779</b>	<b>11,201</b>	<b>4,153</b>

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

(INR in '000)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Profit from continuing operations before income tax expense	29,881	29,108	13,727
Indian tax Rate	33.063	33.063	32.445
<b>Tax at the Indian tax rate</b>	<b>9,880</b>	<b>9,624</b>	<b>4,454</b>
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:			
Adjustments for current tax of prior periods	6,218	5,075	419
Tax effect due to deferred tax on account of timing difference	-	(229)	-
Adjustment for MAT tax credit for previous year	(3,319)	(3,269)	(5,370)
	-	-	4,651
<b>Income tax expense</b>	<b>12,779</b>	<b>11,201</b>	<b>4,154</b>

**(iii) Movement in deferred tax balances:**

(INR in '000)

Particulars	Unabsorbed losses (including depreciation)	Provisions	Total
<b>At April 01, 2015</b>			<b>14,847</b>
(Charged)/credited:			
- to profit or loss	100	3,169	3,269
- to other comprehensive income		(145)	(145)
- Deferred tax on basis adjustment			
<b>At March 31, 2016</b>	<b>100</b>	<b>3,024</b>	<b>17,971</b>
(Charged)/credited:			
- to profit or loss	84	3,235	3,319
- to other comprehensive income		737	737
- Deferred tax on basis adjustment			
<b>At March 31, 2017</b>	<b>84</b>	<b>3,972</b>	<b>22,027</b>

**Metro One Operation Private Limited**  
**Notes to the Financial Statements**

**Note 6: Other assets**

(INR in '000)

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
Prepaid Expenses	4,970	-	4,879	-	4,004	-
Advance Tax and Tax deducted at source (net of provision for tax)	-	47,251	-	43,752	-	19,644
Advance to Employees	393	-	509	-	92	-
Advances recoverable in kind or for value to be received	580	5,492	538	4,000	1,518	-
<b>Total</b>	<b>5,943</b>	<b>52,743</b>	<b>5,926</b>	<b>47,752</b>	<b>5,614</b>	<b>19,644</b>

**Note 7: Inventories**

(INR in '000)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Stores and Spares (valued at cost or NRV, whichever is lower)	6,060	2,151	744
<b>Total</b>	<b>6,060</b>	<b>2,151</b>	<b>744</b>

**Note 8: Financial assets**

**8(a) Trade receivables**

(INR in '000)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Unsecured, considered good			
Receivables from related parties	105,389	74,329	59,822
Less: Allowance for doubtful debts	-	-	-
<b>Total</b>	<b>105,389</b>	<b>74,329</b>	<b>59,822</b>

**8(b) Cash and cash equivalents**

(INR in '000)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Balances with banks in -			
Current Account	14,243	18,489	18,117
Cash on hand (including float money at stations)	1,422	976	377
<b>Total</b>	<b>15,665</b>	<b>19,465</b>	<b>18,494</b>

**8(c) Other financial assets**

(INR in '000)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Unbilled Revenue	552	-	-
<b>Total</b>	<b>552</b>	<b>-</b>	<b>-</b>



**Metro One Operation Private Limited**  
**Notes to the Financial Statements**

**Note 9: Equity share capital and other equity**

(INR in '000)

Authorised equity share capital	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
10,00,000 (March 31, 2016: 10,00,000; April 1, 2015: 10,00,000) Equity Shares of INR 10 each	10,000	10,000	10,000
<b>Total authorised equity share capital</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>
Issued, Subscribed and fully paid-up shares	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
10,000 (March 31, 2016: 10,000; April 1, 2015: 10,000) Equity Shares of INR10 each	100	100	100
<b>Total Issued, Subscribed and fully paid-up shares</b>	<b>100</b>	<b>100</b>	<b>100</b>

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

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of shares	INR	No. of shares	INR	No. of shares	INR
Equity Shares -						
At the beginning of the year	10,000	100	10,000	100	10,000	100
Outstanding at the end of the year	10,000	100	10,000	100	10,000	100

**Terms / rights attached to Equity shares**

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

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

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of shares held	% holding in the class	No. of shares held	% holding in the class	No. of shares held	% holding in the class
Name of the shareholders						
RATP Dev Transdev India Private Limited (formerly Veolia Transport RATP India Private Limited)	6,300	63%	6,300	63%	6,300	63%
Reliance Infrastructure Limited	3,000	30%	3,000	30%	3,000	30%
ARY, SAS	700	7%	700	7%	700	7%

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

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

**Metro One Operation Private Limited**  
**Notes to the Financial Statements**

**Note 10: Provisions**

(INR in '000)

Particulars	As at		As at		As at	
	March 31, 2017		March 31, 2016		April 1, 2015	
	Current	Non-current	Current	Non-current	Current	Non-current
Provision for Employee Benefits						
Retention Bonus	6,522	5,116	6,359	7,111	5,688	8,031
Leave encashment	4,181	21,936	2,668	16,436	1,936	13,923
Gratuity	-	19,667	-	13,150	281	9,711
<b>Total</b>	<b>10,703</b>	<b>46,719</b>	<b>9,027</b>	<b>36,697</b>	<b>7,905</b>	<b>31,665</b>

**Note 11: Trade payables**

(INR in '000)

Particulars	As at	As at	As at
	March 31, 2017	March 31, 2016	April 1, 2015
Total outstanding dues to micro and small enterprises (Refer Note 20)	-	-	-
Total outstanding dues to related parties	17,073	16,158	1,714
Total outstanding dues to others	87,961	58,671	47,652
<b>Total</b>	<b>105,034</b>	<b>74,829</b>	<b>49,366</b>

**Note 12: Other current liabilities**

(INR in '000)

Particulars	As at	As at	As at
	March 31, 2017	March 31, 2016	April 1, 2015
TDS payable	4,577	3,612	3,131
PF Payable	2,330	2,136	2,084
Service Tax Payable	13,102	12,414	9,561
Others	9,853	10,391	6,981
<b>Total</b>	<b>29,862</b>	<b>28,553</b>	<b>21,757</b>

**Metro One Operation Private Limited**  
**Notes to the Financial Statements**

**Note 13: Revenue from operations**

**(INR in '000)**

<b>Particular</b>	<b>For the year ended March 31, 2017</b>	<b>For the year ended March 31, 2016</b>
<b>Revenue from Operations</b>		
Fees for O & M services	620,040	557,588
<b>Total</b>	<b>620,040</b>	<b>557,588</b>

**Note 14: Other income**

**(INR in '000)**

<b>Particular</b>	<b>For the year ended March 31, 2017</b>	<b>For the year ended March 31, 2016</b>
Interest income on income tax refund	1,570	-
Liabilities written back	5	1,419
<b>Total</b>	<b>1,575</b>	<b>1,419</b>

**Metro One Operation Private Limited**  
**Notes to the Financial Statements**

**Note 15: Employee benefit expense**

**(INR in '000)**

Particulars	For the year ended	For the year ended
	March 31, 2017	March 31, 2016
Salaries, and Bonus	275,658	256,057
Contributions to provident fund	14,524	13,722
Company Contribution - ESIC	571	432
Company Contribution - MLWF	32	32
Gratuity Expenses (Refer Note 21)	5,030	5,200
Staff Welfare expenses	16,182	15,505
<b>Total</b>	<b>311,997</b>	<b>290,948</b>

**Note 16: Operation, maintenance and other expenses**

**(INR in '000)**

Particulars	For the year ended	For the year ended
	March 31, 2017	March 31, 2016
Consumption of stores and spares	24,688	6,623
Technical Services	25,576	23,995
Commercial Fee	15,944	16,412
Maintenance sub-contracts	119,541	106,235
Marketing & Sales expenses	8,130	4,247
Training and Recruitment expenses	2,352	2,804
Communication	2,928	2,443
Travelling and conveyance	22,641	20,072
Printing and stationery	2,768	4,174
Subcontracting - employees	49,308	43,873
Legal and professional charges	1,761	1,096
Payment to Auditors (Refer note below)	960	750
Security Expenses	389	253
Miscellaneous expenses	2,075	5,243
<b>Total</b>	<b>279,061</b>	<b>238,220</b>

**Note: Payments to auditors**

Particulars	For the year ended	For the year ended
	March 31, 2017	March 31, 2016
- Statutory audit	700,000	650,000
- Tax audit	110,000	100,000
- Other service	150,000	-

## **Corporate information**

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

### **Note 1: Significant accounting policies**

#### **(a) Basis of preparation**

##### **(i) Compliance with Ind AS**

The financial statements comply in all material aspects with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. The financial statements up to year ended March 31, 2016 were prepared in accordance with the accounting standards notified under the Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act. These financial statements are the first financial statements under Ind AS. Refer note 25 for an explanation of how the transition from previous GAAP to Ind AS has affected the financial position, financial performance and cash flows.

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

##### **(ii) Historical cost convention**

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

#### **(b) Current versus non-current classification**

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

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

**(c) Foreign currency translation**

**(i) Functional and presentation currency**

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

**(ii) Transactions and balances**

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

**(d) Revenue recognition**

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

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

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

**(e) Income tax**

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

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

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

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

**Metro One Operation Private Limited**  
**Notes to the financial statements**

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

**(f) Impairment of non-financial assets**

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

**(g) Cash and cash equivalents**

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

**(h) Trade receivables**

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

**(i) Inventories**

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

**(j) Offsetting financial instruments**

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

**(k) Property, plant and equipment**

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

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

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

*Transition to Ind AS*

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

*Depreciation methods, estimated useful lives and residual value*

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

<b>Particulars</b>	<b>Estimated Useful life</b>
Computers	3 years
Office Equipment	3 years
Furniture and Fixtures	5 years
Plant and Machinery	5 years

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

- The useful lives of office equipment are estimated as 3 years, which is lower than those indicated in Schedule II.
  - Furniture and fixtures are depreciated over the estimated useful life ranging from 5 years to 7 years, which is lower than that indicated in Schedule II.
  - The useful lives of plant and machinery are estimated as 5 years, which is lower than those indicated in Schedule II.
- ii. Computer software is amortized over a period of three years.
- iii. Depreciation is provided from the date of purchase/installation and till the date of sale/disposal.



**(l) Intangible assets**

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

*Transition to Ind AS*

On transition to Ind AS, the group has elected to continue with the carrying value of all of intangible assets recognised as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets in accordance with the stipulation of Ind AS 101 "First Time Adoption of Indian Accounting standards"

**(m) Trade and other payables**

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

**(n) Provisions**

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

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

**(o) Employee benefits**

**(i) Short-term obligations**

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

**(ii) Other long-term employee benefit obligations**

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

**Metro One Operation Private Limited**  
**Notes to the financial statements**

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

**(iii) Post-employment obligations**

The company operates the following post-employment schemes:

- (a) Defined Benefit plans such as
- gratuity

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

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

*(b) Defined Contribution plan*

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

**(p) Impairment of non-financial assets**

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

**(q) Dividends**

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

**(r) Earnings per share**

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

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

**(s) Contingent liabilities**

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

**Note 2: Significant Accounting Judgements, estimates and Assumptions**

The preparation of financial statements normally requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the accounting policies.

However, given the nature of business of the Company, there are no areas that involved a higher degree of judgement or complexity, for items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the group and that are believed to be reasonable under the circumstances.

**Metro One Operation Private Limited**  
**Notes to the financial statements**

17. Contingent liabilities

(INR in '000)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Contingent liabilities- claims against the company not acknowledged as debts These include:			
a. Claim From clients	4,880	4,880	-

Notes:

- The company does not expect any reimbursement in respect of the above contingent liabilities
- It is not practicable to estimate the timing of cash flows, if any, in respect of matters above, pending resolution of the arbitration / appellate proceedings.

18. Proposed Dividend

The company has proposed dividend of INR (in '000) 11,000 (*Previous year : INR (in '000) 15,300*) to equity shareholders out of current year's profit.

19. Specified Bank Notes Disclosure(SBNs)

In accordance with the MCA notification G.S.R 308(E) dated March 30, 2017 details of Specified Bank Notes (SBNs) and Other Denomination Notes (ODN) held and transacted during the period from November 8, 2016 to December 30, 2016 is given below:

Particulars	Specified Bank Notes	Other Denomination notes	Total (INR in '000)
Closing cash in hands as on 08.11.2016	Nil	1,353	1,353
(+) Permitted Receipts	Nil	347	347
(-) Permitted Payments	Nil	292	292
(-) Amount Deposited in Bank	Nil	-	-
Closing cash in hand as on 30.12.2016	Nil	1,408	1,408

**Metro One Operation Private Limited**  
**Notes to the financial statements**

20. There are no dues to small scale industries or micro, small and medium enterprises. This information has been determined to the extent such parties have been indentified on the basis of information available with the Company. This has been relied upon by the auditors.

(INR in '000)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Dues remaining unpaid	NIL	NIL	NIL
Principal	NIL	NIL	NIL
Interest	NIL	NIL	NIL
Interest paid in terms of Section 16 of MSMED Act	NIL	NIL	NIL
Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year but without adding the interest specified under the MSMED Act	NIL	NIL	NIL

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

The Company has classified various employee benefits as under:

A. Defined contribution plans

a. Provident Fund

b. State defined contribution plan

- Employers' Contribution to Employees' Pension Scheme, 1995

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

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

B. Defined Benefit Plan

a. Gratuity

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

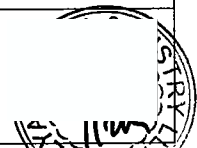
Sr. No	Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(i)	Discount rate (per annum)	7.15%	8.00%	7.95%
(ii)	Rate of increase in compensation levels	7.50%	7.50%	7.50%
(iii)	Rate of return on Plan Assets	0%	0%	0%
(iv)	Employee Turnover rate	4%	4%	4%

**Metro One Operation Private Limited**  
**Notes to the financial statements**

The amounts recognized in the financial statements are as under:

(INR in '000)

	Particulars	Gratuity		
		2016-17	2015-16	2014-15
<b>I</b>	<b>Change in present value of obligation</b>			
	Opening Balance of present value of Obligation	13,150	9,994	5,670
	Interest cost	1,021	1,106	787
	Current service cost	4,461	4,058	3,237
	Benefit paid	(742)	(1,607)	-
	Actuarial (gain) / loss	2,070	(401)	300
	Closing Balance of present value of Obligation	19,960	13,150	9,994
<b>II</b>	<b>Changes in Fair value of plan assets</b>			
	Opening Balance of present value of Plan Assets	4,035	-	-
	Expected return on Plan assets	452	-	-
	Contributions	2,134	5,606	-
	Benefit paid	(742)	(1,607)	-
	Actuarial (gain) / loss on Plan Assets	(159)	36	-
	Closing Balance of Fair value of plan assets net of pending transfer	5,720	4,035	-
<b>III</b>	<b>Percentage of each category of Plan assets to total fair value of Plan assets as at March 31</b>	%	%	%
	Govt. Of India Securities	-	-	-
	Corporate Bonds	-	-	-
	Special Deposit Scheme	-	-	-
	Equity Shares of Listed Companies	-	-	-
	Property	-	-	-
	Insurer Managed Funds	100%	100%	-
	Others	-	-	-
<b>IV</b>	<b>Reconciliation of Present Value of Defined Present Obligations and the fair Value of Assets</b>			



**Metro One Operation Private Limited**  
**Notes to the financial statements**

	Closing Balance of Present Value of Obligation	19,960	13,150	9,994
	Closing Balance of Fair value of plan assets net of pending transfer	5,720	4,035	-
	(Assets)/Liability recognised in the Balance Sheet	14,240	9,115	9,994
<b>V</b>	<b>Amount Recognised in the Balance Sheet</b>			-
	Closing Balance of Present Value of Obligation	19,960	13,150	9,994
	Closing Balance of Fair value of plan assets net of pending transfer	-	-	-
	Unfunded Liabilities recognized in the Balance Sheet	19,960	13,150	9,994
<b>VI</b>	<b>Expenses Recognised in Profit and Loss Account</b>			
	Current service cost	4,461	4,058	3,237
	Interest cost	569	1,106	787
	Expected return on plan assets	-	-	-
	Net actuarial (gain) / loss to be recognized	-	(437)	300
	Expenses recognized in Profit and Loss Account	5,030	4,727	4,324
<b>VII</b>	<b>Experience adjustments</b>			
	On Plan Liabilities	2,070	(316)	(804)
	On Plan Assets	159	36	-
	Total Experience Adjustments	2,229	(280)	(804)
<b>VIII</b>	<b>Expected Employer's Contribution for the next year</b>	4,000	4,000	282

The Company has partly funded the closing balance of present value of obligations to the extent of INR (in '000) 5,720 and the balance of INR (in '000) 14,240 is unfunded.

**22. Related Party Disclosure:**

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

A	Ultimate Holding Company	RATP Developement SA
B	Holding Company:	RATP Dev Transdev India Private Limited (formerly Veolia Transport RATP India Private Limited)
C	Company having substantial interest	Reliance Infrastructure Limited
D	Subsidiary of Company having substantial Interest	Mumbai Metro One Private Limited
E	Key Management Personnel:	Mr. Eric Labartette, Managing Director

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

(INR in ‘000)

Particulars		Ultimate Holding Company	Holding Company	Company having substantial interest	Subsidiary of Company having substantial interest	Key Managerial Personnel
<b>(a) Statement of Profit and Loss Heads:</b>						
<b>(I) Income</b>						
(i) Fees for Operation and Maintenance Services	2016-17 2015-16	- -	- -	- -	620,040 557,588	- -
<b>(II) Expenses</b>						
(i) Operating Expenses	2016-17 2015-16	- -	41,520* 40,408	165 263	- -	- -
(ii) Managerial Remuneration	2016-17 2015-16	- -	- -	- -	- -	25,401* 23,586
<b>(b) Balance Sheet Heads (Closing Balances):</b>						
(i) Trade Payables	2016-17 2015-16 2014-15	- - -	170,73 161,58 741	- - 973	- - -	- - -
(ii) Trade Receivables	2016-17 2015-16 2014-15	- - 267	- - -	- - -	105,388 74,328 59,555	- - -
(iii) Prepaid Expenses	2016-17 2015-16 2014-15	- - -	1,316 1,205 11,46	- - -	- - -	- - -

\* Includes reimbursement of amount paid of INR (in ‘000) 25,401 in relation to key managerial personnel which is disclosed separately as mentioned above.





### 23. Earnings Per Share

(INR in '000)

Particulars	For the Year ended March 31, 2017	For the Year ended March 31, 2016
Net Profit / (Loss) as per Statement of Profit & Loss	15,609	18,199
Equity shares outstanding during the year (Nos.)	10,000	10,000
Basic & Diluted earnings per share in INR (Nominal Value of shares INR 10 each; <i>Previous year : INR10 each</i> )	1560.90	1819.92

### 24. I. Financial Risk Management

#### a. Categories of financial assets and financial liabilities

(INR in '000)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Financial Assets</b>			
Trade receivables	105,389	74,329	59,822
Cash and Cash equivalents	15,665	19,465	18,494
Unbilled Income	552	-	-
<b>Total Financial Assets</b>	<b>121,606</b>	<b>93,794</b>	<b>78,316</b>
<b>Financial Liabilities</b>			
Trade Payable	105,034	74,829	49,366
<b>Total Financial Liabilities</b>	<b>105,034</b>	<b>74,829</b>	<b>49,366</b>

#### b. Financial risk management

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

##### A. Credit Risk

###### Credit risk management

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

## **B. Liquidity Risk**

### **i. Liquidity risk management**

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

### **ii. Maturity of financial liabilities**

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

## **C. Market Risk**

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

## **II. Capital Management**

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

### **Note 25: First time adoption of Ind AS**

#### **Transition to Ind AS**

The financial statements are prepared in accordance with Ind AS.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended March 31, 2017, the comparative information presented in these financial statements for the year ended March 31, 2016 and in the preparation of an opening Ind AS balance sheet at April 1, 2015 (date of transition). In preparing its opening Ind AS balance sheet, the company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP or IGAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the financial position, financial performance and cash flows is set out in the following tables and notes.

#### **A. Exemptions and exceptions availed**

In preparing these Ind AS financial statements, the group has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity). This note explains the adjustments made by the group in restating its previous GAAP financial statements, including the Balance Sheet as at April 1, 2015 and the financial statements as at and for the year ended March 31, 2016.

**Metro One Operation Private Limited**  
**Notes to the financial statements**

**A.1 Ind AS optional exemptions**

**A1.3. Deemed cost**

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

**B. Reconciliations between previous GAAP and Ind AS**

Ind AS 101 requires the group to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

**Reconciliation of equity as at date of transition (April 1, 2015)** (INR in '000)

Particulars	Notes to first-time adoption	Regrouped previous GAAP*	Adjustments	Ind AS
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment		1,380	-	1,380
Other intangible assets		36	-	36
Deferred tax assets (net)		14,847	-	14,847
Other non - current assets		19,644	-	19,644
		<b>35,907</b>	<b>-</b>	<b>35,907</b>
<b>Current assets</b>				
Inventories		744	-	744
Financial Assets				
- Trade receivables		59,822	-	59,822
- Cash and cash equivalents		18,494	-	18,494
Other current assets		5,614	-	5,614
		<b>84,674</b>	<b>-</b>	<b>84,674</b>
<b>Total Assets</b>		<b>120,581</b>	<b>-</b>	<b>120,581</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Equity share capital		100	-	100
Other equity	1	1,234	8,554	9,788
		<b>1,334</b>	<b>8,554</b>	<b>9,888</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Provisions		31,665	-	31,665
		<b>31,665</b>	<b>-</b>	<b>31,665</b>
<b>Current liabilities</b>				
<b>Financial Liabilities</b>				
Trade payables		49,366	-	49,366
Other current liabilities		21,757	-	21,757
Provisions		16,459	(8,554)	7,905
		<b>87,582</b>	<b>(8,554)</b>	<b>79,028</b>
<b>Total Equity and Liabilities</b>		<b>120,581</b>		<b>120,581</b>



**Metro One Operation Private Limited**  
**Notes to the financial statements**

Reconciliation of equity as at March 31, 2016

(INR in '000)

Particulars	Notes to first-time adoption	Regrouped previous GAAP*	Adjustments	Ind AS
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment		1,053	-	1,053
Other intangible assets		1	-	1
Deferred tax assets (net)		17,971	-	17,971
Other non-current assets		47,752	-	47,752
		<b>66,777</b>	<b>-</b>	<b>66,777</b>
<b>Current assets</b>				
Inventories		2,151	-	2,151
Financial Assets				
- Trade receivables		74,329	-	74,329
- Cash and cash equivalents		19,465	-	19,465
Current Tax Assets (Net)				
Other current assets		5,926	-	5,926
		<b>101,871</b>	<b>-</b>	<b>101,871</b>
<b>Total Assets</b>		<b>168,648</b>	<b>-</b>	<b>168,648</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Equity share capital		100	-	100
Other equity	1	1,027	18,415	19,442
		<b>1,127</b>	<b>18,415</b>	<b>19,542</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Provisions		36,697	-	36,697
		<b>36,697</b>	<b>-</b>	<b>36,697</b>
<b>Current liabilities</b>				
<b>Financial Liabilities</b>				
Trade payables		74,829	-	74,829
Other current liabilities		28,553	-	28,553
Provisions	1	27,442	(18,415)	9,027
		<b>130,824</b>	<b>(18,415)</b>	<b>112,409</b>
<b>Total Equity and Liabilities</b>		<b>168,648</b>	<b>-</b>	<b>168,648</b>

**Metro One Operation Private Limited**  
**Notes to the financial statements**

**Reconciliation of total comprehensive income for the year ended 31st March, 2016**

INR in '000

Particulars	Notes to first-time adoption	Regrouped previous GAAP*	Adjustments	Ind AS
Revenue from operations		557,588	-	557,588
Other Income		1,419	-	1,419
<b>Total income</b>		<b>559,007</b>	<b>-</b>	<b>559,007</b>
<b>Expenses</b>				
Employee benefits expense	2	290,511	437	290,948
Operation, maintenance and other		238,220	-	238,220
Depreciation and amortisation expense		731	-	731
<b>Total expenses</b>		<b>529,462</b>	<b>437</b>	<b>529,899</b>
<b>Profit before tax</b>		<b>29,545</b>	<b>437</b>	<b>29,108</b>
Income tax expense				
- Current tax		(14,699)	-	(14,699)
- Deferred tax	2	3,124	144	3,268
- Income tax for earlier years		229	-	229
		(11,346)	144	(11,202)
<b>Profit after tax</b>		<b>18,199</b>		<b>17,906</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>293</b>	<b>293</b>
<b>Total comprehensive income</b>		<b>18,199</b>		<b>18,199</b>

Particulars	Notes to first time adoption	March 31, 2016	April 1, 2015
Total equity (shareholder's funds) as per previous GAAP		1,127	1,334
<b>Adjustments:</b>			
Add: Proposed Dividend including tax	1	18,415	8,554
<b>Total adjustments</b>		<b>18,415</b>	<b>8,554</b>
<b>Total equity as per Ind AS</b>		<b>19,542</b>	<b>9,888</b>

**Reconciliation of total comprehensive income for the year ended March 31, 2016**

(INR in '000)

Particulars	Notes to first time adoption	March 31, 2016
Profit after tax as per previous GAAP		18,199
<b>Adjustments:</b>		
Actuarial gain / loss	2	(293)
<b>Total adjustments</b>		<b>(293)</b>
<b>Profit after tax as per Ind AS</b>		<b>17,906</b>
<b>Other comprehensive income</b>		<b>293</b>
<b>Total comprehensive income as per Ind AS</b>		<b>18,199</b>

**Impact of Ind AS adoption on the financial statements of cash flows for the year ended 31 March 2016**

	Notes	previous GAAP	Adjustments	Ind AS
Net cash flow from operating activities		9,885	-	9,885
Net cash flow from investing activities		(369)	-	(369)
Net cash flow from financing activities		(8,545)	-	(8,545)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>971</b>	<b>-</b>	<b>971</b>
Cash and cash equivalents as at April 1, 2015		18,494	-	18,494
<b>Cash and cash equivalents as at March 31, 2016</b>		<b>19,465</b>		<b>19,465</b>

**Note 1: Proposed dividend**

Under previous GAAP, proposed dividends including DDT were recognised as a liability in the period to which they relate, irrespective of when they were declared. Under Ind AS, a proposed dividend is recognised as a liability in the period in which it is declared by the company (usually when approved by shareholders in a general meeting) or paid.

**Metro One Operation Private Limited**  
**Notes to the financial statements**

In the case of the Company, the declaration of dividend occurs after the period end. Therefore, the liability of INR (in '000) 8,554 for the year ended on April 1, 2015 and INR (in '000) 18,415 for the year ended March 31, 2016 recorded for dividend (including tax thereon) has been derecognised against retained earnings.

**Note 2: Remeasurements of post-employment benefit obligations**

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the employee benefit cost for the year ended March 31, 2016 is reduced by INR (in '000) 437 and remeasurement gain/losses on defined benefits plans has been recognized in the OCI net of tax.

**26. Previous year figures**

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

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

**ERIC LABARTETTE**  
**MANAGING DIRECTOR**  
DIN: 07048836

**SĀTISH KUMAR MISHRA**  
**DIRECTOR**  
DIN: 03538005

Place: Mumbai  
Date: 12 APR 2017