

METRO ONE OPERATION PRIVATE LIMITED
ANNUAL ACCOUNTS FOR
THE FY 2014-15

INDEPENDENT AUDITOR'S REPORT

To the members of Metro One Operation Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Metro One Operation Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of 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 financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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 March 31, 2015, its profit for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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 and Statement of Profit and Loss dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164 (2) of the Act;
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company does not have any pending litigations which would impact its financial position;
 - (ii) The Company did not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses;

Metro One Operation Private Limited

Page 3 of 5

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

Metro One Operation Private Limited

Page 4 of 5

Annexure referred to in paragraph 1 under the heading "Report on other legal and Regulatory Requirement" of our report of even date

Re: Metro One Operation Private Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
 - (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(ii)(a) and (b) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- (v) The Company has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the products/services of the Company.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, service tax and other material statutory dues have not been regularly deposited with the appropriate authorities and there have been serious delays in large number of cases.

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

According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

Metro One Operation Private Limited**Page 5 of 5**

- (c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
- (viii) The Company has no accumulated losses at the end of the financial year. The Company has not incurred cash loss during the year. In the immediately preceding financial year, the Company had incurred cash loss.
- (ix) Based on our audit procedures and as per the information and explanations given by the management, the Company has not borrowed any funds from bank or financial institution. The Company has not issued any debenture.
- (x) According to the Information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) The Company did not have any term loans outstanding during the year.
- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

Metro One Operation Private Limited
Balance Sheet as at March 31, 2015

Particulars	Notes	As at March 31, 2015	As at March 31, 2014
		Rs.	Rs.
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	4	100,000	100,000
Reserves and surplus	5	1,233,820	416,955
		1,333,820	516,955
Non-current liabilities			
Long term provisions	6	31,665,197	20,611,944
		31,665,197	20,611,944
Current liabilities			
Trade payables	7	49,365,583	40,028,121
Other current liabilities	7	21,758,148	10,168,732
Short term provisions	6	16,459,226	5,653,754
		87,582,957	55,850,607
Total		120,581,974	76,979,506
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	8	1,379,815	1,102,331
Intangible assets	8	35,717	159,937
Deferred tax assets (net)	10	14,847,144	9,476,888
Long Term Loans and advances	13	19,644,146	14,068,843
		35,906,822	24,807,999
Current assets			
Inventories	9	743,987	432,494
Trade receivables	11	59,822,065	41,471,710
Cash and bank balances	12	18,494,311	4,888,344
Short Term Loans and advances	13	5,614,789	5,378,959
		84,675,152	52,171,507
Total		120,581,974	76,979,506
Summary of significant accounting policies	3		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm registration number: 324982E

per **Pramod Kumar Bapna**
Partner
Membership No.: 105497

Place: Mumbai
Date: 14 May 2015

For and on behalf of the Board of Directors of
Metro One Operation Private Limited

Eric Labartette
Managing Director

Debasis Mohanty
Director

Place: Mumbai
Date: 14 May 2015

Metro One Operation Private Limited
Statement of Profit and Loss for the year ended March 31, 2015

Particulars	Notes	For the Year ended March 31, 2015	For the Year ended March 31, 2014
		Rs.	Rs.
Revenue from operations (Operation and maintenance income)		551,605,479	291,324,351
Other Income	14	331	819,997
Total revenue (A)		551,605,810	292,144,348
Expenses			
Employee benefits expense	15	277,369,949	201,235,007
Operation, maintenance and other expenses	16	260,068,584	103,748,410
Depreciation and amortisation expense	8	740,574	990,658
Total expenses (B)		538,179,107	305,974,075
Profit/(Loss) before tax (A - B)		13,426,703	(13,829,727)
Tax expense:			
Current tax		9,426,393	2,255,699
Deferred tax		(5,370,257)	(6,319,084)
		4,056,136	(4,063,385)
Profit/(Loss) after tax		9,370,567	(9,766,342)
Basic and Diluted Earnings per share (Nominal Value of shares Rs.10 per share)	17	937.06	(976.63)
Summary of significant accounting policies	3		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S R B C & CO LLP

Chartered Accountants

ICAI Firm registration number: 324982E

per **Pramod Kumar Bapna**
 Partner
 Membership No.: 105497

Place: Mumbai
 Date: 14 May 2015

**For and on behalf of the Board of Directors of
 Metro One Operation Private Limited**

Eric Labartette
 Managing Director

Debasis Mohanty
 Director

Place: Mumbai
 Date: 14 May 2015

Metro One Operation Private Limited
Notes to financial statements for the year ended March 31, 2015

Note 4: Share capital

Particulars	As at March 31, 2015	As at March 31, 2014
	Rs.	Rs.
Authorised shares 10,00,000 (Previous Year: 10,00,000) equity shares of Rs 10 each	10,000,000	10,000,000
Issued, Subscribed and fully paid-up shares 10,000 (Previous Year: 10,000) equity shares of Rs. 10 each fully paid up	100,000	100,000
	100,000	100,000

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2015		As at March 31, 2014	
	Nos.	Rs.	Nos.	Rs.
At the beginning of the year	10,000	100,000	10,000	100,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	10,000	100,000	10,000	100,000

(b) Terms/rights attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of Rs. 10/- each. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) The details of shareholders holding more than 5% shares

Name of the shareholders	As at March 31, 2015		As at March 31, 2014	
	No. of shares held	% holding in the class	No. of shares held	% holding in the class
RATP Dev Transdev India Private Limited (formerly Veolia Transport RATP India Private Limited), the holding company	63,000	63%	63,000	63%
Reliance Infrastructure Limited	30,000	30%	30,000	30%
ARY, SAS	7,000	7%	7,000	7%

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

Note 5: Reserves and surplus

Particulars	As at March 31, 2015	As at March 31, 2014
	Rs.	Rs.
Surplus in the Statement of Profit and Loss		
Opening balance	416,955	10,183,297
Add: Profit / (Loss) for the year	9,370,567	(9,766,342)
Closing balance	9,787,522	416,955
Less: Appropriations		
Proposed Final Dividend (amount per share Rs.710 (March 31, 2014: Nil))	7,100,000	-
Dividend Distribution Tax	1,453,702	-
	8,553,702	-
	1,233,820	416,955

Metro One Operation Private Limited
Notes to financial statements for the year ended March 31, 2015

Note 6: Provisions

Particulars	Long-Term		Short-Term	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
	Rs.	Rs.	Rs.	Rs.
Provision for employee benefits				
Provision for retention bonus	8,030,708	5,899,767	5,687,511	4,116,903
Provision for compensated absence	13,922,602	9,179,887	1,935,603	1,398,577
Provision for gratuity (refer Note 21)	9,711,887	5,532,290	282,410	138,274
Other Provisions				
Proposed dividend	-	-	7,100,000	-
Provision for tax on dividend	-	-	1,453,702	-
	31,665,197	20,611,944	16,459,226	5,653,754

Note 7: Current liabilities

Particulars	As at	As at
	March 31, 2015	March 31, 2014
	Rs.	Rs.
Trade payables (Refer Note 19 for details of dues to micro and small enterprises)	49,365,583	40,028,121
Other current liabilities		
Employee Payables	6,768,828	5,034,278
Other liabilities		
TDS payable	3,130,747	2,848,098
PF Payable	2,083,692	2,058,766
Service Tax Payable	9,562,722	-
Others	212,159	227,590
	21,758,148	10,168,732
	71,123,731	50,196,853

Metro One Operation Private Limited
Notes to financial statements for the year ended March 31, 2015

Note 8: Fixed assets

A. Tangible assets	Gross Block			Depreciation			Net Block		
	As at Apr. 1, 2014	Additions/ Adjustments	Disposals	As at March 31, 2015	As at Apr. 1, 2014	Depreciation for the year	Disposals	As at March 31, 2015	As at March 31, 2014
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Computers	778,334	55,875	-	834,209	664,372	79,578	-	743,950	113,962
Furniture and Fixtures	407,662	105,749	-	513,411	259,057	63,564	-	322,621	148,605
Office equipment	1,137,373	65,840	-	1,203,213	870,862	150,715	-	1,021,577	266,511
Plant & Machinery & Equipment	628,476	666,374	-	1,294,850	55,223	322,497	-	377,720	573,253
Total	2,951,845	893,838	-	3,845,683	1,840,514	616,354	-	2,465,868	1,379,815
<i>Previous year</i>	<i>1,926,910</i>	<i>1,124,635</i>	<i>99,700</i>	<i>2,951,845</i>	<i>1,390,951</i>	<i>558,258</i>	<i>99,695</i>	<i>1,849,514</i>	<i>1,102,331</i>

B. Intangible assets	Gross Block			Amortisation			Net Block		
	As at Apr. 1, 2014	Additions	Disposals	As at March 31, 2015	As at Apr. 1, 2014	Amortisation for the year	Disposals	As at March 31, 2015	As at March 31, 2014
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Computer software	3,185,778	-	-	3,185,778	3,025,841	124,220	-	3,150,061	35,717
Total	3,185,778	-	-	3,185,778	3,025,841	124,220	-	3,150,061	35,717
<i>Previous year</i>	<i>3,185,778</i>	<i>-</i>	<i>-</i>	<i>3,185,778</i>	<i>2,593,441</i>	<i>432,400</i>	<i>-</i>	<i>3,025,841</i>	<i>159,937</i>

Metro One Operation Private Limited
Notes to financial statements for the year ended March 31, 2015

Note 9: Inventories

Particulars	As at	As at
	March 31, 2015	March 31, 2014
	Rs.	Rs.
Spares (Valued at cost or net realisable value, whichever is lower)	743,987	432,494
	743,987	432,494

Note 10: Deferred Tax Assets (net)

Particulars	As at	As at
	March 31, 2015	March 31, 2014
	Rs.	Rs.
Deferred Tax Asset on account of :		
Provision for Gratuity	3,242,650	1,752,204
Provision for Long-Term compensated Absences	5,145,195	3,268,745
Provision for Bonus	6,172,792	4,252,601
Differences in depreciation in block of fixed assets as per tax books and financial books	286,507	203,338
Gross deferred tax assets	14,847,144	9,476,888
Deferred Tax Liability on account of :		
Differences in depreciation in block of fixed assets as per tax books and financial books	-	-
Gross deferred tax liability	-	-
Net deferred tax asset	14,847,144	9,476,888

Note 11: Trade receivables

Particulars	As at	As at
	March 31, 2015	March 31, 2014
	Rs.	Rs.
(Unsecured, considered good)		
Trade receivables outstanding for a period exceeding 6 months from the date they were due for payment	-	-
Other Trade receivables	59,822,065	41,471,710
	59,822,065	41,471,710

Note 12: Cash and bank balances

Particulars	As at	As at
	March 31, 2015	March 31, 2014
	Rs.	Rs.
Cash and cash equivalents		
Cash on hand	377,387	16,461
Balances with banks in current accounts	18,116,924	4,871,883
	18,494,311	4,888,344

Note 13: Loans and advances

Particulars	Non-current		Current	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
	Rs.	Rs.	Rs.	Rs.
Advances recoverable in cash or in kind or for value to be received (Unsecured, considered good)	-	-	1,517,984	583,010
Loans and advances to employees	-	-	92,334	137,054
Prepaid expenses	-	13,346	4,004,471	3,476,958
Balances with government authorities - Service Tax credit receivable	-	-	-	1,181,937
Advance tax (net of provision for tax of Rs.15,452,044/- (March 31, 2014: Rs.6,025,651/-))	19,644,146	14,055,497	-	-
	19,644,146	14,068,843	5,614,789	5,378,959

Metro One Operation Private Limited
Notes to financial statements for the year ended March 31, 2015

Note 14: Other income

Particulars	For the Year ended March 31, 2015	For the Year ended March 31, 2014
	Rs.	Rs.
Interest income on income tax refund	-	759,530
Exchange Gain	331	204
Liabilities written back	-	60,263
	331	819,997

Note 15: Employee benefits expense

Particulars	For the Year ended March 31, 2015	For the Year ended March 31, 2014
	Rs.	Rs.
Salaries and Bonus (includes prior period Rs.Nil ; previous year: Rs. 3,834,538)	250,556,636	178,271,740
Contributions to provident fund	13,245,870	10,168,025
Company Contribution - ESIC	379,690	-
Company Contribution - MLWF	31,824	-
Gratuity Expenses (Note 21)	4,365,439	1,987,350
Staff welfare expenses	8,790,490	10,807,892
	277,369,949	201,235,007

Note 16: Operation, maintenance and other expenses

Particulars	For the Year ended March 31, 2015	For the Year ended March 31, 2014
	Rs.	Rs.
Technical Services	43,998,166	49,048,552
Commercial Pee	14,747,819	9,189,025
Maintenance sub-contracts	94,582,143	8,003,171
Tools, spare parts, consumables	7,087,300	-
Water Charges	5,406,627	-
Marketing Expenses	6,227,592	90,543
Training and Recruitment expenses	2,864,528	6,005,331
Security Expenses	124,974	585,115
Rates & Taxes	874,441	71,529
Communication	2,607,261	1,986,721
Travelling and conveyance	18,382,980	14,445,944
Rent	538,760	453,440
Printing and stationery	5,958,716	2,099,577
Subcontracting - employees	52,475,734	6,302,099
Legal and professional charges	1,068,361	1,576,627
Payment to Auditors (refer note (a) below)	518,500	349,718
Electricity charges	-	1,058,987
Exchange Loss	-	491
Miscellaneous expenses	2,604,682	2,481,540
	260,068,584	103,748,410

Note (a): Payment to Auditors (Inclusive of Service tax)

Particulars	For the Year ended March 31, 2015	For the Year ended March 31, 2014
	Rs.	Rs.
Statutory Audit	449,440	294,945
Tax Audit	112,360	42,135
Out-of-pocket expenses	18,500	12,638
	580,300	349,718

Metro One Operation Private Limited
Notes to financial statements for the year ended March 31, 2015

Note 17: Earnings per share

Particulars	March 31, 2015	March 31, 2014
	Rs.	Rs.
Net Profit / (Loss) as per Statement of Profit & Loss	9,370,567	(9,766,342)
Equity shares outstanding during the year (Nos.)	10,000	10,000
Basic & Diluted earnings per share (Nominal Value of shares Rs.10 each; <i>Previous year : Rs 10 each</i>)	937.06	(976.63)

Metro One Operation Private Limited

Notes to the Financial Statements for the year ended March 31, 2015

1. Corporate Information

Metro One Operation Private Limited ('the Company') is a private limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is the Operation and Maintenance Operator for the Mumbai Metro Line 1 from Versova to Ghatkopar.

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

3. Statement of Significant Accounting Policies

Depreciation on fixed assets

Till the year ended 31 March 2014, Schedule XIV to the Companies Act, 1956, prescribed requirements concerning depreciation of fixed assets. From the current year, Schedule XIV has been replaced by Schedule II to the Companies Act, 2013. The applicability of Schedule II has resulted in the following changes related to depreciation of fixed assets. Unless stated otherwise, the impact mentioned for the current year is likely to hold good for future years also.

(i) Useful lives/ depreciation rates

Till the year ended 31 March 2014, depreciation rates prescribed under Schedule XIV were treated as minimum rates and the Company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. Schedule II to the Companies Act 2013 prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows companies to use higher/ lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements.

The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets, and therefore no change in estimates is required pursuant to applicability of Schedule II, though these rates in certain cases are different from lives prescribed under Schedule II. Hence, this change in accounting policy did not have any impact on financial statements of the Company.

(ii) Depreciation on assets costing less than Rs.5000/-

Till year ended March 31, 2014 to comply with the requirements of Schedule XIV to the Companies Act, 1956, the Company was charging 100% depreciation on assets costing less than

Metro One Operation Private Limited

Notes to the Financial Statements for the year ended March 31, 2015

5,000/- in the year of purchase. However, Schedule II to the Companies Act 2013, applicable from the current year, does not recognize such practice. Hence, to comply with the requirement of Schedule II to the Companies Act, 2013, the Company has changed its accounting policy for depreciations of assets costing less than 5000/-. As per the revised policy, the Company is depreciating such assets over their useful life as assessed by the management. The management has decided to apply the revised accounting policy prospectively from accounting periods commencing on or after April 1, 2014.

The change in accounting for depreciation of assets costing less than Rs.5000/- did not have any material impact on financial statements of the Company for the current year.

(a) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosures of contingent liabilities, at the end of the reporting year. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(b) Fixed Assets

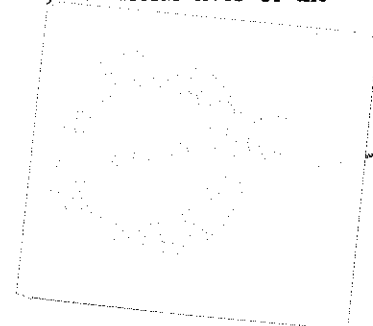
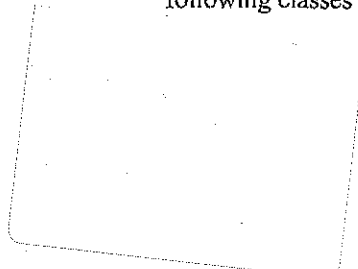
Fixed assets are stated at cost, less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

(c) Depreciation

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

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

The management has estimated, supported by internal assessments, the useful lives of the following classes of assets.



Metro One Operation Private Limited

Notes to the Financial Statements for the year ended March 31, 2015

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

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

(iii) Depreciation is provided from the date of purchase/installation and till the date of sale/disposal.

(d) Impairment

(i) The carrying amounts of assets are reviewed at each reporting date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

(ii) After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

(e) Inventories

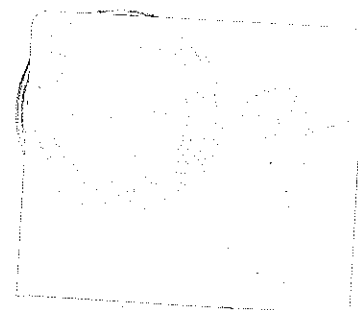
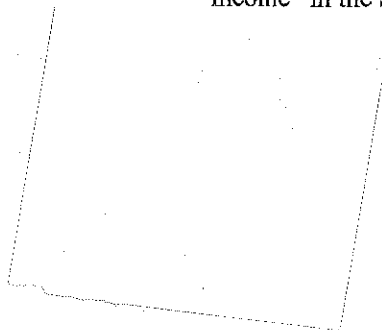
Components, stores and spares are valued at Cost or net realisable value. Cost of components and stores and spares is determined on a weighted average basis.

(f) Revenue recognition

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

(g) Interest

Interest Income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. Interest income is included under the head "Other Income" in the Statement of Profit and Loss.



Metro One Operation Private Limited

Notes to the Financial Statements for the year ended March 31, 2015

(h) Foreign currency translation

Foreign currency transactions

(i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are reported using the closing rate.

(iii) Exchange Differences

Exchange differences arising on the settlement of monetary items, other than investments, borrowings or capital assets, at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

(i) Retirement and other employee benefits

(i) Retirement benefits in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contributions payable to the respective funds.

(ii) Gratuity and retention bonus liabilities are defined benefit obligations and are provided for on the basis of an actuarial valuation as per the projected unit credit method, at the end of each financial year.

(iii) Long term compensated absences are provided for on the basis of an actuarial valuation as per the projected unit credit method, at the end of each financial year.

(iv) Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred.

(j) Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. Deferred income tax reflects the impact of current year's timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and

Metro One Operation Private Limited

Notes to the Financial Statements for the year ended March 31, 2015

the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation authority. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

At each reporting date the Company re-assesses unrecognized deferred tax assets. It recognizes, unrecognized deferred tax assets to the extent that they have become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

(k) Earnings Per Share

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

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

(l) Provisions

A provision is recognised when an enterprise has a present obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the reporting date. These are reviewed at each reporting date and adjusted to reflect the current best estimates.

(m) Contingent liabilities

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

Metro One Operation Private Limited

Notes to the Financial Statements for the year ended March 31, 2015

18. Contingent Liabilities not provided for - Rs. Nil (previous year: Rs. Nil)
19. There are no dues to small scale industries or micro, small and medium enterprises. This information has been determined to the extent such parties have been indentified on the basis of information available with the Company. This has been relied upon by the auditors.
20. Expenditure in foreign currency (on accrual basis):

Particulars	For the Year ended March 31, 2015	For the Year ended March 31, 2014
	Rs.	Rs.
Travel Expenses	-	300,130
Total	-	300,130

21. Disclosure under Accounting Standard 15 (revised 2005) "Employee Benefits":

The Company has classified various employee benefits as under:

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

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

The Company has recognized Rs.1,32,45,870 (previous year: Rs.1,01,68,025) in the Statement of Profit and Loss towards contribution to Provident Fund and Employees' Pension Scheme, 1995 for the year.

- B. Defined Benefit Plan

- a. Gratuity

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

Sr. No	Particulars	As at March 31, 2015	As at March 31, 2014
(i)	Discount rate (per annum)	7.95%	8.90%
(ii)	Rate of increase in compensation levels	7.50%	7.50%
(iii)	Rate of return on Plan Assets	0%	0%
(iv)	Employee Turnover rate	4%	4%

Metro One Operation Private Limited

Notes to the Financial Statements for the year ended March 31, 2015

22. Related Party Disclosure:

Related Party Disclosures as required under AS 18 for transactions with related parties given below. The disclosure has been made for related parties with whom there were transactions during the year.

A	Ultimate Holding Company	RATP Developpement SA
B	Holding Company:	RATP Dev Transdev India Private Limited (formerly Veolia Transport RATP India Private Limited)
C	Associate:	Mumbai Metro One Private Limited Reliance Infrastructure Limited
D	Key Management Personnel:	Mr. Chris White, Managing Director (until December 31, 2014) Mr. Eric Labartette, Managing Director (w.e.f. January 1, 2015)

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

(Amount in Rupees)

Particulars		Ultimate Holding Company	Holding Company	Associate	Key Managerial Personnel
(a) Statement of Profit and Loss Heads:					
(I) Income					
(i) Fees for Operation and Maintenance Services	2014-15	-	-	55,16,05,479	-
	2013-14	-	-	29,13,24,351	-
(II) Expenses					
(i) Operating Expenses	2014-15	-	5,87,45,985*	2,84,775	-
	2013-14	-	5,82,30,615	20,02,334	-
(ii) Managerial Remuneration	2014-15	-	-	-	1,70,46,785*
	2013-14	-	-	-	1,40,93,354
(iii) Reimbursement of Expenses	2014-15	2,66,862	-	-	-
	2013-14	-	-	-	-
(b) Balance Sheet Heads (Closing Balances):					
(i) Trade Payables	2014-15	-	7,41,493	9,72,950	-
	2013-14	-	2,45,77,255	9,48,168	-
(ii) Trade Receivables	2014-15	2,66,862	-	5,95,55,203	-
	2013-14	-	-	4,14,71,710	-
(iii) Prepaid Expenses	2014-15	-	11,45,832	-	-
	2013-14	-	-	-	-

* includes reimbursement of amount paid Rs.1,70,46,785/- in relation to key managerial personnel which is disclosed separately as mentioned above.

Metro One Operation Private Limited

Notes to the Financial Statements for the year ended March 31, 2015

23. The Company is a Small and Medium Sized Company (SMC) as defined in the General Instructions in respect of Accounting Standards notified under the Companies Act, 1956. Accordingly, the Company has complied with the Accounting Standards as applicable to a Small and Medium Sized Company.

24. Previous year figures

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

For S R B C & CO LLP.
Chartered Accountants
ICAI Firm registration number: 324982E

**For and on behalf of the Board of Directors
of Metro One Operation Private Limited**

per Pramod Kumar Bapna
Partner
Membership No.: 105497

Eric Labartette
Managing Director

Debasis Mohanty
Director

Place: Mumbai
Date: 14 May 2015

Place: Mumbai
Date: 14 May 2015