

KOLKATA METRO NETWORKS LIMITED
CIN - U23209WB1989PLC047337
Balance Sheet as at 31st March, 2018

| Particulars | Notes | As at 31st March, 2018 Rs. | As at 31st March, 2017 Rs. | As at 1st April, 2016 Rs. |
|--------------------------------------|-------|----------------------------------|----------------------------------|---------------------------------|
| ASSETS | | | | |
| (1) Non-current assets | | | | |
| (a) Financial assets | | | | |
| (i) Investments | 3 | 275,367,000 | 239,742,000 | 134,719,500 |
| Total non-current assets | | 275,367,000 | 239,742,000 | 134,719,500 |
| (2) Current assets | | | | |
| (a) Financial assets | | | | |
| (i) Cash and cash equivalents | 4.1 | 204,063 | 153,096 | 136,592 |
| (ii) Loans | 4.2 | 24,760,727 | 24,760,727 | 24,760,727 |
| (b) Current tax assets (net) | 5 | 1,030,529 | 1,170,020 | 608,410 |
| (c) Other current assets | 6 | 8,095 | - | - |
| Total current assets | | 26,003,414 | 26,083,843 | 25,505,729 |
| Total assets | | 301,370,414 | 265,825,843 | 160,225,229 |
| EQUITY AND LIABILITIES | | | | |
| Equity | | | | |
| (a) Equity share capital | 7.1 | 170,500,000 | 170,500,000 | 170,500,000 |
| (b) Other equity | 7.2 | 84,170,906 | 50,553,040 | (44,140,567) |
| Total equity | | 254,670,906 | 221,053,040 | 126,359,433 |
| Liabilities | | | | |
| (1) Non-current liabilities | | | | |
| (a) Deferred tax liabilities (net) | 8 | 12,555,030 | 8,324,609 | (3,790,787) |
| Total non-current liabilities | | 12,555,030 | 8,324,609 | (3,790,787) |
| (2) Current liabilities | | | | |
| (a) Financial liabilities | | | | |
| (i) Borrowings | 9.1 | 33,811,978 | 36,296,642 | 37,580,712 |
| (ii) Trade payables | 9.2 | 50,000 | 61,402 | 50,000 |
| (iii) Other financial liabilities | 9.3 | 207,910 | - | - |
| (b) Other current liabilities | 10 | 74,590 | 90,150 | 25,871 |
| Total current liabilities | | 34,144,478 | 36,448,194 | 37,656,583 |
| Total equity and liabilities | | 301,370,414 | 265,825,843 | 160,225,229 |

The accompanying notes are an integral part of the Financial Statements

In terms of our report attached
For and on behalf of
P D Rungta & Co
Chartered Accountants
Firm registration no. 001450C

On behalf of the Board


Harsh Satish Udeshi
Partner
Membership No.301889

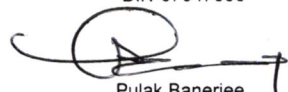



S. Sivakumar
CFO & Director
DIN-07947050


A. K. Mukherjee
Director
DIN-01626598


G. B. Aayeer
Director
DIN-00087760

Place: Kolkata
Date : 3rd May, 2018


Pulak Banerjee
Company Secretary
FCS - 3075


KOLKATA METRO NETWORKS LIMITED
CIN - U23209WB1989PLC047337
Statement of Profit and Loss for the year ended 31st March, 2018

| Particulars | Notes | Year ended 31st March, 2018 Rs. | Year ended 31st March, 2017 Rs. |
|---|-------|---------------------------------------|---------------------------------------|
| I Revenue from operations | 11 | 6,810,843 | 5,615,855 |
| II Other income | 12 | 3,444,340 | 2,850,000 |
| III Total income (I+II) | | 10,255,183 | 8,465,855 |
| IV Expenses | | | |
| Employee Benefit Expense | 13 | 285,000 | - |
| Finance costs | 14 | 714,924 | 901,495 |
| Other expenses | 15 | 6,819,781 | 5,777,857 |
| Total expenses (IV) | | 7,819,705 | 6,679,352 |
| Profit before tax (III-IV) | | 2,435,478 | 1,786,503 |
| Income tax expense | | | |
| - Current tax | | 212,191 | - |
| - Deferred tax [charge/(credit)] | | - | - |
| Total tax expense | | 212,191 | - |
| VII Profit for the year (V-VI) | | 2,223,287 | 1,786,503 |
| Other comprehensive income | | | |
| Items that will not be reclassified to profit or loss : | | | |
| Changes in fair value of FVOCI equity instruments | | 35,625,000 | 105,022,500 |
| Income tax relating to these items | | (4,230,421) | (12,115,396) |
| VIII Other comprehensive income for the year, net of tax | | 31,394,579 | 92,907,104 |
| IX Total comprehensive income for the period (VII+VIII) | | 33,617,866 | 94,693,607 |
| X Earnings per equity share: [Nominal value per share Rs.10 (Previous Year- Rs. 10)] | | | |
| Basic (Rs.) | | 0.13 | 0.10 |
| Diluted (Rs.) | | 0.13 | 0.10 |

The accompanying notes are an integral part of the Financial Statements

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For and on behalf of
P D Rungta & Co
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Harsh Satish Udeshi
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Pulak Banerjee
Company Secretary
FCS - 3075

Place: Kolkata
Date : 3rd May, 2018

KOLKATA METRO NETWORKS LIMITED
Statement of changes in equity

A. Equity share capital

(All amounts in Rs ,unless otherwise stated)

| Description | Note | Number | Amount Rs. |
|---------------------------------|------|------------|---------------|
| As at 1st April, 2016 | 7.1 | 17,050,000 | 170,500,000 |
| Changes in equity share capital | | - | - |
| As at 31st March, 2017 | 7.1 | 17,050,000 | 170,500,000 |
| Changes in equity share capital | | - | - |
| As at 31st March, 2018 | | 17,050,000 | 170,500,000 |

B. Other equity

| Description | Reserve and surplus | Item of Other Comprehensive Income | Total Other Equity |
|---|---------------------|--|--------------------|
| | Retained Earnings | Equity Instruments through OCI | |
| Balance as at 1st April, 2016 | (15,070,854) | (29,069,713) | (44,140,567) |
| Profit for the year | 1,786,503 | - | 1,786,503 |
| Other comprehensive income (net of tax) | - | 92,907,104 | 92,907,104 |
| Total comprehensive income for the year | 1,786,503 | 92,907,104 | 94,693,607 |
| Others | - | - | - |
| Balance at 31st March 2017 | (13,284,351) | 63,837,391 | 50,553,040 |

| Description | Reserve and surplus | Item of Other Comprehensive Income | Total Other Equity |
|---|---------------------|--|--------------------|
| | Retained Earnings | Equity Instruments through OCI | |
| Balance as at 1st April, 2017 | (13,284,351) | 63,837,391 | 50,553,040 |
| Profit for the year | 2,223,287 | - | 2,223,287 |
| Other comprehensive income (net of tax) | - | 31,394,579 | 31,394,579 |
| Total comprehensive income for the year | (11,061,064) | 95,231,970 | 84,170,906 |
| Others | - | - | - |
| Balance as at 31st March 2018 | (11,061,064) | 95,231,970 | 84,170,906 |

The accompanying notes are an integral part of the Financial Statements

In terms of our report attached
For and on behalf of
P D Rungta & Co
Chartered Accountants
Firm registration no. 001450C

On behalf of the Board

Harsh Satish Udeshi
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S.Sivakumar
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Director
DIN-01626598

G. B. Aayeer
Director
DIN-00087760

Pulak Banerjee
Company Secretary
FCS - 3075

Place: Kolkata
Date : 3rd May, 2018

1 Significant Accounting Policies

The significant accounting policies applied by the Company in the preparation of its financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements and in preparing the opening Ind AS Balance Sheet as at April 1, 2016 for the purpose of transition to Ind AS, unless otherwise indicated.

(a) Basis of the Preparation of the Financial Statements**(i) Compliance with Ind AS**

These financial statements comply in all material respects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the 'Act') [Companies (Accounting Standards) Rules, 2015] and other provisions of the Act.

The financial statements up to year ended 31st March, 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (Previous GAAP).

The transition from Previous GAAP to Ind AS has been accounted for in accordance with Ind AS 101 "First Time Adoption of Indian Accounting Standards", with April 1, 2016 being the transition date.

In accordance with Ind AS 101 "First time adoption of Indian Accounting Standard", the Company has presented a reconciliation from the presentation of financial statements under accounting standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to Ind AS of total equity as at 1st April, 2016 and 31st March, 2017, total comprehensive income and cash flow for the year ended 31st March, 2017.

(ii) Historical Cost Convention

The standalone financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities that is measured at fair value.

(iii) Current Versus Non-current Classification

All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013 and Ind AS 1 - Presentation of financial statement based on the nature of products / service and the time between the acquisition of assets for processing / providing the services and their realisation in cash and cash equivalents. The Company has ascertained its operating cycle as 12 months for the purpose of current, non current classification of assets and liabilities.

(b) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade discounts, incentives, rebates, value added taxes, goods and service taxes and amounts collected on behalf of third parties.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Licence Fees

Revenue is recognised on transfer of significant risks and rewards of ownership to customers based on agreement with the customers, the amount of revenue can be measured reliably and recovery of the consideration is probable. Licence Fees represent income from music rights.

Dividend Income

Dividend income from investments is recognised when the shareholder's rights to receive payment have been established.

(c) Investments (Other than Investments in Subsidiaries) and Other Financial Assets**(i) Classification**

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other

(ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Equity Instruments: The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Changes in the fair value of financial assets at fair value through profit or loss are recognised in 'Other Income' in the Statement of Profit and Loss.

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method.

(iii) Impairment of Financial Assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets which are not fair valued through profit or loss. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 20 details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109, 'Financial Instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(iv) Derecognition of Financial Assets

A financial asset is derecognised only when

- the Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(v) Income Recognition

Dividend : Dividend is recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.



(vi) Fair Value of Financial Instruments

In determining the fair value of financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis and available quoted market prices. All methods of assessing fair value result in general approximation of value, and such value may never actually be realised.

(d) Offsetting Financial Instruments

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

(e) Cash and Cash Equivalents

For the purpose of presentation in the Cash Flow Statement, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

(f) Trade and Other Payables

These amounts represent liabilities for services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(g) Employee Benefits

Liabilities for short-term employee benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as 'Employee Benefits Payable' within 'Other Current Liabilities' in the Balance Sheet.

(h) Income Tax

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

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

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, if any, only if it is probable that future taxable amounts will be available to utilise those temporary differences, tax credits and losses.

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

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

Current and deferred tax are recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity, if any. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(i) Provisions and Contingencies

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

A disclosure for contingent liabilities is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of the amount cannot be made.

(j) Earnings per Share**(i) Basic Earnings per Share**

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year

(ii) Diluted Earnings per Share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares, if any.

2 Critical Estimates and Judgements

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed at each Balance Sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.



KOLKATA METRO NETWORKS LIMITED
Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2018
3 Non-current Investments

| Particulars | Face value of each unit | Number As at 31st March, 2018 | Number As at 31st March, 2017 | Number As at 1st April, 2016 | As at 31st March, 2018 Rs. | As at 31st March, 2017 Rs. | As at 1st April, 2016 Rs. |
|---|-------------------------|-------------------------------|-------------------------------|------------------------------|----------------------------|----------------------------|---------------------------|
| Investments carried at fair value through other comprehensive income Quoted - Fully Paid Equity Shares | | | | | | | |
| CESC Ltd | Rs.10 | 285,000 | 285,000 | 285,000 | 275,367,000 | 239,742,000 | 134,719,500 |
| Total non-current investments | | | | | 275,367,000 | 239,742,000 | 134,719,500 |
| Aggregate carrying value of quoted investments and market value thereof | | | | | 275,367,000 | 239,742,000 | 134,719,500 |
| Aggregate provision for impairment in the value of investments | | | | | - | - | - |



KOLKATA METRO NETWORKS LIMITED

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2018

4 Financial assets (current)**4.1 Cash and Cash Equivalents**

| Particulars | As at 31st March, 2018 Rs. | As at 31st March, 2017 Rs. | As at 1st April, 2016 Rs. |
|--|----------------------------------|----------------------------------|---------------------------------|
| Bank Balances | | | |
| Current Accounts | 204,063 | 153,096 | 136,592 |
| Total cash and cash equivalents | 204,063 | 153,096 | 136,592 |

4.2 Loans and Advances

| Particulars | As at 31st March, 2018 Rs. | As at 31st March, 2017 Rs. | As at 1st April, 2016 Rs. |
|---------------------------------------|----------------------------------|----------------------------------|---------------------------------|
| Loans and Advances to Related Parties | | | |
| Unsecured, considered Good | 24,760,727 | 24,760,727 | 24,760,727 |
| Total loans and advances | 24,760,727 | 24,760,727 | 24,760,727 |

5 Current Tax Assets (net)

| Particulars | As at 31st March, 2018 Rs. | As at 31st March, 2017 Rs. | As at 1st April, 2016 Rs. |
|--|----------------------------------|----------------------------------|---------------------------------|
| Advance payment of Income Tax and Tax Deducted at Source (net of Provision for Taxation Rs. 2,12,191 (31.03.17 Rs NIL)) | 1,030,529 | 1,170,020 | 608,410 |
| Total Current Tax Assets (net) | 1,030,529 | 1,170,020 | 608,410 |

6 Other Current Assets

| Particulars | As at 31st March, 2018 Rs. | As at 31st March, 2017 Rs. | As at 1st April, 2016 Rs. |
|--------------------------------------|----------------------------------|----------------------------------|---------------------------------|
| Balances with Government Authorities | 8,095 | - | - |
| Total other current assets | 8,095 | - | - |



KOLKATA METRO NETWORKS LIMITED

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2018

7.1 Equity Share Capital

| Particulars | As at 31st March, 2018 Number of Shares | As at 31st March, 2018 Rs. | As at 31st March, 2017 Number of Shares | As at 31st March, 2017 Rs. | As at 1st April, 2016 Number of Shares | As at 1st April, 2016 Rs. |
|-------------------------------------|---|----------------------------------|---|-------------------------------------|---|---------------------------------|
| Authorised | | | | | | |
| Ordinary Shares of Rs.10 each | 20,000,000 | 200,000,000 | 20,000,000 | 200,000,000 | 20,000,000 | 200,000,000 |
| Issued | | | | | | |
| Ordinary Shares of Rs.10 each | 17,050,000 | 170,500,000 | 17,050,000 | 170,500,000 | 17,050,000 | 170,500,000 |
| Subscribed and fully paid up | | | | | | |
| Ordinary Shares of Rs.10 each | 17,050,000 | 170,500,000 | 17,050,000 | 170,500,000 | 17,050,000 | 170,500,000 |

Reconciliation of number of ordinary shares outstanding

| Particulars | As at 31st March, 2018 Number of Shares | As at 31st March, 2018 Rs. | As at 31st March, 2017 Number of Shares | As at 31st March, 2017 Rs. |
|---------------------------------|---|----------------------------------|---|-------------------------------------|
| As at the beginning of the year | 17,050,000 | 170,500,000 | 17,050,000 | 170,500,000 |
| As at the end of the year | 17,050,000 | 170,500,000 | 17,050,000 | 170,500,000 |

Rights, preferences and restrictions attached to shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting except in case of interim dividend.

In the event of liquidation of the Company, the holder of equity shares are eligible to receive remaining assets of the Company in proportion to their shareholding.

Shares held by holding company

| Name of the Shareholder | As at 31st March, 2018 | | As at 31st March, 2017 | | As at 1st April, 2016 | |
|-------------------------|------------------------|-------------|------------------------|-------------|-----------------------|-------------|
| | Number of shares held | Amount Rs. | Number of shares held | Amount Rs. | Number of shares held | Amount Rs. |
| Saregama India Limited | 17,050,000 | 170,500,000 | 17,050,000 | 170,500,000 | 17,050,000 | 170,500,000 |

Details of Shares held by Shareholders holding more than 5 % of the aggregate shares in the Company

| Name of the Shareholder | As at 31st March, 2018 | | As at 31st March, 2017 | | As at 1st April, 2016 | |
|-------------------------|------------------------|--------------------|------------------------|--------------------|-----------------------|--------------------|
| | Number of shares held | Holding percentage | Number of shares held | Holding percentage | Number of shares held | Holding percentage |
| Saregama India Limited | 17,050,000 | 100% | 17,050,000 | 100% | 17,050,000 | 100% |



KOLKATA METRO NETWORKS LIMITED

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2018

7.2 Other Equity

| Particulars | As at 31st March, 2018 Rs. | As at 31st March, 2017 Rs. | As at 1st April, 2016 Rs. |
|-------------------------------|----------------------------------|----------------------------------|---------------------------------|
| Retained earnings | (11,061,064) | (13,284,351) | (15,070,854) |
| Equity Instrument through OCI | 95,231,970 | 63,837,391 | (29,069,713) |
| Total Other Equity | 84,170,906 | 50,553,040 | (44,140,567) |

Retained Earnings : This Reserve represents the cumulative profits of the Company and effects of remeasurement of defined benefit obligations. This Reserve can be utilised in accordance with the provisions of the Companies Act.

| Particulars | As at 31st March, 2018 Rs. | As at 31st March, 2017 Rs. | As at 1st April, 2016 Rs. |
|---------------------------------------|----------------------------------|----------------------------------|---------------------------------|
| Balance at the beginning of the year | (13,284,351) | (15,070,854) | (19,170,883) |
| Net profit for the period | 2,223,287 | 1,786,503 | 4,100,029 |
| Balance at the end of the year | (11,061,064) | (13,284,351) | (15,070,854) |

Equity Instruments through OCI : This Reserve represents the cumulative gains (net of losses) arising on the revaluation of Equity Instruments at fair value through Other Comprehensive Income, net of amounts reclassified, if any, to Retained Earnings when those instruments are disposed of.

| Particulars | As at 31st March, 2018 Rs. | As at 31st March, 2017 Rs. | As at 1st April, 2016 Rs. |
|---|----------------------------------|----------------------------------|---------------------------------|
| FVOCI equity instruments | | | |
| Balance at the beginning of the year | 63,837,391 | (29,069,713) | - |
| Changes in fair value of FVOCI equity instruments during the year | 35,625,000 | 105,022,500 | (32,860,500) |
| Deferred tax | (4,230,421) | (12,115,396) | 3,790,787 |
| Balance at the end of the year | 95,231,970 | 63,837,391 | (29,069,713) |



KOLKATA METRO NETWORKS LIMITED

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2018

8 Deferred tax liability (net)

The balance comprises temporary differences attributable to:

| Particulars | As at 31st March, 2018 Rs. | As at 31st March, 2017 Rs. | As at 1st April, 2016 Rs. |
|---|----------------------------------|----------------------------------|---------------------------------|
| Deferred tax liability | | | |
| Fair Value changes on financial assets-equity instruments | 12,555,030 | 8,324,609 | (3,790,787) |
| Total deferred tax liability | 12,555,030 | 8,324,609 | (3,790,787) |

9 Financial liabilities (Current)
9.1 Borrowings

| Particulars | As at 31st March, 2018 Rs. | As at 31st March, 2017 Rs. | As at 1st April, 2016 Rs. |
|---|----------------------------------|----------------------------------|---------------------------------|
| Loans and Advances from Related Parties | | | |
| Unsecured, repayable on demand | 4,256,978 | 6,741,642 | 8,025,712 |
| Inter Corporate Deposits | | | |
| Unsecured, repayable on demand | 29,555,000 | 29,555,000 | 29,555,000 |
| Total Borrowings (Current) | 33,811,978 | 36,296,642 | 37,580,712 |

9.2 Trade Payables

| Particulars | As at 31st March, 2018 Rs. | As at 31st March, 2017 Rs. | As at 1st April, 2016 Rs. |
|---|----------------------------------|----------------------------------|---------------------------------|
| Trade Payables | | | |
| a) Total outstanding dues of micro enterprises and small enterprises* | - | - | - |
| b) Total outstanding dues of creditors other than micro enterprises and small enterprises | 50,000 | 61,402 | 50,000 |
| Total Trade Payables | 50,000 | 61,402 | 50,000 |

* On the basis of information available with the Company, there are no Micro, Small and Medium Enterprises, to whom the Company owes dues during the year and also as at 31st March, 2018 and in the previous periods.

9.3 Other financial liabilities

| | As at 31st March, 2018 | As at 31st March, 2017 | As at 1st April, 2016 |
|--|---------------------------|---------------------------|--------------------------|
| Employee Benefits Payable | 207,910 | - | - |
| Total Other Financial Liabilities | 207,910 | - | - |

10 Other Current Liabilities

| | As at 31st March, 2018 Rs. | As at 31st March, 2017 Rs. | As at 1st April, 2016 Rs. |
|--|----------------------------------|----------------------------------|---------------------------------|
| Amount Payable to Government Authorities | 74,590 | 90,150 | 25,871 |
| Total Other Current Liabilities | 74,590 | 90,150 | 25,871 |

There are no amount due and outstanding to be credited to Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at year end.



KOLKATA METRO NETWORKS LIMITED

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2018

11 Revenue From Operations

| | Year ended 31st March, 2018 Rs. | Year ended 31st March, 2017 Rs. |
|--------------------------------------|---------------------------------------|---------------------------------------|
| Sale of Services | | |
| Licence Fees | 6,810,843 | 5,615,855 |
| Total Revenue from Operations | 6,810,843 | 5,615,855 |

12 Other Income

| | Year ended 31st March, 2018 | Year ended 31st March, 2017 |
|--|--------------------------------|--------------------------------|
| Interest Income (Gross) | | |
| - on Income Tax Refund | 24,340 | - |
| Dividend income from equity investments designated at fair value through Other Comprehensive Income* | 3,420,000 | 2,850,000 |
| Total Other Income | 3,444,340 | 2,850,000 |

* All dividends from equity investments designated at FVOCI relate to investments held at the end of the reporting period.

13 Employee Benefits Expense

| | Year ended 31st March, 2018 Rs. | Year ended 31st March, 2017 Rs. |
|--|---------------------------------------|---------------------------------------|
| Salaries and Wages | 285,000 | - |
| Total Employee Benefits Expense | 285,000 | - |

14 Finance Cost

| | Year ended 31st March, 2018 | Year ended 31st March, 2017 |
|----------------------------|--------------------------------|--------------------------------|
| Interest Expenses | 714,924 | 901,495 |
| Total Finance Costs | 714,924 | 901,495 |

15 Other Expenses

| | Year ended 31st March, 2018 | Year ended 31st March, 2017 |
|----------------------------|--------------------------------|--------------------------------|
| Royalties | 6,706,336 | 5,644,493 |
| Rates and Taxes | 22,071 | - |
| Legal/Consultancy Expenses | 29,956 | - |
| Payment to Auditors | 50,000 | 50,000 |
| Miscellaneous Expense | 11,418 | 83,364 |
| Total Other Expense | 6,819,781 | 5,777,857 |



KOLKATA METRO NETWORKS LIMITED

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2018

16 Income Tax Expenses

| | Year ended 31st March, 2018 (Rs.) | Year ended 31st March, 2017 (Rs.) |
|---|---|---|
| A. Amount Recognised in Profit or Loss | | |
| Current Tax | | |
| Current Tax on Profits for the Year | 212,191 | - |
| Adjustment for Current Tax of Earlier Years | - | - |
| Total Current Tax | 212,191 | - |
| Deferred Tax | | |
| Decrease/ (Increase) in deferred tax assets | - | - |
| (Decrease)/ Increase in deferred tax liabilities | - | - |
| Total Deferred Tax Expense Charge/(Credit) | - | - |
| Total Income Tax Expense | 212,191 | - |

B. Amount Recognised in Other Comprehensive Income

| | Year ended 31st March, 2018 (Rs.) | Year ended 31st March, 2017 (Rs.) |
|--|---|---|
| The tax (charge)/credit arising on income and expenses recognised in Other Comprehensive Income is as follows: | | |
| Deferred Tax | | |
| On items that will not be reclassified to profit or loss | | |
| Fair Value of equity Investment through OCI | (4,230,421) | (12,115,396) |
| Total | (4,230,421) | (12,115,396) |

C. Numerical Reconciliation of Income Tax Expense to Prima Facie Tax Payable

| | Year ended 31st March, 2018 (Rs.) | Year ended 31st March, 2017 (Rs.) |
|--|---|---|
| Profit Before Tax | 2,435,478 | 1,786,503 |
| Income tax expense calculated @ 19.055% (2017- 19.055%) | 464,080 | 340,418 |
| Adjustments: | | |
| Tax effect of amounts which are not deductible (taxable) in calculating taxable income | | |
| Income exempt from income taxes | (651,681) | (543,068) |
| Expenses not deductible for tax purposes | 399,762 | 202,650 |
| Income Tax Expense | 212,161 | - |

The tax rate used for the year 2017-18 and 2016-17 reconciliations above is the corporate tax rate of 19.055% (18.5% + surcharge @ Nil % and education cess @ 3%) payable on taxable profits under the Income Tax Act, 1961.



KOLKATA METRO NETWORKS LIMITED

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2018

17 Related Party Disclosures in keeping with Ind AS 24

| Name of the Related Party | Nature of Relationship |
|-------------------------------------|---|
| Rainbow Investments Limited | Ultimate Holding Company upto 28th March,2017 |
| Composure Services Private Limited | Ultimate Holding Company w.e.f. 29th March,2017 |
| Saregama India Limited (SIL) | Holding Company |
| RPG Global Music Limited (RPGG) | Fellow Subsidiary Company |
| Saregama Plc | Fellow Subsidiary Company |
| Open Media Network Private Limited | Fellow Subsidiary Company |
| Saregama Inc. | Fellow Subsidiary Company |
| Saregama Regency Optimedia Pvt.Ltd. | Joint Venture of Holding Company (Saregama India Limited) |

| Particulars | Period | SIL Holding Company | RPGG Fellow Subsidiary |
|--|-----------------------------------|------------------------------------|---------------------------------|
| Transactions with related parties | | | |
| Interest Expense | Current Period Previous Period | 714,924 901,495 | - - |
| Licence Fees (Income) | Current Period Previous Period | 6,810,843 5,615,855 | - - |
| Repayment of Advance | Current Period Previous Period | 3,432,750 2,850,000 | - - |
| Receipt towards Advance | Current Period Previous Period | 948,086 1,565,930 | - - |
| Balance outstanding at year end. | | | |
| Borrowings | Current Period Previous Period | 4,256,978 6,741,642 | - - |
| Loans & Advances | Current Period Previous Period | - - | 24,760,727 24,760,727 |



KOLKATA METRO NETWORKS LIMITED
Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2018
18 Fair Value Measurements
(i) Financial Instruments by Category

| | | Note No | As at 31st March, 2018 Carrying Amount / Fair Value Rs. | As at 31st March, 2017 Carrying Amount / Fair Value Rs. | As at 1st April, 2016 Carrying Amount / Fair Value Rs. |
|-----------|---|---------|---|---|--|
| A. | Financial Assets | | | | |
| (a) | Measured at Fair Value through OCI | | | | |
| | Investments | | | | |
| | Equity Instruments | 3 | 275,367,000 | 239,742,000 | 134,719,500 |
| | Sub total | | 275,367,000 | 239,742,000 | 134,719,500 |
| (b) | Measured at Amortised Cost | | | | |
| | Cash and cash equivalents | 4.1 | 204,063 | 153,096 | 136,592 |
| | Loans | 4.2 | 24,760,727 | 24,760,727 | 24,760,727 |
| | Sub total | | 575,698,790 | 24,913,823 | 24,897,319 |
| | Total Financial Assets | | 851,065,790 | 264,655,823 | 159,616,819 |
| B. | Financial Liabilities | | | | |
| | Measured at Amortised Cost | | | | |
| | Borrowings | 9.1 | 33,811,978 | 36,296,642 | 37,580,712 |
| | Trade payables | 9.2 | 50,000 | 61,402 | 50,000 |
| | Other financial liabilities | 9.3 | 207,910 | - | - |
| | Total Financial Liabilities | | 34,069,888 | 36,358,044 | 37,630,712 |

(ii) Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows below.

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: Inputs other than quoted price included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

The fair value of financial instruments that are not traded in an active market is determined using market approach and valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

If one or more of the significant inputs is not based on observable market data, the fair value is determined using generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparty.

The fair value of trade payables, other Current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short-term nature. Where such items are Non-current in nature, the same has been classified as Level 3 and fair value determined using discounted cash flow basis.

There has been no change in the valuation methodology for Level 3 inputs during the year. The Company has not classified any material financial instruments under Level 3 of the fair value hierarchy. There were no transfers between Level 1 and Level 2 during the year.

| Particulars | Fair Value Hierarchy Level | As at 31st March, 2018 Rs. | As at 31st March, 2017 Rs. | As at 1st April, 2016 Rs. |
|---|----------------------------------|----------------------------------|----------------------------------|---------------------------------|
| Financial Assets | | | | |
| Measured at Fair Value through OCI | | | | |
| Investments | | | | |
| Equity Instruments (Quoted) | 1 | 275,367,000 | 239,742,000 | 134,719,500 |
| | | 275,367,000 | 239,742,000 | 134,719,500 |



KOLKATA METRO NETWORKS LIMITED

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2018

19 Capital Management**(a) Risk Management**

The Company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital on the basis of net debt to equity ratio and maturity profile of overall debt portfolio of the Company.

Net debt implies total borrowings of the Company as reduced by Cash and Cash Equivalent and Equity comprises all components attributable to the owners of the Company

The following table summarises the capital of the Company:

| | As at 31st March, 2018 Rs. | As at 31st March, 2017 Rs. | As at 1st April, 2016 Rs. |
|---|----------------------------------|----------------------------------|---------------------------------|
| Total Borrowings | 33,811,978 | 36,296,642 | 37,580,712 |
| Less: Cash and Cash Equivalents | (204,063) | (153,096) | (136,592) |
| Net Debt | 33,607,915 | 36,143,546 | 37,444,120 |
| Equity | 254,670,906 | 221,053,040 | 126,359,433 |
| Total Capital (Equity+ Net Debt) | 288,278,821 | 257,196,586 | 163,803,553 |
| Net Debt to Equity Ratio | 13.20% | 16.35% | 29.63% |

No changes were made to the objectives, policies or processes for managing capital during the years ended 31st March, 2018 and 31st March, 2017.



KOLKATA METRO NETWORKS LIMITED

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2018

20 Financial Risk Management

The Company has a system-based approach to risk management, anchored to policies and procedures and internal financial controls aimed at ensuring early identification, evaluation and management of key financial risks (such as market risk, credit risk and liquidity risk) that may arise as a consequence of its business operations as well as its investing and financing activities.

Accordingly, the Company's risk management framework has the objective of ensuring that such risks are managed within acceptable and approved risk parameters in a disciplined and consistent manner and in compliance with applicable regulation. It also seeks to drive accountability in this regard.

This Note explains the sources of risk which the entity is exposed to and how the entity manages the risk. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

(A) Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The Company is exposed to credit risk from its operating activities (primarily Trade Receivables) and from its investing activities (primarily Deposits with Banks).

Trade Receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers. Customer credit risk is managed by respective segment subject to the Company's policy and procedures which involve credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. The Company's exposure to trade receivables on the reporting date, stood at Rs. Nil (2017 – Rs. Nil).

Other Financial Assets

Credit risk from balances with banks and investments is managed by Company's finance department. Investments of surplus funds are made only with approved counterparties who meet the minimum threshold requirements. The Company monitors ratings, credit spreads and financial strength of its counterparties. As these counter parties are Group Companies with investment grade credit ratings and taking into account the experience of the Company over time, the counter party risk attached to such assets is considered to be insignificant.

(B) Liquidity Risk

Liquidity risk refers to the risk that the Company fails to honour its financial obligations in accordance with terms of contract. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions.

Management monitors rolling forecasts of the company's liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, the Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

The following table shows a maturity analysis of the anticipated cash flows including interest obligations for the Company's non-derivative financial liabilities on an undiscounted basis (all payable within 12 months), which therefore does not differ from their carrying value as the impact of discounting is not significant.

Non-derivative financial liabilities

| | As at March 31, 2018 Rs. | As at March 31, 2017 Rs. | As at 1st April, 2016 Rs. |
|--|--------------------------------|--------------------------------|---------------------------------|
| (i) Borrowings including interest obligation | 33,811,978 | 36,296,642 | 37,580,712 |
| (ii) Trade payables | 50,000 | 61,402 | 50,000 |
| (iii) Other financial liabilities | 207,910 | - | - |
| | 34,069,888 | 36,358,044 | 37,630,712 |

The Company does not have Derivative Financial Liabilities as at the end of above mentioned reporting periods.



(C) Market Risk**(i) Foreign Currency Risk**

Foreign currency risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company transacts business only in local currency and is therefore not exposed to foreign currency risk.

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to risk of changes in market interest rates relates primarily to the Company's debt interest obligation. Further the Company engages in financing activities at market linked rates, any changes in the interest rate environment may impact future rates of borrowings. To manage this, the Company may enter into interest rate swaps. The exposure of the Company's financial liabilities as at 31st March 2018 to interest rate risk is Rs.33,811,978 (31st March, 2017 - Rs.36,296,642 and as at 1st April, 2016 - Rs.37,580,712).

Increase/ decrease of 50 basis points (holding all other variables constant) in interest rates at the balance sheet date would result in an impact (decrease/increase of finance cost) of Rs.169,060 and Rs.181,483 on profit before tax for the year ended 31st March, 2018 and 31st March, 2017 respectively.

(iii) Securities Price Risk

Securities price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded prices. The Company is not an active investor in equity markets; it continues to hold certain investments in equity for long term value accretion which are accordingly measured at fair value through Other Comprehensive Income. The value of investments in such equity instruments as at 31st March, 2018 is Rs. 2,75,367,000 (31st March , 2017 - Rs.2,39,742,000; 1st April, 2016 - Rs. 1,34,719,500). Accordingly, fair value fluctuations arising from market volatility is recognised in Other Comprehensive Income.

21 First-time Adoption of Ind AS

These are the Company's first standalone financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 1 have been applied in preparing the standalone financial statements for the year ended 31st March, 2018, the comparative information presented in these standalone financial statements for the year ended 31st March, 2017 and in the preparation of an opening Ind AS standalone balance sheet at 1st April, 2016 (the Company's date of transition). In preparing its opening Ind AS standalone balance sheet, the Company has adjusted the amounts reported previously in the standalone financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (Previous GAAP or Indian GAAP). An explanation of how the transition from Previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

A Ind AS mandatory Exceptions**A.1 Estimates**

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

On assessment of estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise such estimates under Ind AS, as there is no objective evidence of an error in those estimates.

A.2 De-recognition of Financial Assets and Liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

A.3 Classification and Measurement of Financial Assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS. The Company has assessed the same accordingly.



KOLKATA METRO NETWORKS LIMITED
Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2018
B. Reconciliation between previous GAAP and Ind AS

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

Reconciliation of Equity

| Particulars | Notes to First Time Adoption | As at the date of transition 1st April, 2016 | | | As at 31st March, 2017 | | |
|--------------------------------------|------------------------------|---|--|--------------------|------------------------|--|--------------------|
| | | Previous GAAP* Rs. | Adjustment on Transition to Ind AS Rs. | Ind AS Rs. | Previous GAAP* Rs. | Adjustment on Transition to Ind AS Rs. | Ind AS Rs. |
| ASSETS | | | | | | | |
| (1) Non-current assets | | | | | | | |
| (a) Financial assets | | | | | | | |
| (i) Investments | a | 167,580,000 | (32,860,500) | 134,719,500 | 167,580,000 | 72,162,000 | 239,742,000 |
| Total non-current assets | | 167,580,000 | (32,860,500) | 134,719,500 | 167,580,000 | 72,162,000 | 239,742,000 |
| (2) Current assets | | | | | | | |
| (a) Financial assets | | | | | | | |
| (ii) Cash and cash equivalents | | 136,592 | - | 136,592 | 153,096 | - | 153,096 |
| (iv) Loans | | 24,760,727 | - | 24,760,727 | 24,760,727 | - | 24,760,727 |
| (b) Current Tax Assets (net) | | 608,410 | - | 608,410 | 1,170,020 | - | 1,170,020 |
| (c) Other current assets | | - | - | - | - | - | - |
| Total current assets | | 25,505,729 | - | 25,505,729 | 26,083,843 | - | 26,083,843 |
| Total assets | | 193,085,729 | (32,860,500) | 160,225,229 | 193,663,843 | 72,162,000 | 265,825,843 |
| EQUITY AND LIABILITIES | | | | | | | |
| Equity | | | | | | | |
| (a) Equity share capital | | 170,500,000 | - | 170,500,000 | 170,500,000 | - | 170,500,000 |
| (b) Other equity | a | (15,070,854) | (29,069,713) | (44,140,567) | (13,284,351) | 63,837,391 | 50,553,040 |
| Total equity | | 155,429,146 | (29,069,713) | 126,359,433 | 157,215,649 | 63,837,391 | 221,053,040 |
| Liabilities | | | | | | | |
| (1) Non-current liabilities | | | | | | | |
| (a) Deferred tax liabilities (net) | b | - | (3,790,787) | (3,790,787) | - | 8,324,609 | 8,324,609 |
| Total non-current liabilities | | - | (3,790,787) | (3,790,787) | - | 8,324,609 | 8,324,609 |
| (2) Current liabilities | | | | | | | |
| (a) Financial liabilities | | | | | | | |
| (i) Borrowings | | 37,580,712 | - | 37,580,712 | 36,296,642 | - | 36,296,642 |
| (ii) Trade payables | | 50,000 | - | 50,000 | 61,402 | - | 61,402 |
| (b) Other current liabilities | | 25,871 | - | 25,871 | 90,150 | - | 90,150 |
| Total current liabilities | | 37,656,583 | - | 37,656,583 | 36,448,194 | - | 36,448,194 |
| Total equity and liabilities | | 193,085,729 | (32,860,500) | 160,225,229 | 193,663,843 | 72,162,000 | 265,825,843 |

* The Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.



KOLKATA METRO NETWORKS LIMITED

B. Reconciliation of Total Comprehensive Income for the Year Ended 31st March, 2017

| Particulars | Notes to First Time Adoption | Previous GAAP* | Adjustment on Transition to Ind AS | Ind AS |
|---|------------------------------|---------------------|------------------------------------|-------------------|
| Revenue from operations | | 5,615,855 | - | 5,615,855 |
| Other income | | 2,850,000 | - | 2,850,000 |
| Total income | | 8,465,855 | - | 8,465,855 |
| Expenses | | | | |
| Finance costs | | 901,495 | - | 901,495 |
| Other expenses | | 5,777,857 | - | 5,777,857 |
| Total expenses | | 6,679,352 | - | 6,679,352 |
| Profit before tax | | 1,786,503 | - | 1,786,503 |
| Income tax expense | | | | |
| - Current tax | | - | - | - |
| - Deferred tax [charge/(credit)] | | - | - | - |
| Total tax expense | | - | - | - |
| Profit for the year | | 1,786,503 | - | 1,786,503 |
| Other comprehensive income | | | | |
| Items that will not be reclassified to profit or loss | | | | |
| Changes in fair value of FVOCI equity instruments | a | - | 105,022,500 | 105,022,500 |
| Income tax relating to these items | | - | (12,115,396) | (12,115,396) |
| Other comprehensive income for the year, net of tax | | - | 92,907,104 | 92,907,104 |
| Total comprehensive income for the period | | 1,786,503.00 | 92,907,104 | 94,693,607 |
| Earnings per equity share: [Nominal value per share Rs.10 (Previous Year- Rs. 10)] | | | | |
| Basic (Rs.) | | 0.10 | | 0.10 |
| Diluted (Rs.) | | 0.10 | | 0.10 |

* The Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.



KOLKATA METRO NETWORKS LIMITED
Notes to Financial Statements (Contd.)

B. Reconciliation of total equity as at 31st March 2017 and 1st April 2016

| | Notes to first-time adoption | As at 31st March 2017 Rs. | As at 1st April 2016 Rs. |
|--|------------------------------|------------------------------|-----------------------------|
| Total equity (shareholder's funds) as per previous GAAP | | 157,215,649 | 155,429,146 |
| Adjustments: | | | |
| Effect of fair valuation of investment in quoted equity shares | a | 72,162,000 | (32,860,500) |
| Tax effects of adjustments | b | (8,324,608) | 3,790,787 |
| Total Adjustments | | 63,837,392 | (29,069,713) |
| Total Equity as per Ind AS | | 221,053,041 | 126,359,433 |

Reconciliation of total comprehensive income for the year ended 31st March 2017

| | Notes to first-time adoption | Rs. Lakhs Year Ended 31st March, 2017 |
|---|------------------------------|--|
| Net Profit as reported under previous GAAP | | 1,786,503 |
| Profit after tax as per Ind AS | | 1,786,503 |
| Other Comprehensive Income (net of tax) | d | 92,907,104 |
| Total comprehensive Income as per Ind AS | | 94,693,607 |

Impact of Ind AS adoption on the statements of cash flows for the year ended 31st March, 2017

There were no material differences between the Cash Flow statement presented under Ind AS and the previous GAAP.



KOLKATA METRO NETWORKS LIMITED**Notes to Standalone Financial Statements for the year ended 31st March, 2018****21 First-time Adoption of Ind AS (Contd.)****C Notes to First-time Adoption****a Fair Valuation of Investments**

Under previous GAAP, non-current investments were stated at cost. Where applicable, provision was made to recognise a decline, other than temporary, in valuation of such investments. Under Ind AS, equity instruments have been classified as Fair Value through Other Comprehensive Income (FVOCI) through an irrevocable election at the date of transition.

Fair Value changes with respect to investments in equity instruments designated as at FVOCI have been recognised in Equity Instrument through OCI reserve as at the date of transition and subsequently in the other comprehensive income for the year ended 31st March, 2017.

Consequent to the above, the total equity as at 31st March, 2017 increased by Rs.63,837,392 (1st April, 2016 - decreased by Rs.29,069,713) and other comprehensive income for the year ended 31st March, 2017 increased by Rs.1,05,022,500 (1st April, 2016 - Decreased by Rs.32,860,500).

b Deferred Tax

Under the Previous GAAP, deferred tax was accounted using the income statement approach, on timing differences between the taxable profit and accounting profit for the year. Under Ind AS, deferred tax is recognised following balance sheet approach on the temporary differences between the carrying amount of asset or liability in the balance sheet and its tax base.

c Retained Earnings

Retained earnings as at 1st April, 2016 has been adjusted consequent to the above Ind AS transition adjustment.

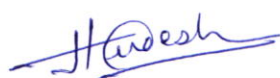
d Other Comprehensive Income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of Income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as "Other Comprehensive Income" includes remeasurements of defined benefit plans and fair value gains or (losses) on FVOCI equity instruments. The concept of other comprehensive income did not exist under previous GAAP.

22 Previous year's figures have been regrouped or re-arranged, where considered necessary, to conform to the current year's classification.

In terms of our report attached
For and on behalf of
P D Rungta & Co
Chartered Accountants
Firm registration no. 001150C

On behalf of the Board



Harsh Satish Udeshi
Partner
Membership No.301889



S. Sivakumar
CFO & Director
DIN-07947050



A.K. Mukherjee
Director
DIN-01626598



G. B. Aayeer
Director
DIN-00087760

Place: Kolkata
Date : 3rd May, 2018



Pulak Banerjee
Company Secretary
FCS - 3075

KOLKATA METRO NETWORKS LIMITED
Statement of Cash Flows for the year ended 31st March, 2018

| | Year Ended 31st March, 2018 Rs. | | Year Ended 31st March, 2017 Rs. | |
|--|---------------------------------------|--------------------|---------------------------------------|--------------------|
| A. Cash Flow from Operating Activities | | | | |
| Profit Before Tax | | 2,435,478 | | 1,786,503 |
| Adjustment for: | | | | |
| Dividend Income | (3,420,000) | | (2,850,000) | |
| Finance Expenses | 714,924 | | 901,495 | |
| | | (2,705,076) | | (1,948,505) |
| Operating profit before changes in operating assets and liabilities | | (269,598) | | (162,002) |
| Changes in operating assets and liabilities | | | | |
| Increase / (Decrease) in trade payables | (11,402) | | 11,402 | |
| Increase in Other financial liabilities | 207,910 | | - | |
| Increase / (Decrease) in other current liabilities | (15,560) | | 64,279 | |
| (Increase) in Other current assets | (8,095) | | - | |
| | | 172,853 | | 75,681 |
| Cash Generated from Operations | | (96,745) | | (86,321) |
| Direct Taxes (net of refund) | | (72,700) | | (561,610) |
| Net cash used in Operating Activities | | (169,445) | | (647,931) |
| B. Cash Flow from Investing Activities | | | | |
| Dividend Income | 3,420,000 | | 2,850,000 | |
| | | 3,420,000 | | 2,850,000 |
| Net Cash from Investing Activities | | 3,250,555 | | 2,202,069 |
| C. Cash Flow from Financing Activities | | | | |
| Repayment of short term borrowings | (2,484,664) | | (1,284,070) | |
| Interest Paid | (714,924) | | (901,495) | |
| | | (3,199,588) | | (2,185,565) |
| Net cash used in Financing Activities | | (3,199,588) | | (2,185,565) |
| Net Increase in cash and cash equivalents (A+B+C) | | 50,967 | | 16,504 |
| Cash and Cash Equivalents at the beginning of the year (Refer Note: 4.1) | | 153,096 | | 136,592 |
| Cash and Cash Equivalents at the end of the year (Refer Note: 4.1) | | 204,063 | | 153,096 |

Notes:

1 The above Statement of Cash Flow has been prepared under the Indirect Method as set out in Ind AS -7 "Statement of Cash Flows".

The accompanying notes are an integral part of these Statement of Cash Flows.

This is the Standalone Cash Flow Statement referred to in our report of even date attached.

In terms of our report attached
For and on behalf of
P D Rungta & Co
Chartered Accountants
Firm registration no. 001150C

On behalf of the Board

Harsh Satish Udeshi
Partner
Membership No.301889



S. Sivakumar
CFO & Director
DIN-07947050

G. B. Aayeer
Director
DIN-00087760

A.K. Mukherjee
Director
DIN-01626598

Place: Kolkata
Date : 3rd May, 2018

Pulak Banerjee
Company Secretary
FCS - 3075