

Deloitte Haskins & Sells LLP

Chartered Accountants
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF Mumbai Metro One Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Mumbai Metro One Private Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement 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 the accounting principles generally accepted in India, including the Accounting Standards 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 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 and the Order under section 143 (11) of the Act.

We conducted our audit of the 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 financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and the 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. 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 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 aforesaid 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, 2016, and its loss and its cash flows 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 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, and the Cash Flow Statement 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 prescribed under section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 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.

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

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Also Refer Note 25 to the financial statements – Contingent Liabilities.
- 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.

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: 3rd May 2016



ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 clause (f) under 'Report on Other Legal and Regulatory Requirements' 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 31st March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

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

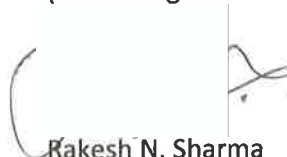
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal 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 31st March 2016, 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.

Place: Mumbai
Date: 3rd May 2016

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W100018)



Rakesh N. Sharma
Partner
Membership No. 102042

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.

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- (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 been generally 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, 2016 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, 2016 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

- (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 have 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.

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- (xi) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the 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 him 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-I of the Reserve Bank of India Act, 1934.

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

Place: Mumbai
Date: 3rd May 2016

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Rakesh N. Sharma
Partner
Membership No. 102042



Mumbai Metro One Private Limited

Financial Statements

For the year ended 31 March 2016

MUMBAI METRO ONE PRIVATE LIMITED

Balance Sheet

Particulars	Note No.	As at 31 March 2016		As at 31 March 2015	
		Rupees	Rupees	Rupees	Rupees
A. EQUITY AND LIABILITIES					
1. Shareholders' Funds					
a. Share capital	3	5,120,000,000		5,120,000,000	
b. Reserves and surplus	4	(5,667,134,853)		(2,798,269,849)	
			(547,134,853)		2,321,730,151
2. Non-current liabilities					
a. Long-term borrowings	5	26,012,210,822		24,713,848,974	
b. Other Long term liabilities	6	88,449,591		99,820,000	
c. Long-term provisions	7	12,822,799		11,162,589	
			26,113,483,212		24,824,831,563
3. Current liabilities					
a. Short-term borrowings	8	4,174,917,163		3,287,615,259	
b. Trade payables	9				
i. Total outstanding dues of micro enterprises and small enterprises	9(a)	9,846,601		2,288,427	
ii. Total outstanding dues of creditors other than micro enterprises and small enterprises	9(b)	164,237,319		133,863,641	
c. Other current liabilities	10	2,743,234,519		5,638,491,679	
d. Short-term provisions	11	1,676,240		1,262,141	
			7,093,911,842		9,063,521,147
Total			32,660,260,201		38,210,082,861
B. ASSETS					
1. Non-current assets					
a. Fixed assets					
- Intangible asset	12		32,382,241,831		33,467,372,523
b. Long-term loans and advances	13		47,195,578		87,971,882
2. Current assets					
a. Current investments	14	-		856,500,000	
b. Trade receivables	15	25,721,386		16,311,887	
c. Cash and cash equivalents	16	139,902,735		1,719,189,057	
d. Short-term loans and advances	17	22,884,202		13,893,131	
e. Other current assets	18	42,314,469		48,844,381	
			230,822,792		2,654,738,456
Total			32,660,260,201		36,210,082,861

Significant Accounting Policies

2

See accompanying notes forming part of the financial statements.

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of Board of Directors

Rajesh N. Sharma
Partner

Mumbai, dated: 3rd May, 2016

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:

3 MAY 2016

MUMBAI METRO ONE PRIVATE LIMITED

Statement of Profit and Loss

Particulars	Note No.	For the year ended 31 March 2016	For the year ended 31 March 2015
		Rupees	Rupees
I. Revenue from operations	19	2,102,384,354	1,361,730,343
II. Other income	20	92,500,044	47,470,531
III. Total revenue		2,194,884,398	1,409,200,874
IV. Expenses:			
a. Operating expenses	21	1,052,338,781	840,658,401
b. Employee benefits expense	22	142,965,370	153,046,067
c. Finance costs	23	2,122,591,662	1,927,064,032
d. Amortization expense	12	1,424,532,347	1,161,236,364
e. Other expenses	24	321,321,242	95,338,655
Total Expenses		5,063,749,402	4,177,343,519
V. Loss for the year (III-IV)		(2,868,865,004)	(2,768,142,645)
VI. Earnings per equity share (of Rs. 10 each):			
Basic (see note 35)		(5.60)	(5.41)
Diluted (see note 35)		(5.60)	(5.41)

Significant Accounting Policies

2

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: 3rd May, 2016

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 Sir
Company Secre

Mumbai, dated:

3 MAY 2016

MUMBAI METRO ONE PRIVATE LIMITED
Cash Flow Statement

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
	Rupees	Rupees
A. Cash flow from operating activities		
Loss for the year	(2,868,865,004)	(2,768,142,645)
Adjustments for:		
Amortization expense	1,424,532,347	1,161,236,364
Finance costs	2,122,591,662	1,927,064,032
Interest income	(6,844,247)	(4,665,051)
Profit on sale of assets	-	(106,824)
Loss on sale of assets	262,433	-
Dividend Income	(2,861,657)	(5,066,928)
Net gain on sale of current investments	(9,075,210)	-
Provision written back	(72,260,447)	-
Net unrealised exchange loss/(gain)	81,768,765	(37,227,228)
Operating profit before working capital changes	669,248,642	273,091,720
Changes in working capital		
Adjustments for (increase)/decrease in operating assets:		
Trade receivables	(9,409,499)	(16,311,887)
Short-term loans and advances	(8,991,072)	(3,891,092)
Long-term loans and advances	43,447,188	(25,951,363)
Other current assets	6,260,873	(18,563,946)
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables	37,931,853	108,444,204
Other long-term liabilities	(11,370,409)	11,870,000
Other current liabilities	(308,851,538)	463,178,693
Provisions	2,074,309	(210,369)
	420,340,347	791,655,960
Less: Direct taxes paid	(2,670,884)	(7,160,126)
Net Cash flow generated from operating activities	417,669,463	784,495,834
B. Cash flow from investing activities		
Capital expenditure (net of capital creditors) (see note 1 below)	(377,514,128)	(2,372,827,784)
Proceeds from sale of fixed assets	32,427	623,073
Fixed Deposits have been given as margin money for loans taken and bank guarantees	(37,479,305)	(41,305,413)
Purchase of current investments	(2,880,361,657)	(1,837,446,038)
Redemption of current investments	3,745,936,866	1,247,852,129
Interest income received	7,113,287	2,554,128
Dividend income received	2,861,657	5,066,928
Net Cash flow generated from / (used in) investing activities	460,589,147	(2,995,482,977)
C. Cash flow from financing activities		
Proceeds from long-term borrowings (see note 1 below)	1,264,027,205	15,216,597,833
Repayment of long-term borrowings	(2,519,800,851)	(11,491,673,145)
Proceeds from other short-term borrowings	1,500,000,000	1,488,100,184
Repayment of short-term borrowings	(653,482,448)	(35,674,101)
Finance costs	(2,085,768,143)	(1,851,720,911)
Viability Gap funding received	-	505,200,000
Net Cash flow (used in) / generated from financing activities	(2,495,024,237)	3,830,829,910
Net (Decrease)/Increase in Cash and Cash equivalents	(1,616,765,627)	1,619,842,767
Opening balance of cash and cash equivalents	1,655,212,535	35,369,768
Closing balance of cash and cash equivalents (see sub note 1 to note 16)	38,446,908	1,655,212,535
Notes:		
1. Non cash transaction : Capital expenditure (net of capital creditors) and proceeds from long term borrowings have been adjusted for Rs. 281,120,724/- (previous year Rs. 198,999,333/-) since they relate to unrealised foreign exchange difference.		
2. Cash balances not available for use : Fixed Deposits have been given as margin money for loans taken and bank guarantees Rs. 101,455,827/- (previous year 63,976,522/-) (see sub note 2 to note 16)		

Significant Accounting Policies (see note 2)
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: 3rd May, 2016

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:

3 MAY 2016

MUMBAI METRO ONE PRIVATE LIMITED

Notes forming part of the Financial Statements

1. Background

Mumbai Metro One Private Limited (the Company) -was incorporated on 22 December 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 7 March 2007 granted the Company a concession for a period of 35 years, for the exclusive rights to construct, operate and charge fares to users of the Mumbai Metro in accordance with the provisions of the concession agreement, at the close of which the Company must transfer the rights, title and interest in the Mumbai Metro Project assets, in a serviceable condition, free of encumbrances to MMRDA. The project commenced commercial operations from 8 June 2014.

2. Significant Accounting Policies and Notes Forming part of Accounts:

(i) Basis of preparation of financial statements:

The financial statements of the Company have been prepared under the historical cost convention in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act").

(ii) Use of Estimates:

The preparation of financial statements in conformity with GAAP requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and differences between actual results and estimates are recognized in the periods in which the results are known / materialize.

(iii) Fixed Assets:

a) Intangible Asset and amortization:

The Company's Right under the Concession Agreement with the MMRDA is measured at the cost of acquisition/construction of infrastructural facilities less amortization and impairment, if any. The cost of acquisition/ construction includes all costs incurred for bringing the infrastructural facilities to their present location and working condition.

The Company's Right under the Concession Agreement is amortized over the lower of the respective useful lives of the infrastructural facilities (estimated based on Schedule II to the Companies Act, 2013/ Circular of the Ministry of Railways, Railways Board dated 24 May 2006 relating to the Codal life of assets) and the concession period (30 years).

b) Impairment of assets:

An asset is considered as impaired in accordance with Accounting Standard 28 on Impairment of Assets when at the balance sheet date there are indications of impairment and the carrying amount of the asset, or where applicable the cash generating unit to which the asset belongs, exceeds its recoverable amount (i.e. the higher of the asset's net selling price and value in use). The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the Statement of Profit and Loss.

(iv) Revenue Recognition:

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.

Other Operating Revenue such as from advertisements, rentals and others is recognized in accordance with terms of the contracts with customers based on the period for which the Company's facilities have been used.

(v) Foreign Currency Transactions:

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities are restated into Indian Rupees at the exchange rate prevailing at the Balance Sheet date.

Foreign exchange differences arising on restatement / settlement of long-term foreign currency liabilities relating to the fixed assets are adjusted to the cost of the asset. All other exchange differences are dealt with in the Statement of Profit and Loss.

MUMBAI METRO ONE PRIVATE LIMITED

Notes forming part of the Financial Statements

(vi) Investments:

Investments are classified as current or long term in accordance with Accounting Standard 13 on Accounting for Investments. Current investments are stated at the lower of cost and fair value. Any reduction in the carrying amount and any reversals of such reductions are charged or credited to the Statement of Profit and Loss. Long term investments are stated at cost. Provision for diminution is made to recognize a decline, other than temporary, in the value of such investments.

(vii) Employee Benefits:

Employee benefits such as salaries, allowances and employee benefits under defined contribution plans such as provident and other funds, which fall due for payment within a period of twelve months after rendering service, are charged as expense in the statement of profit and loss in the period in which the service is rendered.

Employee benefits under defined benefit plans, such as gratuity and compensated absences which fall due for payment after a period of twelve months from rendering service or after completion of employment, are measured by the projected unit credit method, on the basis of actuarial valuations carried out by third party actuaries at each balance sheet date. The company's obligations recognized in the balance sheet represent the present value of obligations as reduced by the fair value of plan assets, where applicable. Actuarial gains and losses are recognized immediately in the statement of profit and loss.

(viii) Borrowing Costs:

Borrowing costs attributable to the acquisition or construction of qualifying assets, as defined in Accounting Standard 16 on Borrowing Costs are capitalized as part of the cost of the asset up to the date when the asset is ready for its intended use. Other borrowing costs are expensed as incurred.

(ix) Income Taxes:

Income taxes are accounted for in accordance with Accounting Standard 22 on Accounting for Taxes on Income. Taxes comprise both current and deferred tax.

Current tax is measured at the amount expected to be paid to /recovered from the taxation authorities, using the applicable tax rates and tax laws.

The tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax asset or deferred tax liability. They are measured using the substantively enacted tax rates and tax regulations.

The carrying amount of deferred tax assets at each balance sheet date is reduced to the extent that it is no longer reasonably or virtually certain, as relevant that sufficient future taxable income will be available against which the deferred tax asset can be realized. Accordingly for the current year no deferred tax assets have been recognized.

(x) Grants:

Amount received from the MMRDA that relate to the Mumbai Metro Assets is deducted from the gross values of the amounts capitalized.

(xi) Earnings Per Share:

The Company reports basic and diluted Earnings per Share (EPS) in accordance with Accounting Standard 20 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.

(xii) Cash Flow Statement:

The Cash Flow Statement is prepared by the indirect method set out in Accounting Standard 3 on Cash Flow Statements and presents the cash flows by operating, investing and financing activities of the Company.

Cash and Cash equivalents presented in the Cash Flow Statement consist of cash on hand and unencumbered bank balances.

(xiii) Provisions and contingencies:

A provision is recognised when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Contingent liabilities are not recognised but disclosed unless the probability of an outflow of resources is remote. Contingent assets are neither recognised nor disclosed.

MUMBAI METRO ONE PRIVATE LIMITED
Notes forming part of the Financial Statements

	As at 31 March 2016 Rupees	As at 31 March 2015 Rupees
3 - Share Capital		
(a) Authorised :		
550,000,000 (Previous Year 550,000,000) Equity Shares of Rs. 10 each	5,500,000,000	5,500,000,000
500,000,000 (Previous Year 500,000,000) 0.1% Non-Cumulative Preference Shares of Rs. 10 each	<u>5,000,000,000</u>	<u>5,000,000,000</u>
	10,500,000,000	10,500,000,000
(b) Issued, Subscribed and Paid up:		
512,000,000 Equity Shares of Rs. 10 each fully paid up	5,120,000,000	5,120,000,000
(Of the above 353,280,000 Equity Shares are held by Reliance Infrastructure Limited, the holding company)		
Total	5,120,000,000	5,120,000,000
(c) 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.		
(d) Shares held by holding company		
Reliance Infrastructure Limited (Number of shares held)	353,280,000	353,280,000
(e) The details of shareholders holding more than 5% shares		
Name of the shareholders		
1. Reliance Infrastructure Limited (Number of shares held)	353,280,000	353,280,000
% holding	69%	69%
2. Mumbai Metropolitan Region Development Authority (MMRDA) (Number of shares held)	133,120,000	133,120,000
% holding	26%	26%
(f) Reconciliation of the number of shares outstanding as at the beginning and at the end of the year is set out below :		
Number of shares outstanding at the beginning and at the end of the year	512,000,000	512,000,000
4 - Reserves and Surplus		
(a) Capital Contribution / Viability Gap Funding from MMRDA		
Opening Balance	-	5,167,120,944
Add: Received during the year	-	505,200,000
Less: Deducted from fixed assets (see note 2(x) and note 12 (2))	-	(5,672,320,944)
Closing Balance	-	-
(b) Deficit in the Statement of Profit and Loss		
Opening Balance	(2,798,269,849)	(30,127,204)
Add: Loss for the year	(2,868,865,004)	(2,768,142,645)
Total	(5,667,134,853)	(2,798,269,849)

MUMBAI METRO ONE PRIVATE LIMITED

Notes forming part of the Financial Statements

	As at 31 March 2016 Rupees	As at 31 March 2015 Rupees
5 - Long-Term Borrowings		
Secured		
Rupee Term Loans from Banks	14,318,691,795	13,494,664,589
Foreign Currency Term Loans from Financial Institutions	4,103,519,027	4,069,184,385
(see note 10 for Current maturity details of Long Term Loans)		
a) The term 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 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 8).		
b) Repayment terms and Rate of Interests:		
(i) Rupee Term loans are repayable in 76 quarterly installments commencing from 31 March 2018 bearing interest @ 11.20%.		
(ii) Foreign currency terms loans are repayable in 60 quarterly installments bearing interest @ USD LIBOR + 485 basis points.		
c) Maturity profile of the term loans:		
2 - 5 years	Rs. 2,320,831,415	
6 - 10 years	Rs. 5,435,990,352	
More than 10 years	Rs. 10,665,389,053	
Unsecured		
Subordinated debt from the holding company	7,590,000,000	7,150,000,000
Note: In terms of the Rupee term loan agreements from banks dated 12 February 2013, Reliance Infrastructure Limited has extended a subordinated debt to the Company. This subordinated debt is unsecured, interest free and shall be repaid from available cash flow after the repayment of the entire Rupee Term loans.		
Total	26,012,210,822	24,713,848,974
6 - Other Long Term Liabilities		
Security Deposits received	88,449,591	99,820,000
Total	88,449,591	99,820,000
7 - Long-Term Provisions		
Provision for Leave Encashment	12,822,799	11,162,589
Total	12,822,799	11,162,589
8 - Short Term Borrowings		
Secured		
Buyer's Credit facility from Banks (see note 5 for security)	722,948,163	1,335,646,259
Unsecured		
Loans from the holding company	3,451,969,000	1,951,969,000
Total	4,174,917,163	3,287,615,259
9 - Trade Payables		
9 (a). Total outstanding dues of micro enterprises and small enterprises (see note 36)	9,846,601	2,288,427
Total	9,846,601	2,288,427
9 (b). Total outstanding dues of creditors other than micro enterprises and small enterprises	164,237,319	133,863,641
Total	164,237,319	133,863,641
10 - Other Current Liabilities		
Current maturities of Secured Rupee Long Term Loans (see note 5)	-	2,355,500,000
Current maturities of Secured Foreign Currency Term Loans (see note 5)	156,711,476	115,010,595
Interest Accrued but not due on borrowings	113,117,472	76,293,953
Other payables:		
- Statutory remittances	17,948,930	274,563,591
- Payables on purchase of fixed assets	2,380,253,042	2,617,422,618
- Advances received from customers	56,236,015	66,531,146
- Security deposit received from customers	17,607,600	10,292,150
- Others	1,359,984	122,877,626
Total	2,743,234,519	5,638,491,679
11 - Short Term Provisions		
Provision for Leave Encashment	1,676,240	1,262,141
Total	1,676,240	1,262,141

MUMBAI METRO ONE PRIVATE LIMITED

Notes forming part of the Financial Statements

12 - Fixed Assets

Description	Amount in Rupees											
	As at 1 April 2015	Additions during the year	Disposal during the year	Deductions Grant from MMFDA (see note 2 below)	As at 31 March 2016	Upto 1 April 2015	For the year	Deduction during the year	Upto 31 March 2016	As at 31 March 2016	As at 31 March 2015	Net Block
Intangible Asset Right under Concession Agreement with MMFDA	34,650,513,291	339,696,514	606,660	-	34,989,603,146	1,183,140,768	1,424,532,347	311,800	2,607,361,315	32,382,241,831	33,467,372,523	
Total	34,650,513,291	339,696,514	606,660	-	34,989,603,146	1,183,140,768	1,424,532,347	311,800	2,607,361,315	32,382,241,831	33,467,372,523	
Previous year	60,554,461	40,263,076,577	798,803	5,672,320,944	34,650,513,291	22,186,955	1,161,236,364	282,551	1,183,140,768	33,467,372,523		

Notes:

1. Additions to Mumbai metro project assets during the year include Rs. Nil and Rs. 281,120,724/- (previous year Rs. 4,666,241,726/- and Rs. 659,029,797/-) on account of capitalisation of interest and foreign exchange difference on long term loans respectively. The unamortized amount of exchange difference on foreign currency exchange loss capitalised is Rs. 903,740,247/- (previous year Rs. 635,829,574/-)
2. Represents grant from Mumbai Metropolitan Region Development Authority (see note 2(x))
3. 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)

MUMBAI METRO ONE PRIVATE LIMITED
Notes forming part of the Financial Statements

	As at 31 March 2016 Rupees	As at 31 March 2015 Rupees
13 - Long Term Loans and Advances (Unsecured, Considered good)		
Security deposits	14,294,984	14,127,623
Other loans and advances:		
- Service Tax and VAT Recoverable	21,677,686	65,292,235
- Advance Income tax	11,222,908	8,552,024
Total	47,195,578	87,971,882
14 - Current Investments (At Lower of cost and fair value) Investments in Mutual Fund Units (Unquoted)		
Reliance Liquidity Fund - Direct Growth Plan Growth Option (Previous Year 406,423.729 units of 2,107.4064 each)	-	856,500,000
Total	-	856,500,000
15 - Trade Receivables (Secured, considered good)		
Receivables outstanding for a period exceeding six months from the due date of payment	522,527	5,820,156
Other Receivables	25,198,859	10,491,731
Total	25,721,386	16,311,887
16 - Cash and Cash Equivalents		
Balances with banks		
- in Current Accounts	21,954,183	1,645,456,754
- in Fixed Deposits (see note 2 and 3 below)	101,455,827	63,976,522
Cash on Hand	16,492,725	9,755,781
Total	139,902,735	1,719,189,057
Notes:		
1. Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements	38,446,908	1,655,212,535
2. Fixed Deposits have been given as margin money for loans taken and Bank Guarantees	101,455,827	63,976,522
3. Fixed Deposits with original maturity of more than 12 months	77,045	9,960,045
17 - Short Term Loans and Advances (Unsecured, considered good)		
Others		
Advances to vendors	5,046,863	1,985,665
Advances recoverable in cash or kind or for value to be received	11,372,858	10,983,934
Loans & advances to Employees	6,464,481	923,532
Total	22,884,202	13,893,131
18 - Other Current Assets		
Contractually reimbursable expenses	40,157,331	37,850,635
Deposit	-	8,567,569
Interest accrued on bank deposits	2,157,138	2,426,177
Total	42,314,469	48,844,381

MUMBAI METRO ONE PRIVATE LIMITED
Notes forming part of the Financial Statements

	For the year ended 31 March 2016 Rupees	For the year ended 31 March 2015 Rupees
19 - Revenue from Operations		
Income from collection of fares from passengers	1,884,275,824	1,220,832,885
Other Operating income		
- Rent	106,457,749	73,824,665
- Advertisement	86,161,314	52,989,130
- Others	25,489,467	14,083,663
Total	2,102,384,354	1,361,730,343
20 - Other income		
Interest Income (see note below)	6,844,247	4,665,052
Dividend Income from current investments	2,861,657	5,066,928
Net gain on sale of current investments	9,075,210	-
Net gain on foreign currency transactions	-	37,546,320
Provision written back	72,260,447	-
Miscellaneous Income	1,458,483	192,231
Total	92,500,044	47,470,531
Note:		
Interest income comprises of Interest:		
From deposits with banks	6,367,915	4,345,589
Others	476,332	319,463
21 - Operating expenses		
Power and Fuel	314,517,379	278,296,006
Operation & Maintenance expense	654,221,114	511,570,812
Security expenses	41,118,257	30,563,458
Repairs and Maintenance		
- Building	7,801,541	2,948,632
- Plant and Machinery	3,485,745	9,825,408
- Others	31,194,745	7,454,085
Total	1,052,338,781	840,658,401
22 - Employee benefits expense		
Salary and Wages	127,787,336	143,184,945
Contribution to Provident & Other Funds (see note 37)	7,446,220	4,354,358
Staff Welfare expenses	7,731,814	5,506,764
Total	142,965,370	153,046,067
23 - Finance cost		
a. Interest on:		
(i) Borrowings	2,086,740,426	1,670,950,253
(ii) delayed payment of taxes	10,539,320	4,012,955
b. Other borrowing costs	25,311,916	252,100,824
Total	2,122,591,662	1,927,064,032
24 - Other expenses		
Rent, Rates and Taxes	1,483,464	113,225
Insurance	31,619,922	29,809,899
Legal and Professional fees	49,036,631	25,101,310
Travelling and Conveyance	13,652,809	9,188,483
Auditors Remuneration (see note below)	3,111,779	2,841,512
Net loss on foreign currency transactions	123,796,552	-
Miscellaneous expenses	98,620,085	28,284,225
Total	321,321,242	95,338,655
Note:		
Payments to Auditors (excluding service tax) comprise:		
Audit	2,000,000	1,800,000
For other services	1,075,000	1,037,912
Reimbursement of expenses	36,779	3,600
Total	3,111,779	2,841,512

MUMBAI METRO ONE PRIVATE LIMITED

Notes forming part of the Financial Statements

	As at 31 March, 2016 Rupees	As at 31 March, 2015 Rupees
25 Contingent Liabilities		
a. Claims against the Company not acknowledged as debts		
(i) Claims by MMRDA:		
- Claims by MMRDA for damages for delay in achieving project milestones and completion of the project	16,438,001,030	11,758,300,000
- Claims by MMRDA for Fares charged in violation of the Concession Agreement	1,291,784,164	-
- Rent to MMRDA	357,878,846	357,878,846
- Concessions in customs duty	390,000,000	390,000,000
- Consultancy charges	20,000,000	20,000,000
(ii) Claims of suppliers against the company	4,853,240,524	3,351,714,564
(iii) Demand for non-agricultural assessment tax	99,809,376	97,362,568
	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 20 April 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 aggregating Rs. 39.34 crores which has been disputed by the company. The amount, if any, payable with regard to octroi is presently not ascertainable.

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 8 July 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 17 December 2015 stayed the effect and implementation of the FFC recommendations. The matter is presently under litigation and the liability, if any, that may arise when the matter is settled cannot at present be ascertained.

26 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 31 March 2016 aggregate Rs. 1,938.52 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.

27 As at 31 March 2016, the accumulated losses have exceeded the net worth of the Company and the current liabilities exceeded its current assets. For the financial year ended on 31 March 2016, 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"), has committed to service the lenders as primary obligor 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. 150 crores from the Holding Company for payment of finance costs.

Additionally, the shareholders vide resolution dated 15 July 2015 have approved additional subordinated debts from the Holding Company, aggregating Rs. 251 crores (of which Rs. 44 crores has been received during the 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 favourable outcome.

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

28 Expenditure in Foreign Currency

Project expenses	748,700	1,670,147,401
Professional and Consultation Fees	966,167	154,890,986
Interest Expenses	227,837,364	240,049,927
Repair & Maintenance	289,797	-
Bank Charges	316,963	-
Total	230,153,991	2,065,088,314

29 Value of imports calculated on CIF basis

Capital Goods	39,551,001	87,757,168
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30 Related Party Disclosures

a) List of Related parties

Description of relationship	Names of Related parties
1. Holding company	Reliance Infrastructure Limited
2. Investing parties	i.) Mumbai Metropolitan Region Development Authority ii.) Transdev ile de France (formerly known as "Veolia Transport S.A.")
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

MUMBAI METRO ONE PRIVATE LIMITED

Notes forming part of the Financial Statements

b) Details of related party transactions during the year ended 31 March, 2016 and balances outstanding as at 31 March, 2016:

Transactions during the year ended 31 March, 2016	Holding Company	Investing parties	Enterprises where holding company has significant Influence	Key Management Personnel	Amount in Rs.
					Total
Capital Grant received					
i) Mumbai Metropolitan Region Development Authority	-	-	-	-	-
Loans taken		(505,200,000)			(505,200,000)
i) Reliance Infrastructure Limited	1,940,000,000	-	-	-	1,940,000,000
	(2,328,000,000)				(2,328,000,000)
Interest Received on Electricity Deposit					
i) Reliance Infrastructure Limited	137,623				137,623
Rent / Lease - Charges					
i) Mumbai Metropolitan Region Development Authority	-	98,814	-	-	98,814
		(52,948,556)			(52,948,556)
Consultancy Charges					
i) Mumbai Metropolitan Region Development Authority	-	-	-	-	-
		(48,800,000)			(48,800,000)
Operation and Maintenance expenses					
i) Metro One Operation Private Limited	-	-	629,369,491	-	629,369,491
			(610,215,046)		(610,215,046)
Power and Fuel					
i) Reliance Infrastructure Limited	314,517,379	-	-	-	314,517,379
	(320,879,050)				(320,879,050)
Interest expenses					
i) Reliance Infrastructure Limited	213,665,219	-	-	-	213,665,219
	(55,425,329)				(55,425,329)
Reimbursement of Expenses paid					
i) Reliance Infrastructure Limited	3,523,463	-	-	-	3,523,463
	(2,939,760)				(2,939,760)
Reimbursement of Expenses received					
i) Mumbai Metropolitan Region Development Authority	-	4,984,260	-	-	4,984,260
		(38,908,512)			(38,908,512)
Remuneration to KMP				15,310,388	15,310,388
				(16,023,840)	(16,023,840)
Balances outstanding at the end of the year					
Payables					
i) Metro One Operation Private Limited	-	-	67,760,709	-	67,760,709
			(60,769,999)		(60,769,999)
ii) Mumbai Metropolitan Region Development Authority	-	15,662,669	-	-	15,662,669
		(17,969,365)			(17,969,365)
iii) Reliance Infrastructure Limited	27,960,831	-	-	-	27,960,831
	(82,173,569)				(82,173,569)
Receivables					
Deposit Paid					
i) Reliance Infrastructure Limited	1,204,100	-	-	-	1,204,100
	(1,204,100)				(1,204,100)
ii) Mumbai Metropolitan Region Development Authority	-	120,000	-	-	120,000
		(120,000)			(120,000)
Borrowings					
i) Reliance Infrastructure Limited	11,041,969,000	-	-	-	11,041,969,000
	(9,101,969,000)				(9,101,969,000)

Figures in parenthesis relate to the corresponding previous year figures in relation to the Statement of Profit and Loss and figures as at 31 March, 2015 in relation to the Balance Sheet.

MUMBAI METRO ONE PRIVATE LIMITED
Notes forming part of the Financial Statements

31 Segment Reporting

The company is primarily engaged in the business of operating and maintaining the Mass Rapid Transit System for Versova- Andheri-Ghalkopar corridor in Mumbai which in the context of AS 17 on 'Segment Reporting' constitutes a single reportable segment.

32 Deferred Taxation

Deferred tax asset has not been recognized in absence of virtual certainty for carried forward business losses and unabsorbed depreciation.

33 Leasing Transactions

a) Operating lease rentals during the year:

Particulars	As at 31 March, 2016	As at 31 March, 2015
	Rupees	Rupees
Rent paid- Depot and other premises	98,814	80,405
Re. 1 per sqm is paid as rent for depot and other premises in accordance with the concession agreement.		
The future minimum lease payments in respect of non-cancellable leases:		
Due not later than one year	98,814	98,814
Due later than one year and not later than five years	395,256	395,256
Due later than five years	2,291,131	2,389,945
	<u>2,785,201</u>	<u>2,884,015</u>

b) 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 31 March, 2016	As at 31 March, 2015
	Rupees	Rupees
Due not later than one year	204,541,827	167,226,178
Due later than one year and not later than five years	133,649,063	219,028,050
Due later than five years	-	-
	<u>338,190,895</u>	<u>386,254,228</u>

34 Unhedged Foreign Currency Exposure:

There are no outstanding forward contracts as at 31 March, 2016 and 31 March, 2015

The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below :

Amounts payable in foreign currency on account of the following :

Particulars	As at 31 March, 2016		As at 31 March, 2015	
	Amount in Rs.	Amount in Foreign Currency	Amount in Rs.	Amount in Foreign Currency
Payables for capital creditors				
EURO	147,180,463	1,959,911	265,428,612	3,931,670
USD	1,258,771,711	18,976,582	1,265,965,566	20,226,065
GBP	12,055,277	126,780	16,208,515	175,305
Foreign currency term loans				
EURO	-	-	116,480,947	1,725,378
USD	4,983,178,666	75,123,787	5,393,270,594	86,167,146
GBP	-	-	10,089,698	109,126
	<u>6,401,186,117</u>	<u>96,187,060</u>	<u>7,067,443,932</u>	<u>112,334,690</u>

35 Earnings per Equity Share

Particulars	As at 31 March, 2016	As at 31 March, 2015
	Rupees	Rupees
Loss for the year (Rs.)	2,868,865,004	2,768,142,645
Weighted average number of Equity shares	512,000,000	512,000,000
Nominal value per share (Rs.)	Rs. 10/-	Rs. 10/-
Basic earning per share (Rs.)	(5.60)	(5.41)
Diluted earning per share (Rs.) (See note below)	(5.60)	(5.41)
Note :- There are no outstanding dilutive potential equity shares.		

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

(i) Principal amount and interest due thereon remaining unpaid to any supplier as at the end of the accounting year	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	470,737	-
(iii) The amount of interest due and payable for the period of delay in making payments	129,432	114,220
(iv) The amount of interest accrued and remaining unpaid at the end of the accounting year	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	65,226

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.

MUMBAI METRO ONE PRIVATE LIMITED

Notes forming part of the Financial Statements

37 Employee Benefit expenses include the following:

	For the year ended 31 March, 2016 Rupees	For the year ended 31 March, 2015 Rupees
Defined contribution plans		
Contribution to Provident Fund	4,749,699	4,651,735
Contribution to Superannuation Fund	448,753	579,962
Contribution to National Pension Scheme	462,891	434,131
Total *	5,661,343	5,665,828
Defined Benefit scheme - Gratuity		
	As at 31 March, 2016 Rupees	As at 31 March, 2015 Rupees
Present value of obligation		
As at the beginning of the year	7,735,611	7,891,427
Current Service Cost	1,483,956	1,554,724
Interest Cost	612,660	734,692
Benefits Paid	(666,952)	(1,571,028)
Actuarial (Gain)/Loss on obligation	512,686	(874,204)
As at the end of the year	9,677,961	7,735,611
Less:		
Fair Value of plan assets		
As at the beginning of the year	12,358,153	10,450,415
Contribution by Employer	376,473	-
Expected return on Plan Assets	978,766	972,934
Actuarial Gain/(Loss) on Plan Assets	(154,341)	934,804
As at the end of the year	13,559,051	12,358,153
Net asset recognised in Balance Sheet	3,881,090	4,622,542
Expense during the year		
Service Cost	1,483,956	1,554,724
Interest Cost	612,660	734,692
Return on Plan assets	(978,766)	(972,934)
Actuarial (Gain)/Loss on obligation	667,027	(1,809,008)
Total *	1,784,877	(492,526)

* A portion of the previous year expense has been recognised under Intangible Asset under development

Break up of Plan Assets as a percentage of total plan assets

Insurer Managed Funds	100%	100%
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Principal actuarial assumptions

Rate of Discounting	7.99%	7.92%
Rate of increase in salaries	7.50%	7.50%
Rate of Return on Plan Assets	7.99%	7.92%
Attrition rate	4.00%	4.00%

The Company expects to contribute Rs. Nil (previous year Rs. Nil) to its Gratuity plan for the next year. The Company operates a funded gratuity plan through a trust.

In assessing the Company's Post Retirement Liabilities the company monitors mortality assumptions and uses up-to-date mortality tables. The base being the Indian Assured Lives Mortality (2006-08) ultimate tables.

Expected return on plan assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of obligations.

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

MUMBAI METRO ONE PRIVATE LIMITED

Notes forming part of the Financial Statements

Other disclosures:	31/03/2016	31/03/2015	31/03/2014	31/03/2013	31/03/2012
	Rupees	Rupees	Rupees	Rupees	Rupees
Experience Adjustments					
Defined Benefit Obligation	9,677,961	7,735,611	7,891,427	4,762,384	2,826,875
Plan Assets	13,559,051	12,358,153	10,450,415	9,738,460	2,674,088
Surplus/(Deficit)	3,881,090	4,622,542	2,558,988	4,976,076	(152,787)
Experience Adjustments of Obligation - (Gain)/Loss	573,177	(2,060,390)	1,019,339	(4,542,543)	(176,547)
Experience on Plan Assets- Gain/(Loss)	(154,341)	934,804	(135,291)	57,324	(98,370)

38 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification/disclosure.

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Rakesh N. Sharma
Partner
Mumbai, dated: 3rd May, 2016

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: 3 MAY 2016

3 MAY 2016