Deloitte Haskins & Sells LLP

Chartered Accountants
Indiabulls Finance Centre,
Tower 3, 27th-32nd Floor,
Senapati Bapat Marg,
Elphinstone Road (West),
Mumbai - 400 013,
Maharashtra, India

Tel: +91 22 6185 4000
Fax: +91 22 6185 4101

INDEPENDENT AUDITOR'S REPORT
To The Members of Mumbai Metro One Private Limited
Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **Mumbai Metro One Private Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 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 financial position, 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.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

We believe that the audit evidence obtained by us 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, of the state of affairs of the Company as at 31st March, 2017, and its loss, total comprehensive loss, 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 Section 143(3) of the Act, we report, to the extent applicable 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 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 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   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, as amended, 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 were no amounts which were 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 regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016; and such disclosures are in accordance with the books of accounts maintained by the Company.

2. 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 B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Rakesh N. Sharma
Partner
Membership No. 102042

Place: Mumbai
Date: 13th April, 2017

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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, 2017 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. 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.

Auditor's 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 were 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 judgement, 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 authorisations 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, to the best of our information and according to the explanations given to us, 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 Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W100018)

Rakesh N. Sharma
Partner
Membership No. 102042

Place: Mumbai
Date: 13th April, 2017

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets included within the Intangible asset.

(b) The Company has a program of verification of fixed assets, included within the intangible asset, to cover all the items in a phased manner over a period of 2 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us, we report that, land belonging to Mumbai Metropolitan Region Development Authority ("MMRDA") 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 MMRDA and the Company, until the end of the concession period and upon expiry of the concession period the Company is required to handover all the project assets back to the MMRDA.

(ii) The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 and hence reporting under clause (iii) of the CARO 2016 is not applicable.

(iv) The Company has not granted any loans, made investments or provided guarantees covered under the provisions of sections 185 and 186 of the Companies Act, 2013 and hence reporting under clause (iv) of the CARO 2016 is not applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.

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

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at 31st March, 2017 for a period of more than six months from the date they became payable.

(c) There are no dues of Income-tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax which have not been deposited as on 31st March, 2017 on account of disputes, except for the following:

Name of the statute	Nature of the dues	Amount (Rs.)	Period to which the amount relates	Forum where the dispute is pending
Income tax Act, 1961	Income Tax	1,667,848	Assessment year 2011-12	High Court of Bombay
Maharashtra Value Added Tax, 2002	Value Added Tax	1,907,630,266	Financial year 2007-2008	Joint Commissioner, MVAT

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions and banks. The Company has not issued any debentures.

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

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.

(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 requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(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 reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

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

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Rakesh N. Sharma
Partner
Membership No. 102042

Place: Mumbai
Date: 13th April, 2017

Mumbai Metro One Private Limited
Balance Sheet
(All amounts in INR, unless otherwise stated)

Particulars	Notes	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
ASSETS				
Non-current assets				
(a) Intangible asset	5	30,230,344,212	31,412,271,231	32,245,971,592
(b) Financial assets				
(i) Loans	6	5,049,933	5,549,498	590,098
(ii) Other financial assets	7	208,115,222	115,750,811	78,104,145
(c) Other non-current assets	8	13,699,728	32,900,594	73,844,259
Total non-current assets		**30,457,209,095**	**31,566,472,134**	**32,398,510,094**
Current assets				
(a) Financial assets				
(i) Investments	9	-	-	856,500,000
(ii) Trade receivables	10	80,803,960	25,721,386	16,311,887
(iii) Cash and cash equivalents	11	20,771,111	38,446,908	1,655,212,535
(iv) Loans	6	1,509,707	530,520	31,200
(v) Other financial assets	7	43,059,313	42,314,469	48,844,381
(b) Other current assets	8	21,355,896	22,861,996	45,894,370
Total current assets		**167,499,987**	**129,875,279**	**2,622,794,373**
Total assets		**30,624,709,082**	**31,696,347,413**	**35,021,304,467**
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	12	5,120,000,000	5,120,000,000	5,120,000,000
(b) Other equity	13	(2,636,857,352)	98,150,991	2,556,885,408
Total equity		**2,483,142,648**	**5,218,150,991**	**7,676,885,408**
LIABILITIES				
Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	14	19,064,799,234	19,033,926,854	18,057,095,882
(ii) Other financial liabilities	15	95,704,611	88,449,591	99,820,000
(b) Provisions	16	409,593,294	249,085,335	112,819,440
(c) Other non-current liabilities	17	-	-	-
Total non-current liabilities		**19,570,097,139**	**19,371,461,780**	**18,269,735,322**
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	14	4,825,769,000	4,174,917,163	3,287,615,259
(ii) Trade payables	18	218,454,404	174,083,920	136,152,068
(iii) Other financial liabilities	15	3,373,775,504	2,667,689,590	5,174,519,316
(b) Provisions	16	21,123,915	14,499,040	12,424,730
(c) Other current liabilities	17	132,346,472	75,544,929	463,972,364
Total current liabilities		**8,571,469,295**	**7,106,734,642**	**9,074,683,737**
Total liabilities		**28,141,566,434**	**26,478,196,422**	**27,344,419,059**
Total equity and liabilities		**30,624,709,082**	**31,696,347,413**	**35,021,304,467**

Significant Accounting Policies 3
See accompanying notes forming part of the financial statements.
In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Rakesh N. Sharma
Partner
Mumbai, dated: 13th April, 2017

For and on behalf of Board of Directors

Abhay Mishra
Director
DIN : 2132305

U.P.S. Madan
Director
DIN : 3570256

Bharat Bhushan Modgil
Whole-time Director
DIN : 5139137

Satish Kumar Mishra
Director
DIN : 3538005

Virendra Joshi
Chief Financial Officer
Mumbai, dated: April 13, 2017

Shivprakash Singh
Company Secretary

Mumbai Metro One Private Limited
Statement of Profit and Loss
(All amounts in INR, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2017	For the year ended March 31, 2016
(I) Revenue from operations	19	2,371,712,621	2,102,384,354
(II) Other Income	20	38,309,773	92,500,044
(III) Total Income (I+II)		**2,410,022,394**	**2,194,884,398**
(IV) Expenses			
Operating expenses	21	1,261,278,616	1,260,780,623
Employee benefits expenses	22	178,884,578	142,298,343
Finance costs	23	2,406,560,159	2,215,129,849
Amortisation expenses	5	1,111,753,732	1,114,526,225
Other expensess	24	186,430,551	321,321,242
Total expenses (IV)		**5,144,907,636**	**5,054,056,282**
Loss for the year (III-IV)		**(2,734,885,242)**	**(2,859,171,884)**
Other comprehensive income			
Items that will not be reclassified to profit and loss			
- Remeasurements of net defined benefit plans : (Loss)		(123,101)	(667,027)
Other comprehensive income/(loss)		**(123,101)**	**(667,027)**
Total comprehensive loss		**(2,735,008,343)**	**(2,859,838,911)**
Earnings per equity share			
(a) Basic earnings per share		(5.34)	(5.58)
(b) Diluted earnings per share		(5.34)	(5.58)

Significant Accounting Policies 3

See accompanying notes forming part of the financial statements.

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Rakesh N. Sharma
Partner
Mumbai, dated: 13th April, 2017

For and on behalf of Board of Directors

Abhay Mishra
Director
DIN : 2132305

U.P.S. Madan
Director
DIN : 3570256

Bharat Bhushan Modgil
Whole-time Director
DIN : 5139137

Satish Kumar Mishra
Director
DIN : 3538005

Virendra Joshi
Chief Financial Officer

Shivprakash Singh
Company Secretary

Mumbai, dated: April 13, 2017

Mumbai Metro One Private Limited
Statement of Changes in Equity
(All amounts in INR, unless otherwise stated)

A. EQUITY SHARE CAPITAL

Particulars	Notes	Balance at the beginning of the year	Changes in equity share capital during the year	Balance at the end of the year
As at April 1, 2015	12	5,120,000,000	-	5,120,000,000
As at March 31, 2016		5,120,000,000	-	5,120,000,000
As at March 31, 2017		5,120,000,000	-	5,120,000,000

B. OTHER EQUITY

Particulars	Notes	Deemed capital component relating to subordinated debt	Retained earnings	Total
Balance at April 1, 2015	13	**6,674,116,282**	**(4,117,230,874)**	**2,556,885,408**
Loss for the year		-	(2,859,171,884)	(2,859,171,884)
Other comprehensive income/(loss) for the year		-	(667,027)	(667,027)
Total comprehensive income/(loss) for the year		-	(2,859,838,911)	(2,859,838,911)
Issue of subordinated debt (Deemed capital contribution)		401,104,494	-	401,104,494
Balance at March 31, 2016		**7,075,220,776**	**(6,977,069,785)**	**98,150,991**
Loss for the year		-	(2,734,885,242)	(2,734,885,242)
Other comprehensive income/(loss) for the year		-	(123,101)	(123,101)
Total comprehensive income/(loss) for the year		-	(2,735,008,343)	(2,735,008,343)
Balance at March 31, 2017		**7,075,220,776**	**(9,712,078,128)**	**(2,636,857,352)**

Significant Accounting Policies

See accompanying notes forming part of the financial statements.

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Rakesh N. Sharma
Partner
Mumbai, dated: 13th April, 2017

For and on behalf of Board of Directors

Abhay Mishra
Director
DIN : 2132305

U.P.S. Madan
Director
DIN : 3570256

Bharat Bhushan Modgil
Whole-time Director
DIN : 5139137

Satish Kumar Mishra
Director
DIN : 3538005

Virendra Joshi
Chief Financial Officer

Shivprakash Singh
Company Secretary

Mumbai, dated: April 13, 2017

Mumbai Metro One Private Limited
Statement of Cash Flows
(All amounts in INR, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2017	For the year ended March 31, 2016
Cash flows from operating activities			
Loss for the year		(2,735,008,343)	(2,859,838,911)
Adjustments for:			
Amortization of intangible asset	5	1,111,753,732	1,114,526,225
Finance costs recognised in profit and loss	23	2,406,560,159	2,215,129,849
Dividend income recognised in profit and loss	20	(1,830,882)	(2,861,657)
Interest income recognised in profit and loss	20	(10,745,139)	(6,844,247)
Other non-operating income - reversal of other liabilities	20	-	(72,260,447)
Net foreign exchange (gain)/loss	20	(35,427,181)	81,768,765
Net gain on sale/redemption of investments	20	-	(9,075,210)
Provision for major maintenance and overhaul expenses (including unwinding of finance costs)	21	132,619,330	123,301,326
Loss on disposal of non-current assets		-	262,433
		867,921,676	**584,108,126**
Movements in working capital:			
Adjustments for (increase)/decrease in operating assets			
Loans	6	(479,622)	(5,458,720)
Other financial assets	7	(3,654,638)	6,093,512
Other current assets	8	23,183,786	66,646,923
Trade receivables	10	(55,082,575)	(9,409,499)
Adjustments for increase/(decrease) in operating liabilities			
Other financial liabilities	15	14,439,720	(4,054,959)
Provisions	16	6,624,875	2,074,310
Other current liabilities	17	56,801,544	(316,166,988)
Trade payables	18	44,370,483	37,931,853
Cash generated from operations		**954,125,249**	**361,764,557**
Income taxes paid	8	(2,476,820)	(2,670,884)
Net cash generated from operations		**951,648,429**	**359,093,673**
Cash flows from investing activities			
Capital expenditure (net of capital creditors)	15	(28,006,396)	(318,938,341)
Proceeds from disposal of non-current assets		-	32,427
Payments for investment in fixed deposits including margin money (net)	7	(87,792,744)	(37,479,305)
Payments to acquire current investments	9	1,022,830,884	(2,880,361,656)
Proceeds on sale of current investments	9	(1,022,830,884)	3,745,936,866
Dividend received	20	1,830,882	2,861,657
Interest received	20	9,083,268	7,113,287
Net cash (used in)/generated from investing activities		**(104,884,990)**	**519,164,935**
Cash flow from financing activities			
Proceeds from long-term borrowings	14	763,618,273	1,264,027,205
Repayment of long-term borrowings	14	(208,948,637)	(2,519,800,851)
Proceeds from short-term borrowings	14	1,373,800,000	1,500,000,000
Repayment of short-term borrowings	14	(722,948,163)	(653,482,447)
Finance costs paid	23	(2,069,960,709)	(2,085,768,143)
Net cash used in financing activities		**(864,439,236)**	**(2,495,024,236)**
Net increase/(decrease) in cash and cash equivalents		(17,675,797)	(1,616,765,627)
Cash and cash equivalents at the beginning of the financial year		38,446,908	1,655,212,535
Cash and cash equivalents at end of the year	11	**20,771,111**	**38,446,908**

Notes:
1. Non cash transaction : Capital expenditure (net of capital creditors) and proceeds from long term borrowings have been adjusted for Rs. (91,264,372/-) (previous year Rs. 281,120.724/-) since they relate to unrealised foreign exchange difference. (Refer note 5)
2. Cash balances not available for use : Fixed Deposits have been given as margin money for loans taken and bank guarantees Rs. 189,248,571/- (previous year 101,455,827/-) (Refer note 7)

Significant Accounting Policies 3

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

For Deloitte Haskins & Sells LLP
Chartered Accountants

Rakesh N. Sharma
Partner
Mumbai, dated: 13th April, 2017

For and on behalf of Board of Directors

Abhay Mishra
Director
DIN : 2132305

U.P.S. Madan
Director
DIN : 3570256

Bharat Bhushan Modgil
Whole-time Director
DIN : 5139137

Satish Kumar Mishra
Director
DIN : 3538005

Virendra Joshi
Chief Financial Officer
Mumbai, dated: April 13, 2017

Shivprakash Singh
Company Secretary

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, forthe 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.

Upto the year ended March 31, 2016, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2015. Refer Note 3.14 for the details of first-time adoption exemptions availed by the Company.

2A. New and revised Ind ASs issued but not yet effective

The following amendments have been issued but are not yet effective:

Amendments to Ind AS 7

The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

The amendments apply prospectively for annual periods beginning on or after April 1, 2017. The directors of the Company do not anticipate that the application of these amendments will have a material impact on the company's financial statements.

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.

Historical cost is generally based on the fair value of the consideration given 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 Assets since the concession arrangement does not transfer to the concessionaire the right to control the use of the public utility infrastructure. Only the right to access these assets for the provision of public service is provided for, and they are 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 facilitiesand does not have an irrefutable right to receive cash or other financial asset from the concession grantor. The intangible 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 is recognized in statement of profit and loss on a straight line basis over the operation of the concession period (i.e. 30 years).

3.2 Revenue recognition

(i) Revenue is recognized when it is earned and no significant uncertainty exists as to its realization or collection. Revenue from fare charged to passengers is recognized when collected, based on usage of tokens and smart cards.

(ii) Rental Income - Rental income from operating leases is generally recognised over the term of the relevant lease using a straight line method. However where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognized in the year in which such benefits accrue.

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 rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are restated at the rates 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 upto 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 Assets has been deducted from the gross values of the amounts capitalized.

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 existing at 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 at amortised cost.

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 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 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 11 and Ind AS 18, 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. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

3.12 Financial liabilities and equity instruments

3.12.1 Classification as debt or equity

Debt and equity instruments issued by a group entity 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 a group entity 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. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. 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.

3.14 First-time adoption – mandatory exceptions, optional exemptions

3.14.1 Overall principle

The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the optional exemptions availed by the Company as per Ind AS 101 as detailed below. The company's estimates in accordance with Ind ASs at the date of transition to Ind ASs are consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies).

3.14.2 Exchange differences on long-term foreign currency monetary items

For exchange differences arising on restatement of long-term foreign currency monetary items recognised upto March 31, 2016, the company has elected to continue the policy adopted under the previous GAAP i.e. the exchange differences arising on restatement thereof are adjusted to the carrying amount of the related long-term asset.

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 uncertai at the end of the reporting period that may have a significant risk of causing a material adjustment to 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, 2017 is Rs. 409,593,294 (as at March 31, 2016: Rs.249,085,335 as at April 1, 2015: Rs.112,819,440)

Mumbai Metro One Private Limited
Notes to accounts forming part of financial statements
(All amounts in INR, unless otherwise stated)

5 Intangible asset

Particulars	Right under Concession Agreement with MMRDA
Gross carrying amount	
As at April 1, 2015	33,144,972,208
Additions during the year	-
Disposals	606,660
Effect of foreign currency exchange difference	281,120,724
As at March 31, 2016	**33,425,486,272**
Additions during the year	21,091,085
Disposals	-
Effect of foreign currency exchange difference	(91,264,372)
As at March 31, 2017	**33,355,312,985**
Accumulated amortisation	
As at April 1, 2015	899,000,616
Amortisation expenses	1,114,526,225
Deduction during the year	(311,800)
As at March 31, 2016	**2,013,215,041**
Amortisation expenses	1,111,753,732
As at March 31, 2017	**3,124,968,773**
Closing net carrying amount	
As at April 1, 2015	32,245,971,592
As at March 31, 2016	31,412,271,231
As at March 31, 2017	30,230,344,212

Concession arrangement - main features

Name of entity	Mumbai Metro One Private Limited
Description of the arrangement	The concession is granted by Mumbai Metropolition Regional Development Authority (MMRDA) for the Mumbai Metro Line-1 project of 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 return at the end of concession period : Yes

Note : 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)

6 Loans (Refer note 34)

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
Unsecured, considered good						
Loans to employees	1,509,707	5,049,933	530,520	5,549,498	31,200	590,098
Total	**1,509,707**	**5,049,933**	**530,520**	**5,549,498**	**31,200**	**590,098**

Note:
Amounts due from officer of the Company Rs. 1,690,470 (Previous year Rs. 1,976,190)

7 Other financial assets (Refer note 34)

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
Security deposits	-	18,866,651	-	14,294,984	8,567,569	14,127,623
Claim receivable from related party	39,240,304	-	40,157,331	-	37,850,635	-
Bank deposits given as margin money for loans taken and bank guarantees	-	189,248,571	-	101,455,827	-	63,976,522
Interest accrued on bank deposits	3,819,009	-	2,157,138	-	2,426,177	-
Total	**43,059,313**	**208,115,222**	**42,314,469**	**115,750,811**	**48,844,381**	**78,104,145**

8 Other assets

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
Service tax balances	-	-	-	21,677,686	-	65,292,235
Income tax balances	-	13,699,728	-	11,222,908	-	8,552,024
Advance to employees	564,632	-	384,463	-	302,234	-
Advance to vendors	6,848,550	-	5,046,863	-	1,985,665	-
Prepaid expenses	13,942,714	-	17,430,670	-	43,606,471	-
Total	**21,355,896**	**13,699,728**	**22,861,996**	**32,900,594**	**45,894,370**	**73,844,259**

9 Current investments (Refer note 34)

	Face value	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
		Number of units	Amount	Number of units	Amount	Number of units	Amount
Investment in mutual funds (at fair value through profit and loss)							
Unquoted							
Reliance Liquid Fund - Treasury Plan - Direct - Growth Option	1,000	-	-	-	-	406,424	856,500,000
Total		-	-	-	-	**406,424**	**856,500,000**

10 Trade receivables (Refer note 34)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Current:			
Secured, considered good	58,882,584	25,721,386	16,311,887
Unsecured, considered good	21,921,376	-	-
Total	**80,803,960**	**25,721,386**	**16,311,887**

11 Cash and cash equivalents

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Balances with banks in -			
- Current accounts	14,612,771	21,954,183	1,645,456,754
- Cash on hand	6,158,340	16,492,725	9,755,781
Total	**20,771,111**	**38,446,908**	**1,655,212,535**

Mumbai Metro One Private Limited
Notes to accounts forming part of financial statements
(All amounts in INR, unless otherwise stated)

12 Share capital

(a)

Authorised capital	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
550,000,000 Equity Shares of Rs.10 each	5,500,000,000	5,500,000,000	5,500,000,000
500,000,000 0.1% Non-Cumulative Preference Shares of Rs.10 each	5,000,000,000	5,000,000,000	5,000,000,000
Total authorised share capital	**10,500,000,000**	**10,500,000,000**	**10,500,000,000**

(b)

Issued, subscribed and fully paid up			
512,000,000 Equity Shares of Rs. 10 each	5,120,000,000	5,120,000,000	5,120,000,000
	5,120,000,000	**5,120,000,000**	**5,120,000,000**

(c)

Reconciliation of the number of shares outstanding as at the beginning and at the end of the year	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Number of shares outstanding as at the beginning and at the end of the year	512,000,000	512,000,000	512,000,000

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

Particulars	Number of Shares		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Reliance Infrastructure Limited	353,280,000	353,280,000	353,280,000

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

Name of the shareholders	As at March 31, 2017	
	No. of Shares	% holding
Reliance Infrastructure Limited	353,280,000	69.00
Mumbai Metropolitan Region Development Authority (MMRDA)	133,120,000	26.00
	As at March 31, 2016	
Reliance Infrastructure Limited	353,280,000	69.00
Mumbai Metropolitan Region Development Authority (MMRDA)	133,120,000	26.00
	As at April 1, 2015	
Reliance Infrastructure Limited	353,280,000	69.00
Mumbai Metropolitan Region Development Authority (MMRDA)	133,120,000	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:
(i) The equity shareholding of Reliance Infrastructure Limited and Transdev ile 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).
(ii) 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.
(iii) 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.

13 Other equity

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(i) Retained earnings	(9,712,078,128)	(6,977,069,785)	(4,117,230,874)
(ii) Deemed capital contribution	7,075,220,776	7,075,220,776	6,674,116,282
	(2,636,857,352)	**98,150,991**	**2,556,885,408**

	As at March 31, 2017	As at March 31, 2016
(i) Retained earnings		
Balance at the beginning of year	(6,977,069,785)	(4,117,230,874)
Loss as per statement of profit and loss	(2,734,885,242)	(2,859,171,884)
Other comprehensive income for the year	(123,101)	(667,027)
Balance at the end of the year	(9,712,078,128)	(6,977,069,785)
(ii) Deemed capital contribution (Refer note below)		
Balance at beginning of year	7,075,220,776	6,674,116,282
Add: On account of issue of additional subordinated debt	-	401,104,494
Balance at the end of the year	7,075,220,776	7,075,220,776

Note: 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
(All amounts in INR, unless otherwise stated)

14 a) Non-current borrowings (Refer note 34)

	Maturity date	Terms of repayment	Effective Interest Rate	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Secured - at amortised cost (Refer note below)						
External commercial borrowings in foreign currency from financial institution	October 1, 2027	Repayable in 60 quarterly installments commencing from April 1, 2012.	6 month USD LIBOR rate + margin (340 to 485 basis points)	3,762,058,321	4,082,433,818	4,046,261,751
Term loans from banks	March 31, 2037	50 crores repayable on 31 March 2018. The remaining portion is repayable in 76 quarterly installments commencing from June 30, 2018.	10.85% to 13.00%	14,513,502,955	14,246,436,790	13,418,914,590
Unsecured - at amortised cost (Refer note 13(ii))						
Subordinated debt from the holding company (related party)		Repayable from available cash flow after the repayment of the entire Rupee Term loans.	Interest free	789,237,958	705,056,246	591,919,541
Total				19,064,799,234	19,033,926,854	18,057,095,882

Note:
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. (see note 14(b) below)

14 b) Current borrowings (Refer note 34)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Secured			
Buyers' credit - in foreign currency from banks (For security refer note 14(a) above)	-	722,948,163	1,335,646,259
Unsecured			
Loans from holding company - repayable on demand	4,825,769,000	3,451,969,000	1,951,969,000
Total	4,825,769,000	4,174,917,163	3,287,615,259

15 Other financial liabilities (Refer note 34)

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Current	Non Current	Current	Non-Current	Current	Non-Current
Current maturities of non-current borrowings from financial institution (Refer note 14(a))	178,711,391	-	156,711,476	-	115,010,595	-
Current maturities of non-current borrowings from banks (Refer note 14(a))	500,000,000	-	-	-	2,355,500,000	-
Security deposits received from customers	24,792,300	95,704,611	17,607,600	88,449,591	10,292,150	99,820,000
Interest accrued but not due on borrowings	332,361,264	-	113,117,472	-	76,293,953	-
Creditors for capital expenditure	2,337,910,549	-	2,380,253,042	-	2,617,422,618	-
Total	3,373,775,504	95,704,611	2,667,689,590	88,449,591	5,174,519,316	99,820,000

16 Provisions

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Current	Non-current	Current	Non-current	Current	Non-current
Provision for employee benefits - Compensated absences	21,123,915	-	14,499,040	-	12,424,730	-
Other provisions						
Provision for major maintenance and overhaul expenses	-	409,593,294	-	249,085,335	-	112,819,440
Total	21,123,915	409,593,294	14,499,040	249,085,335	12,424,730	112,819,440

Details of movement in other provisions:

Particulars	Major maintenance and overhaul
As at April 1, 2015	112,819,440
Additional provisions recognised	123,301,326
Unwinding of discount	12,964,569
As at March 31, 2016	249,085,335
Additional provisions recognised	132,619,330
Unwinding of discount	27,888,629
As at March 31, 2017	409,593,294

Notes:
(i) The provision for employee benefits include annual leave and vested long service leave entitlements accrued for employees. The increase in the carrying amount in the provision for the current year mainly results from change in the discount rate in the current year.

(ii) 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. (Refer note 33(a))

17 Other current liabilities

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Current	Non Current	Current	Non-Current	Current	Non-Current
Advance from customers	72,553,321	-	49,698,349	-	46,221,731	-
Statutory remittances	25,654,093	-	17,948,930	-	274,563,591	-
Others	34,139,058	-	7,897,650	-	143,187,042	-
Total	132,346,472	-	75,544,929	-	463,972,364	-

18 Trade payables (Refer note 34)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Total outstanding dues of micro and small enterprises (Refer note 31)	34,015,176	9,846,601	2,288,427
Total outstanding dues of creditors other than micro and small enterprises	184,439,228	164,237,319	133,863,641
Total	218,454,404	174,083,920	136,152,068

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19 Revenue from operations

	For the year ended March 31, 2017	For the year ended March 31, 2016
a) Income from collection of fares from passengers	2,127,286,640	1,884,275,824
b) Other operating income		
- Rental	114,391,033	106,457,749
- Advertisement	110,716,855	86,161,314
- Others	19,318,093	25,489,467
Total	**2,371,712,621**	**2,102,384,354**

20 Other income

	For the year ended March 31, 2017	For the year ended March 31, 2016
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)	9,946,829	6,367,915
- Other interest income (at amortised cost)	798,309	476,332
b) Dividend income from current investments (designated as fair value through profit and loss)	1,830,882	2,861,657
c) Other non-operating income (aggregate of immaterial items)		
- Reversal of other liabilities	-	72,260,447
- Others (aggregate of immaterial items)	772,403	1,458,483
d) Other gains and (losses)		
- Net gain on sale of current investments (designated as fair value through profit and loss)	-	9,075,210
- Gain on foreign currency transactions	24,961,350	-
Total	**38,309,773**	**92,500,044**

21 Operating expenses

	For the year ended March 31, 2017	For the year ended March 31, 2016
Power and fuel	284,949,295	314,517,378
Operation & maintenance expenses	720,504,715	654,221,114
Provision for major maintenance and overhaul expenses	132,619,330	123,301,326
Security expenses	43,221,747	41,118,257
Other repairs and maintenance :		
- Building	1,853,039	7,801,541
- Plant and machinery	36,898,941	88,626,262
- Others	41,231,549	31,194,745
Total	**1,261,278,616**	**1,260,780,623**

22 Employee benefits expenses

	For the year ended March 31, 2017	For the year ended March 31, 2016
Salary and wages	159,308,248	127,787,336
Contribution to provident and other funds	7,703,420	6,779,193
Staff welfare expenses	11,872,910	7,731,814
Total	**178,884,578**	**142,298,343**

23 Finance Cost

	For the year ended March 31, 2017	For the year ended March 31, 2016
(a) Interest costs :-		
- Interest on loans (other than those from related parties)	1,619,424,252	1,612,738,986
- Interest on loans from related party	453,472,006	287,906,417
- Interest on foreign currency loans	287,507,659	265,668,641
Total interest expense for financial liabilities not classified as fair value through profit and loss	2,360,403,917	2,166,314,044
- Others - delayed payment of taxes	39,115	10,539,320
(b) Other borrowing costs :-		
- Unwinding of discounts on major maintenance and overhaul provision	27,888,629	12,964,569
- Other finance charges	18,228,498	25,311,916
	46,117,127	38,276,485
Total	**2,406,560,159**	**2,215,129,849**

24 Other expenses

	For the year ended March 31, 2017	For the year ended March 31, 2016
Rent, rates and taxes	7,115,880	1,483,464
Insurance	26,137,545	31,619,922
Legal and professional charges	76,526,535	49,036,631
Loss on foreign currency transactions	-	123,796,552
Miscellaneous expenses (see note below)	76,650,591	115,384,673
Total	**186,430,551**	**321,321,242**
Miscellaneous expenses include payment to auditors as follows:		
a) for audit	2,000,000	2,000,000
b) for other services	1,025,000	1,075,000
c) for reimbursement of expenses	71,723	36,779
Total	**3,096,723**	**3,111,779**

25 Contingent Liabilities

a) Claims against the Company not acknowledged as debts	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(i) Claims by MMRDA:			
- Claims by MMRDA for damages for delay in achieving project milestones and completion of the project	16,438,001,030	16,438,001,030	11,758,300,000
-Claims by MMRDA for Fares charged in violation of the Concession Agreement	618,700,000	1,291,784,164	-
- Rent to MMRDA	357,878,846	357,878,846	357,878,846
- Concessions in customs duty	390,000,000	390,000,000	390,000,000
- Consultancy charges	20,000,000	20,000,000	20,000,000
(ii) Claims of suppliers against the company	5,640,747,033	4,853,240,524	3,351,714,564
(iii) Demand for non-agricultural assessment tax	102,256,184	99,809,376	97,362,568
(iv) Maharashtra Value Added Tax demand	1,910,630,266	-	-
Total	**25,478,213,359**	**23,450,713,940**	**15,975,255,978**

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 1586.65 crores respectively which has been disputed by the company.

c) The Central Government had constituted the Fare Fixation Committee (FFC) for recommending the fare to be charged to passengers on the Mumbai Metro. The Fare Fixation Committee, after considering all relevant aspects and necessary facts, had issued their report on July 8, 2015 recommending the metro fare in the range of Rs. 10 to Rs. 110.
MMRDA has filed a writ petition to challenge the recommendations of the FFC in the High Court of Bombay to retain the fares as per the provisions of the concession agreement. The High Court of Bombay has vide its interim order dated December 17, 2015 stayed the effect and implementation of the FFC recommendations. The hearing is concluded and the order is awaited from the High Court of Bombay and the liability, if any, that may arise when the matter is settled cannot at present be ascertained.

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 as on March 31, 2017 aggregate Rs.1,776.25 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.

26 As at March 31, 2017 the accumulated losses have substantially eroded the net worth of the Company and the current liabilities exceeded its current assets. The Company has commenced commercial operations only since June 8, 2014 and therefore is still in its initial stage of operations. For the financial year ended on March 31, 2017 the revenues of the Company were sufficient to recover its operating costs and the EBITA (Earnings before Interest, Tax & amortization) was positive.

For interest and debt payment obligations, Reliance Infrastructure Limited ("the Holding Company"), is supporing to service the lenders vide Sponsor Support agreements entered between Reliance Infrastructure Limited, the lenders and the Company. During the current year, the Company has also received amounts aggregating Rs. 137 crores from the Holding Company for payment of finance costs.

Additionally, the shareholders vide resolution dated July 15, 2015 have approved additional subordinated debts from the Holding Company, aggregating Rs. 251 crores (of which Rs. 44 crores has been received during the previous year) to meet the project cost liabilities.

The Fare Fixation Committee appointed by the Central Government had given their recommendation in favor of the Company. The matter is sub-judice as stated in Note 25(c) above and the Company is hopeful of a favorable outcome.

Based on the foregoing, the going concern assumption is considered to be appropriate.

27 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
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. Abhay Mishra - Director Mr. Bharat Bhushan Modgil - Whole Time Director Mr. Shivprakash Singh - Company Secretary Mr. Virendra Joshi - Chief Financial Officer

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Related Party Disclosures (contd..)

b) Details of related party transactions

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Income:		
Interest on electricity Deposit		
- Reliance Infrastructure Limited	247,087	137,623
Reimbursement of expenses incurred for:		
- Mumbai Metropolitan Region Development Authority	4,858,696	4,984,260
Expenses:		
Operation and Maintenance expenses		
- Metro One Operation Private Limited	713,162,072	629,369,491
Rent / lease- charges		
- Mumbai Metropolitan Region Development Authority	98,814	98,814
Power and Fuel		
- Reliance Infrastructure Limited	284,949,295	314,517,379
Interest expenses		
- Reliance Infrastructure Limited	369,290,294	213,665,219
Reimbursement of expenses incurred by:		
- Reliance Infrastructure Limited	2,210,769	3,523,463

c) Balances outstanding at the end of the year:

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Payables			
- Metro One Operation Private Limited	100,507,919	67,760,709	60,769,999
- Mumbai Metropolitan Region Development Authority	16,579,696	15,662,669	17,969,365
- Reliance Infrastructure Limited	352,430,774	27,960,831	82,173,569
Deposits given			
- Reliance Infrastructure Limited	1,204,100	1,204,100	1,204,100
- Mumbai Metropolitan Region Development Authority	120,000	120,000	120,000

d) Loans from related parties

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Current Borrowings			
- Reliance Infrastructure Limited	4,825,769,000	3,451,969,000	1,951,969,000
Subordinated debt			
- Reliance Infrastructure Limited	789,237,958	705,056,246	591,919,541

(e)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Deemed capital contribution on issue of subordinated debt			
Reliance Infrastructure Limited	7,075,220,776	7,075,220,776	6,674,116,282

(f) Compensation of key management personnel

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Compensation of key management personnel	18,957,167	15,310,388

Notes:
Post retirement benefits is determined by the Company as a whole for all the employees put together and hence disclosure of post employment benefits of key management personnel is not separately available.

28 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 constitutes a single reportable segment.

29 Leasing Transactions

a) Operating lease rentals during the year:

Particulars	As at March 31, 2017	As at March 31, 2016
Rent paid- Depot and other premises	98,814	98,814
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, 2017	As at March 31, 2016	As at April 1, 2015
Due not later than one year	98,814	98,814	98,814
Due later than one year and not later than five years	395,256	395,256	395,256
Due later than five years	2,192,317	2,291,131	2,389,945
	2,686,387	**2,785,201**	**2,884,015**

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, 2017	As at March 31, 2016	As at April 1, 2015
Due not later than one year	85,291,395	204,541,827	167,226,178
Due later than one year and not later than five years	107,899,263	191,969,069	219,028,050
Due later than five years	-	-	-
	193,190,658	**396,510,896**	**386,254,228**

30 Earnings per share

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Loss for the year attributable to the owners of the company (Rs.)	(2,734,885,242)	(2,859,171,884)
Weighted average number of equity shares	512,000,000	512,000,000
Nominal value per share (Rs.)	10	10
Basic earnings per share (Rs.)	(5.34)	(5.58)
Diluted earnings per share (Rs.) (see note below)	(5.34)	(5.58)

Note: There are no outstanding dilutive potential equity shares

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

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(i) Principal amount and interest due thereon remaining unpaid to any supplier as at the end of the accounting year	34,015,176	9,846,601	2,288,427
(ii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-	-
(iiii) The amount of interest due and payable for the period of delay in making payments	62,746	129,432	114,220
(iv) The amount of interest accrued and remaining unpaid at the end of the accounting year	896,350	331,970	114,220
(v) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	174,435	66,226

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.

32 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 represent 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, 2017	For the year ended March 31, 2016
Contribution to provident fund	5,535,778	4,749,699
Contribution to superannuation fund	552,738	448,753
Contribution to national pension scheme	438,907	462,891

(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, salary risk and longetivity 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 risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
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, 2017	As at March 31, 2016	As at April 1, 2015
Discount rate	7.39%	7.99%	7.92%
Expected rate of salary increase	7.50%	7.50%	7.50%
Average Longevity at retirement age for current beneficiaries of the plan (years)	Indian assured lives mortality (2006-08)		
Rate of employee turnover	4.00%	4.00%	4.00%

c) Amount recognised in statement of profit and loss in respect of these defined benefit plan

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Current service cost	1,539,224	1,483,956
Net interest cost	(310,099)	(366,106)
Components of defined benefits costs recognised in profit or loss.	**1,229,125**	**1,117,850**
Remeasurements on the net defined benefit liability :		
- Return on plan assets, excluding amount included in interest expense/(income)	(279,126)	154,341
- Actuarial (gain)/loss from change in financial assumptions	548,596	(60,491)
- Actuarial (gain)/loss from change in experience adjustments	(146,369)	573,177
Total amount recognised in other comprehensive income	**123,101**	**667,027**
Total	**1,352,226**	**1,784,877**

The current service cost and the net interest expense for the year are included in the 'in the Employee benefit expense' line item in the statement of profit and loss.

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

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

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Present value of funded defined benefit obligation	(11,756,176)	(9,677,961)	(7,735,611)
Fair value of plan assets	14,974,673	13,559,051	12,358,153
Net asset arising from defined benefit obligation	**3,218,497**	**3,881,090**	**4,622,542**

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

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Opening defined benefit obligation	9,677,961	7,735,611
Current service cost	1,539,224	1,483,956
Interest cost	773,269	612,660
Remeasurements (gains)/losses:		
- Actuarial (gain)/loss from change in financial assumptions	548,596	(60,491)
- Actuarial (gain)/loss from change in experience adjustments	(146,369)	573,177
Benefits paid	(636,505)	(666,952)
Closing defined benefit obligation	**11,756,176**	**9,677,961**

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

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Opening fair value of plan assets	13,559,051	12,358,153
Interest income	1,083,368	978,766
Remeasurement (gains)/losses:	-	-
- Return on plan assets, excluding amount included in net interest expense	279,126	(154,341)
Contributions from the employer	53,128	376,473
Closing fair value of plan assets	**14,974,673**	**13,559,051**

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.888,493 (increase by Rs. 1,031,728) (as at March 31, 2016: decrease by Rs. 796,819 (increase by Rs. 930,822))

If the expected salary growth increases/(decreases) by 1%, the defined benefit obligation would increase by Rs. 573,893 (decrease by Rs. 597,260) (as at March 31, 2016: increase by Rs. 926,091 (decrease by Rs. 807,135))

If the employee turnover increases/(decreases) by 1%, the defined benefit obligation would increase by Rs. 161,374 (decrease by Rs. 186,640) (as at March 31, 2016: increase by Rs. 14,356 (decrease by Rs. 18,705))

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.

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33 First time adoption of Ind AS

a) Effect of Ind AS adoption on the balance sheet as at March 31, 2016 and April 1, 2015

Particulars	Notes	As at March 31, 2016 (End of last period presented under previous GAAP)			As at April 1, 2015 (Date of transition)		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
ASSETS							
Non-current assets							
(a) Intangible asset	a	32,382,241,831	(969,970,600)	31,412,271,231	33,467,372,523	(1,221,400,931)	32,245,971,592
(b) Financial Assets							
(i) Loans		5,549,498	-	5,549,498	590,098	-	590,098
(ii) Other financial assets		115,750,811	-	115,750,811	78,104,145	-	78,104,145
(c) Other non - current assets		32,900,594	-	32,900,594	73,844,259	-	73,844,259
Total non-current assets		**32,536,442,734**	**(969,970,600)**	**31,566,472,134**	**33,619,911,025**	**(1,221,400,931)**	**32,398,510,094**
Current assets							
(a) Financial Assets							
(i) Investments		-	-	-	856,500,000	-	856,500,000
(ii) Trade receivables		25,721,386	-	25,721,386	16,311,887	-	16,311,887
(iii) Cash and cash equivalents		38,446,908	-	38,446,908	1,655,212,535	-	1,655,212,535
(iv) Loans		530,520	-	530,520	31,200	-	31,200
(v) Other financial assets		42,314,469	-	42,314,469	48,844,381	-	48,844,381
(b) Other current assets	a	16,804,185	6,057,812	22,861,996	13,271,833	32,622,537	45,894,370
Total current assets		**123,817,468**	**6,057,812**	**129,875,279**	**2,590,171,836**	**32,622,537**	**2,622,794,373**
Total Assets		**32,660,260,202**	**(963,912,788)**	**31,696,347,413**	**36,210,082,861**	**(1,188,778,394)**	**35,021,304,467**
EQUITY AND LIABILITIES							
Equity							
(a) Equity share capital		5,120,000,000	-	5,120,000,000	5,120,000,000	-	5,120,000,000
(b) Other equity	a,b & c	(5,667,134,853)	5,765,285,844	98,150,991	(2,798,269,849)	5,355,155,257	2,556,885,408
Total equity		**(547,134,853)**	**5,765,285,844**	**5,218,150,991**	**2,321,730,151**	**5,355,155,257**	**7,676,885,408**
LIABILITIES							
Non-current liabilities							
(a) Financial Liabilities							
(i) Borrowings	b	26,012,210,822	(6,978,283,967)	19,033,926,854	24,713,848,973	(6,656,753,091)	18,057,095,882
(ii) Other financial liabilities		88,449,591	-	88,449,591	99,820,000	-	99,820,000
(b) Provisions	a	-	249,085,335	249,085,335	-	112,819,440	112,819,440
(c) Other non-current liabilities		-	-	-	-	-	-
Total non-current liabilities		**26,100,660,413**	**(6,729,198,632)**	**19,371,461,780**	**24,813,668,973**	**(6,543,933,651)**	**18,269,735,322**
Current liabilities							
(a) Financial Liabilities							
(i) Borrowings		4,174,917,163	-	4,174,917,163	3,287,615,259	-	3,287,615,259
(ii) Trade payables		174,083,920	-	174,083,920	136,152,068	-	136,152,068
(iii) Other financial liabilities		2,667,689,590	-	2,667,689,590	5,174,519,316	-	5,174,519,316
(b) Provisions		14,499,040	-	14,499,040	12,424,730	-	12,424,730
(c) Other current liabilities		75,544,929	-	75,544,929	463,972,364	-	463,972,364
Total current liabilities		**7,106,734,642**	**-**	**7,106,734,642**	**9,074,683,737**	**-**	**9,074,683,737**
Total liabilities		**33,207,395,055**	**(6,729,198,632)**	**26,478,196,422**	**33,888,352,710**	**(6,543,933,651)**	**27,344,419,059**
Total equity and liabilities		**32,660,260,202**	**(963,912,788)**	**31,696,347,413**	**36,210,082,861**	**(1,188,778,394)**	**35,021,304,467**

Mumbai Metro One Private Limited
Notes to accounts forming part of financial statements
(All amounts in INR, unless otherwise stated)

First time adoption of Ind AS (contd..)

b) Effect of Ind AS adoption on the statement of profit and loss for the year ended March 31, 2016

Particulars	Notes	For the year ended March 31, 2016 (Latest period presented under previous GAAP)		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
(I) Revenue from operations		2,102,384,354	-	2,102,384,354
(II) Other Income		92,500,044	-	92,500,044
(III) Total Income (I+II)		**2,194,884,398**	**-**	**2,194,884,398**
(IV) Expenses				
Operating expenses	a	1,052,338,781	208,441,842	1,260,780,623
Employee benefits expenses	c	142,965,370	(667,027)	142,298,343
Finance costs	a, b	2,122,591,662	92,538,187	2,215,129,849
Amortisation expenses	a	1,424,532,347	(310,006,122)	1,114,526,225
Other expenses		321,321,242	-	321,321,242
Total expenses (IV)		**5,063,749,402**	**(9,693,120)**	**5,054,056,282**
Loss for the year		**(2,868,865,004)**	**9,693,120**	**(2,859,171,884)**
Other comprehensive income				
Items that will not be reclassified to profit and loss				
- Remeasurements of net defined benefit plans : Gains/(Losses)	c	-	(667,027)	(667,027)
Other comprehensive income/(loss)		**-**	**(667,027)**	**(667,027)**
Total comprehensive loss		**(2,868,865,004)**	**9,026,093**	**(2,859,838,911)**

Mumbai Metro One Private Limited
Notes to accounts forming part of financial statements
(All amounts in INR, unless otherwise stated)

First time adoption of Ind AS (contd..)

c) Reconciliation of total equity as at March 31, 2016 and April 1, 2015:

Particulars	Notes	As at March 31, 2016	As at April 1, 2015
Equity as reported under previous GAAP		**(547,134,853)**	**2,321,730,151**
Ind AS: Adjustments increase/(decrease):			
(i) Adjustments relating to application of Appendix A - Service Concession Arrangements of Ind AS 11 Construction Contracts.	a	(1,114,325,490)	(1,202,925,202)
(ii) Deemed capital contribution relating to subordinated debt received from holding company	b	7,075,220,776	6,674,116,282
(iii) Interest unwinding on subordinated debt	b	(190,277,022)	(116,035,823)
(iv) Other adjustments		(5,332,420)	-
Equity as reported under Ind AS		**5,218,150,991**	**7,676,885,408**

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

Particulars	Notes	For the year ended March 31, 2016
Loss as per previous GAAP		**(2,868,865,004)**
Ind AS: Adjustments increase/(decrease):		
(i) Adjustments relating to application of Appendix A - Service Concession Arrangements of Ind AS 11 Construction Contracts.	a	88,599,712
(ii) Interest (time value) recognised on subordinated debt	b	(74,241,199)
(iii) Reclassification to other comprehensive income	c	667,027
(iv) Other adjustment		(5,332,420)
Total adjustment to profit and loss		**9,693,120**
Loss as per Ind AS		**(2,859,171,884)**
Other comprehensive income/(loss)		(667,027)
Total comprehensive income/(loss) under Ind AS		**(2,859,838,911)**

e) Material adjustments to the statement of cash flows

Particulars	For the year ended March 31, 2016		
	Previous GAAP	Ind AS adjustments	Ind AS
Net cash flows from operating activities	417,669,463	58,575,790	359,093,673
Net cash flows from investing activities	460,589,147	(58,575,790)	519,164,935
Net cash flows from financing activities	(2,495,024,236)	-	(2,495,024,236)
Net increase/(decrease) in cash and cash equivalents	(1,616,765,627)	-	(1,616,765,627)
Cash and cash equivalents at beginning of year	1,655,212,535	-	1,655,212,535
Cash and cash equivalents at end of year	**38,446,908**	-	**38,446,908**

First time adoption of Ind AS (contd..)

Notes to the reconciliation

a) Under the previous GAAP, the Company measured the intangible asset in respect of the project asset at cost less accumulated depreciation and accumulated impairment loss. The cost comprised the direct and attributable expenses for the construction of the metro project. Under Ind AS, the Company has accounted for the project asset in accordance with Appendix A to Ind AS 11 Service Concession Arrangements. In accordance with the principles in this Appendix, the Company is treated as a service provider for the construction services. Consequently, the Company is required to recognise construction revenue at fair value of the construction services rendered. 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.

Under the previous GAAP, the company had recognised amortisation on the intangible asset based on the estimated useful life of the project assets. Under Ind AS, the intangible asset is amortised starting from the date when the project has commenced commercial operations on a straight line basis over the remaining concession period. Further, the company has recognised a provision for major maintenance and overhaul expenses based on the best estimate of the consideration required to settle the present obligation at the end of the reporting period. Since the time value of money is material, the provision has been measured at present value. The unwinding of the discount has been recognised as a finance cost.The net effect of the above is an decrease in total equity as at March 31, 2016 of Rs.1,114,325,490, increase as at April 1, 2015 of Rs.1,202,925,202 and a decrease in loss for the year ended March 31, 2016 of Rs. 88,599,712.

b) Under the previous GAAP, borrowings are measured at the transaction price. Under Ind AS, the initial recognition of all financial liabilities is at fair value. The company had obtained interest-free subordinated debt from the parent company which had resulted in the fair value at initial recognition of this subordinated debt to be lower than transaction price. This 'day 1 gain' has been recognised by the company as a deemed capital contribution from the holding company under Ind AS since it is a transaction with the parent in its capacity as such. Subsequently, the subordinated debt has been recognised at amortised cost resulting in recognition of interest expense based on the market rate of interest determined at inception of the transaction.The net effect of this is an increase in total equity as at March 31, 2016 of Rs. 6,884,943,754, increase as at April 1, 2015 of Rs. 6,558,080,459, and an increase in loss for the year ended March 31, 2016 of Rs. 74,241,199.

c) Under previous GAAP, actuarial gains and losses were recognised in the statement of profit and loss. Under Ind AS, the return on plan asset and actuarial gains and losses form part of remeasurement of the net defined benefit liability/asset which is recognised in other comprehensive income. The impact on this account for the year ended March 31, 2016 was a loss of Rs. 667,027. This change does not affect total equity, but there is a decrease in profit before tax of Rs. 667,027 for the year ended March 31, 2016.

34 Financial instruments

a) Capital management

The company's capital management objectives is to 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, 2017	As at March 31, 2016	As at April 1, 2015
Financial Assets			
Mandatorily measured at FVTPL:			
Investments	-	-	856,500,000
Measured at amortised cost:			
Trade receivables	80,803,960	25,721,386	16,311,887
Cash and cash equivalents	20,771,111	38,446,908	1,655,212,535
Loans	6,559,640	6,080,018	621,298
Other financial assets	251,174,535	158,065,280	126,948,526
Total	**359,309,246**	**228,313,592**	**2,655,594,246**
Financial Liabilities			
Measured at amortised cost:			
Borrowings	23,890,568,234	23,208,844,017	21,344,711,141
Trade payables	218,454,404	174,083,920	136,152,068
Other financial liabilities	3,469,480,115	2,756,139,181	5,274,339,316
Total	**27,578,502,753**	**26,139,067,118**	**26,755,202,525**

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 incase of operational cash shortfalls the company obtains 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-17				
Borrowings	7,855,386,552	4,836,030,971	5,223,984,979	35,895,792,497
Trade payables	218,454,404	-	-	-
Other financial liablities	2,763,647,724	-	27,121,000	-
Total	**10,837,488,680**	**4,836,030,971**	**5,251,105,979**	**35,895,792,497**
31-Mar-16				
Borrowings	6,499,422,817	4,980,850,070	4,903,901,255	37,499,302,806
Trade payables	174,083,920	-	-	-
Other financial liablities	2,572,306,705	-	27,121,000	-
Total	**9,245,813,442**	**4,980,850,070**	**4,931,022,255**	**37,499,302,806**
01-Apr-15				
Borrowings	5,363,385,439	4,540,517,596	4,543,153,424	38,311,047,209
Trade payables	12,424,730	-	-	-
Other financial liablities	2,791,828,721	-	12,000,000	-
Total	**8,167,638,890**	**4,540,517,596**	**4,555,153,424**	**38,311,047,209**

(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 group treasury team. Further the company may enter into derivatives if the exposure arising out of these risks exceeds significantly.

There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

(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 operating activities and borrowings when transactions are denominated in a different currency from the Company's functional currency.

Mumbai Metro One Private Limited
Notes to accounts forming part of financial statements
(All amounts in INR, unless otherwise stated)

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, 2017		As at March 31, 2016		As at April 1, 2015	
		Amounts in foreign currency	Amount	Amounts in foreign currency	Amount	Amounts in foreign currency	Amount
Trade payables	USD	19,409,140	1,258,461,437	18,976,582	1,258,771,711	20,226,065	1,265,965,589
	EUR	1,725,229	119,467,981	1,959,911	147,179,483	3,931,670	265,428,614
	GBP	126,780	10,253,924	126,780	12,054,491	175,305	16,208,543
Secured bank loans	USD	61,075,000	3,960,017,495	75,123,787	4,983,178,659	86,167,146	5,393,270,588
	EUR	-	-	-	-	1,725,378	116,480,947
	GBP	-	-	-	-	109,126	10,089,698

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 bank 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
31-Mar-17 Based on YOY change between FY16 & FY17	USD	+10%	(125,846,144)
	USD	-10%	125,846,144
	EUR	+10%	(11,946,798)
	EUR	-10%	11,946,798
31-Mar-16 Based on YOY change between FY15 & FY16	USD	+10%	(125,877,171)
	USD	-10%	125,877,171
	EUR	+10%	(14,718,046)
	EUR	-10%	14,718,046

(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
31-Mar-17	Base rate + Spread	+100	(150,824,437)
	LIBOR	+50	(23,294,221)
	Base rate + Spread	-100	150,824,437
	LIBOR	-50	23,294,221
31-Mar-16	Base rate + Spread	+100	(143,186,918)
	LIBOR	+50	(28,674,920)
	Base rate + Spread	-100	143,186,918
	LIBOR	-50	28,674,920

Mumbai Metro One Private Limited
Notes to accounts forming part of financial statements
(All amounts in INR, unless otherwise stated)

35 Tax Disclosures

a) 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, 2017	As at March 31, 2016	As at April 1, 2015
Unused tax losses on which no deferred tax assets have been recognised are attributable to the following:			
Unabsorbed depreciation	11,302,451,525	8,037,227,018	4,296,669,875
Accumulated business losses	4,325,283,075	2,936,963,892	1,630,950,808
Total	**15,627,734,600**	**10,974,190,910**	**5,927,620,683**

Note: The accumulated business losses would get expired during the period 2023 to 2025. The unabsorbed depreciation can be carried forward indefinitely under the tax laws.

36 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:

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
Particulars	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**	**Carrying**	**Fair value**
Financial liabilities at amortised cost						
Subordinated debt from holding company	789,237,958	680,651,612	705,056,246	654,864,736	591,919,541	569,462,849
Total	**789,237,958**	**680,651,612**	**705,056,246**	**654,864,736**	**591,919,541**	**569,462,849**

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.

37 Statement of cash received and deposited during demonitisation period

Particulars	Specified bank notes	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	**6,499,500**	**285,716**	**6,785,216**
(+) Permitted receipts	133,148,500	167,068,342	300,216,842
(-) Permitted payments	-	-	-
(-) Amount deposited in bank	139,648,000	162,150,357	301,798,357
Closing cash in hand as on 30.12.2016	-	**5,203,701**	**5,203,701**

38 The financial statements were approved by the Board of Directors on April 13, 2017.

Significant Accounting Policies

See accompanying notes forming part of the financial statements.

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Rakesh N. Sharma
Partner
Mumbai, dated: 13th April 2017

For and on behalf of Board of Directors

Abhay Mishra
Director
DIN : 2132305

U.P.S. Madan
Director
DIN : 3570256

Bharat Bhushan Modgil
Whole-time Director
DIN : 5139137

Satish Kumar Mishra
Director
DIN : 3538005

Virendra Joshi
Chief Financial Officer

Shivprakash Singh
Company Secretary

Mumbai, dated: April 13, 2017