Meaning of Internal Financial Controls over Financial Reporting with reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these financial statements 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 with reference to these financial statements includes those policies and procedures that

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the Management and directors of the Company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to these Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these financial statements, 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 with reference to these financial statements, to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls system over financial reporting with reference to these financial statements were operating effectively as at 31st March 2019, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For K.Venkatachalam Aiyer & Co.
Chartered Accountants
FRN: 004610S

Sd/-
CA. A Gopalakrishnan
Partner | Membership No 018159

Place: Bengaluru

Date : 09.08.2019

KOCHI METRO RAIL LIMITED
BALANCE SHEET AS AT 31st MARCH , 2019

Amount (Rs.in Lakhs)

Particulars	Note No.	As at 31.03.2019	As at 31.03.2018
ASSETS			
(I) Non- Current Assets			
(a) Property, Plant and Equipment	2.A	3820 18.08	3708 60.32
(b) Capital Work-In-Progress	2.B	1323 99.26	718 23.82
(c) Other Intangible Assets	3.A	33 05.33	36 73.97
(d) Intangible Assets Under Development	3.B	.58	10.26
(e) Financial Assets			
(i) Trade Receivables		-	-
(ii) Other Financial Assets	4	400 91.80	446 08.75
(f) Other Non Current Assets - Non Financial Assets	5	138 65.33	249 15.12
Total Non - Current Assets (I)		**5716 80.38**	**5158 92.24**
(II) Current Assets			
(a) Financial Assets			
(i) Trade Receivables	6	7 11.19	39.07
(ii) Cash and Cash Equivalents	7	4 03.07	44 88.97
(iii) Other Bank Balances	8	85.60	1 14.59
(iv) Other Financial Assets	9	272 75.30	148 06.44
(b) Other Current Assets	10	13 93.31	22 20.92
Total Current Assets (II)		**298 68.47**	**216 69.99**
Total Assets (I) +(II)		**6015 48.85**	**5375 62.23**
EQUITY AND LIABILITIES			
(I) EQUITY			
(a) Equity Share capital	11	1507 46.00	1507 46.00
(b) Other Equity	12	925 65.68	912 41.63
Total Equity (I)		**2433 11.68**	**2419 87.63**
LIABILITIES			
(II) Non- Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	13	2953 33.48	2555 26.10
(ii) Other financial liabilities	14	90 57.24	98 14.08
(b) Provisions	15	8 26.90	4 87.49
(c) Deferred Tax Liabilities	16	-	-
(d) Other Non-Current Liabilities	17	5 74.70	674.76
Total Non - Current Liabilities (II)		**3057 92.32**	**2665 02.43**
(III) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	47 00.00	47 00.00
(ii) Other Financial Liabilities	19	435 41.76	229 43.17
(b) Other Current Liabilities	20	41 23.88	13 69.70
(c) Provisions	21	79.21	59.30
Total Current Liabilities (III)		**524 44.85**	**290 72.17**
Total Equity and Liabilities (I) + (II) + (III)		**6015 48.85**	**5375 62.23**
Significant accounting policies	1.2		
See accompanying notes to the financial statements	2-30		

In terms of our report of even date attached.

For K Venkatachalam Aiyer & Co
Chartered Accountants
FRN 004610S

Sd/-
A Gopalakrishnan
Partner
Membership No. 018159

Place : Bengaluru
Date : 09-08-2019

For and on behalf of the Board of Directors

Sd/-
A P M Mohammed Hanish
Managing Director

Sd/-
Kumar K R
Director (Finance)

Sd/-
Shyam Sunder Agrawal
Company Secretary

Place : Bengaluru
Date : 09-08-2019

KOCHI METRO RAIL LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH , 2019

Amount (Rs. In Lakhs)

	Particulars	Note No.	For the year ended 31.03.2019	For the year ended 31.03.2018
I	Revenue from Operations	22	81 37.20	4,466.63
II	Other Income	23	24 38.74	19 42.19
III	**Total Revenue (I + II)**		**105 75.94**	**64 08.82**
IV	**Expenses:**			
	Operating Expenses	24	34 06.51	2,593.14
	Employee Benefits Expense	25	37 74.30	29 70.02
	Finance Costs	26	75 10.88	43 53.83
	Depreciation and Amortization Expense	27	130 96.80	99 75.30
	Impairment on Non Current Assets		78 99.11	0.00
	Other Expenses	28	29 49.28	32 32.42
	Total Expenses (IV)		**386 36.88**	**231 24.71**
V	**Profit / (Loss) Before Tax (III - IV)**		**(280 60.94)**	**(167 15.89)**
VI	Tax expense:			
	(1) Prior tax adjustment		-	
	(2) Deferred tax		-	
			-	-
VII	**Profit / (Loss) for the period (V - VI)**		**(280 60.94)**	**(167 15.89)**
VIII	**Other Comprehensive Income**			
	Items that will not be reclassified to profit or loss			
	- Remeasurements of post employment benefit obligations		(62.36)	(17.85)
	Income tax relating to items that will not be reclassified to profit or loss		-	-
			(62.36)	**(17.85)**
IX	**Total Comprehensive Income for the year (VII+ VIII) (Comprising Profit / (Loss) and Other Comprehensive Income for the year)**		**(281 23.30)**	**(167 33.74)**
X	**Earnings per equity share:**	29		
	(1) Basic and Dilutive		**(18.66)**	**(11.10)**
	Significant accounting policies	1.2		
	See accompanying notes to the financial statements	2-30		

In terms of our report of even date attached.
For K Venkatachalam Aiyer & Co
Chartered Accountants
FRN 004610S

Sd/-
A Gopalakrishnan
Partner
Membership No. 018159

For and on behalf of the Board of Directors

Sd/-
A P M Mohammed Hanish
Managing Director

Sd/-
Kumar K R
Director (Finance)

Sd/-
Shyam Sunder Agrawal
Company Secretary

Place : Bengaluru
Date : 09-08-2019

Place : Bengaluru
Date : 09-08-2019

KOCHI METRO RAIL LIMITED

Statement of Changes in Equity for the year ended 31st March 2019

Amount (Rs.in Lakhs)

Particluars	Equity Share Capital	Other Equity					Total
		Deferred Income - Monetary Grants			Deferred Income - Non Monetary Grants	Reserves and Surplus	
		Interest Free Sub Debt		GoK - Reimbursement of State Taxes			
		GoI	GoK		GoK	Retained Earnings	
Balance as at April 1 , 2017	1507 46.00	-	-	-	-	(38 30.74)	(38 30.74)
Changes in accounting policy or prior period errors	-	-	-	-	-	355.57	3 55.57
Reclassification of Government Grant	-	162 25.25	732 83.62	-	-	-	895 08.87
	1507 46.00	**162 25.25**	**732 83.62**	**-**	**-**	**(34 75.17)**	**860 33.70**
Add : Comprehensive income / (Loss) for the year	-	-	-	-	-	(167 33.74)	(167 33.74)
Add: Additions / Adjustments during the year	-	56 44.40	82 13.54	95 63.03	-	-	234 20.97
Less: Transfer to Income during the year	-	(2 16.69)	(9 70.24)	(2 92.37)	-	-	(14 79.30)
Balance as at March 31 , 2018	**1507 46.00**	**216 52.96**	**805 26.92**	**92 70.66**	**-**	**(202 08.91)**	**912 41.63**
Balance as at April 1 , 2018	1507 46.00	216 52.96	805 26.92	92 70.66	-	(202 08.91)	912 41.63
Changes in accounting policy or prior period errors	-			9 63.03	-	(41.03)	9 22.00
	1507 46.00	**216 52.96**	**805 26.92**	**102 33.69**	**-**	**(202 49.94)**	**921 63.63**
Add : Comprehensive income / (Loss) for the year	-					(281 23.30)	(281 23.30)
Add: Additions / Adjustments during the year	-		93 81.27	73 10.91	138 38.52		305 30.70
Less: Transfer to Income during the year	-	(3 28.10)	(12 37.37)	(4 39.87)	-		(20 05.35)
Balance as at March 31 , 2019	**1507 46.00**	**213 24.86**	**886 70.82**	**171 04.72**	**138 38.52**	**(483 73.24)**	**925 65.68**

In terms of our report attached.
For K Venkatachalam Aiyer & Co
Chartered Accountants
FRN 004610S

Sd/-
A Gopalakrishnan
Partner
Membership No. 018159

Place : Bengaluru
Date : 09-08-2019

For and on behalf of the Board of Directors

Sd/-
A P M Mohammed Hanish
Managing Director

Sd/-
Kumar K R
Director (Finance)

Sd/-
Shyam Sunder Agrawal
Company Secretary

Place : Bengaluru
Date : 09-08-2019

KOCHI METRO RAIL LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.19

Amount (in Rs. Lakh)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
A. Cash Flow from Operating activities		
Net Profit/(Loss) for the period	(281 23.30)	(167 33.74)
Adjustment for		
(Profit) / Loss on sale of asset (net)	.53	.88
(Profit) / Loss on sale of flood affected asset (net)	1 94.32	.00
Depreciation and amortization expense	130 96.80	99 75.30
Impairment of Asset	78 99.11	.00
Interest income	(33.92)	(64.64)
Finance cost	57 66.14	31 61.65
Net Gain arising on financial assets measured at FVTPL	(4 43.76)	.22
Operating Profit/(Loss) before working capital changes	**(16 44.08)**	**(36 60.33)**
Adjustments for (increase) / decrease in operating assets		
(Increase)/ Decrease in Financial Assets	38 44.82	(36 43.56)
(Increase)/ Decrease in other non- current Assets	16 77.24	(78 91.45)
(Increase)/ Decrease in other Assets	19 15.23	(17 13.09)
(Increase)/ Decrease in Provisions	3 59.32	2 32.70
(Increase)/ Decrease in other Payables	166 36.46	168 19.16
Net Cash flow from / (used in) Operating activities (A)	**227 88.99**	**1 43.43**
B. Cash Flow from Investing activities		
Payment to acquire property , plant and equipment including capital advances	(95 72.48)	(54 56.91)
Payment for Capital WIP including capital advances	(490 78.39)	(1036 07.26)
Interest income received	87.56	11 14.02
Receipts from Government Grants	.00	11 81.62
Net Cash flow from / (used in) investing activities (B)	**(585 63.31)**	**(1067 68.53)**
C. Cash flow from Financing activities		
Proceeds from Long term loan from Canara Bank	353 44.40	371 14.00
Proceeds from Pass through assistance from Agence Francaise de Development(AFD)	58 67.76	238 00.00
Proceeds from Sub Debt from Government of Kerala	58 11.00	132 51.01
Proceeds from Sub Debt from Government of India	.00	65 91.00
Finance Cost Paid	(106 34.74)	(62 00.21)
Loan repaid during the year	(47 00.00)	(47 00.00)
Net Cash flow from / (used in) financing activities (C)	**316 88.42**	**698 55.80**
Net Increase / (decrease) in cash and cash equivalents (A) + (B) + (C)	**(40 85.90)**	**(367 69.30)**
Cash and cash equivalents at the beginning of the year	**44 88.97**	**412 58.27**
Cash and cash equivalents at the end of the year	**4 03.07**	**44 88.97**
Comprising of		
Cash on Hand	29.55	16.03
Balance with Banks:		
- Current Accounts	90.28	1 60.97
-Term Deposits (with maturity less than twelve months)	2 83.24	42 34.04
Cash in Sub Treasury Account	.00	77.93
Cash at bank	**4 03.07**	**44 88.97**

In terms of our report attached.
For K Venkatachalam Aiyer & Co
Chartered Accountants
FRN 004610S

Sd/-
A Gopalakrishnan
Partner
Membership No. 018159

For and on behalf of the Board of Directors

Sd/-
A P M Mohammed Hanish
Managing Director

Sd/-
Kumar K R
Director (Finance)

Sd/-
Shyam Sunder Agrawal
Company Secretary

Place : Bengaluru
Date : 09-08-2019

Place : Bengaluru
Date : 09-08-2019

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

1.1 Corporate Information

Kochi Metro Rail Limited (hereinafter referred to as “the Company” or “KMRL”), incorporated under the Companies Act, 1956on 2nd August 2011 with CIN: U60100KL2011SGC029003, is a Government Company within the meaning of Section 2(45) of the Companies Act, 2013.

The Company is a Joint venture between the Government of India (GOI) and Government of Kerala (GOK), with equal equity participation. The Company is primarily involved in the conception and operation of a Metro Rail Project in the city of Kochi. KMRL and is also entrusted with the tasks of subsequent expansion of the Metro network, its operation, maintenance and allied activities to ensure sustainable operations and implementing a multi modal transport system in the city. The Company commenced commercial operations on 19.06.2017. The Revenue Streams of the Company includes fare collection from the passengers, renting of properties and advertisement spaces, and providing consultancy services to other organization.

1.2 Significant accounting policies

a) Basis of Preparation

The Financial Statements have been prepared in accordance with Indian Accounting Standards under the historical cost basis except for the following assets and liabilities, which have been measured at fair value amount:

a. financial assets and liabilities and contingent consideration that are measured at fair value;

b. defined benefit plans - plan assets measured at fair value;

The Financial Statements of the Company have been prepared to comply with the Indian Accounting standards (‘Ind AS’), including the rules notified under the relevant provisions of the Companies Act, 2013.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The company has generally followed the policy and best practices as prevalent in the industry.

1.3 Use of estimates and management judgments

The preparation of the financial statements in conformity with the recognition and measurement principles of Indian Accounting Standards (Ind AS) requires the management to make some estimates and assumptions that affect the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. Some of the estimations require higher degrees of judgment to be applied than others. Management continuously evaluates all of its estimates and judgments based on available information and its experience and believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results may differ from these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known or materialized.

Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in respect of impairment of investments, useful lives of property, plant and equipment, valuation of deferred tax assets, provisions and contingent liabilities.

a) Useful lives of property, plant and equipment

The Company reviews the estimated useful life and residual values of property, plant and equipment at the end of each reporting period. Assumptions are also made as to whether an item meets the description of asset so as to warrant capitalization and which component of the asset maybe capitalized. The reassessment of useful life may result in change in depreciation expense in future periods. The depreciation / amortization for future periods is revised if there are significant changes from previous estimates.

b) Recognition of deferred tax assets

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. Significant judgments are involved in determining the elements of deferred tax items. The policy for the same has been explained under Note 1.19.

c) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding employee benefits as per actuarial valuation) are not discounted to its present value and are determined, based on best estimate required to settle the obligation at the Balance sheet date. These are reviewed at each Balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are not recognized in the financial statements. Contingent Liabilities are disclosed on the basis of judgment of management / independent experts. A contingent asset is not recognized but disclosed as a note to the financial statements.

d) Post-employment benefit plans

Employee benefit obligations are measured on the basis of actuarial assumptions using the project unit credit method which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, the rate of salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate and documented. However, any changes in these assumptions may have a material impact on the resulting calculations.

e) Impairment test of non-financial assets

The recoverable amount of Property, Plant and Equipment(PPE)and Intangible asset is determined based on judgment of assumptions of technical experts. Any change in these assumptions may have a material impact on the measurement of the recoverable amount and could result in impairment.

f) Recognition of Deferred Tax Assets

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits.

g) Trade Receivables and Loans & Advances

Provision for doubtful trade receivables / loans & advances is recognized when there is uncertainty of realisation irrespective of the period of its dues and written off when unrealisability is established.

1.4 Functional and presentation currency

These financial statements are presented in Indian Rupees ( ), which is the company's functional currency.

1.5 Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest thousands, except when otherwise indicated.

1.6 Revenue Recognition

1.6.1 Income from fare collection is recognized on the basis of sale of tickets, sale of trip pass, money value of actual usage in case of smart cards and other direct fare collection.

1.6.2 Income from licensing of property /rental income is recognized in accordance with terms and conditions of the contract with the licensee/lessee and is accounted for on accrual basis over the lease terms.

1.6.3 Revenue from sale of scrap is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates, value added taxes and amounts collected on behalf of third parties. The company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity.

1.6.4 Interest income is recognized on accrual basis using effective interest rate method.

1.6.5 Income from consultancy services is recognized on the basis of actual progress /technical assessments of the work executed, except in cases where the contracts provide otherwise.

1.6.6 Other incomes are recognized on accrual basis.

1.7 Property, Plant and Equipment

Property, Plant and Equipment(except freehold land)are stated at their acquisition cost / historical cost less accumulated depreciation and impairment, if any. The company is adopting the cost model for determining gross carrying amount.

The cost of fixed asset comprises its purchase price, including any import duties and other taxes net of recoverable taxes and any directly attributable expenditure on making the asset ready for its intended use. Deposit works / contracts are capitalized on completion on the basis of statement of account received from executing agencies and in its absence, on the basis of technical assessment of the work executed. The cost also includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and net of any trade discounts and rebates and other incidental expenses and an initial estimate of the costs of dismantling, removing the item and restoring the site on which it is located, if any. In case of asset put to use, where final settlement of bills is yet to be effected, capitalization is done on provisional basis subject to necessary adjustments in the year of final settlement.

Spares having useful life of more than one year are capitalized under the respective heads.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components). The cost of replacement spares/ major inspection relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advance under other non-current assets and the cost of assets not put to use before such date are disclosed under "Capital Work-In-Progress". Subsequent expenditures relating to property, plant and equipment are capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss.

1.8 Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use.

Branding cost is capitalized as intangible asset and amortized on a straight-line basis over a period of five years.

Amount paid to railways towards consideration for the right to use (permissions), being Way Leave Charges to Railways, is capitalized as intangible asset and amortized on a straight-line basis over a period of seventy years.

Cost of software which is not an integral part of the related hardware acquired for internal use is capitalized as intangible asset and amortized on a straight line basis over a period of five years.

1.9 Capital work in Progress (CWIP)

Assets under construction as at balance sheet date are shown as Capital Work in Progress (CWIP). Expenditure directly related to construction activity has been capitalized. All direct expenditure attributable to the various components of the project are accounted as CWIP. Common expenses and interest on external borrowings which are directly related to the construction activities, but attributable to more than one component of the works are grouped under CWIP as expenses during construction, to be allocated to various assets on completion.

Interest received on project funds provided to DMRC is reduced from CWIP.Work in progress for the Phase I project is booked based on the expenditure statement and management certificate provided by DMRC as verified by the KMRL.

Income pertaining to construction period, such as interest earned on short term deposits,(other than from temporary deployment of funds received by way of equity and interest free subordinate debt),sale of tender documents etc. is adjusted against the expenditure towards CWIP.

1.10 Land

The value of parcels of land handed over by the landowners and taken over by the Company through the District Collector has been capitalized based on the statement furnished by the land acquisition unit functioning under the aegis of the District Collector, without waiting for the registration of title deeds in the name of the Company. Payments made provisionally / liability provided towards cost or compensation related to the land in possession are treated as cost of the land.The value of land handed over for construction, which belongs to various government bodies and departments, has not been capitalized since the amount payable and other terms are yet to be finalized.

Enhanced compensation, if any, under "The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation & Resettlement Act, 2013"shall be booked and treated as cost of land as and when the payment is made since the amount cannot be estimated.

The costs of acquisition of structures in the land and land filling expenses are charged to the cost of land.

Land received from the state government at free of cost, ownership of which vests with KMRL, is recognized at market value of the land received which is calculated on the basis of Section 26 of The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation & Resettlement Act, 2013 and shall be treated as non-monetary grant as per Ind AS 20 at the time of handing over the possession of the land.

Impairment of Assets

The carrying values of assets at each Balance Sheet date are reviewed for impairment. If any indication of such impairment exists, the recoverable amount of such assets is estimated and impairment is recognized. The impairment loss recognized is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired.

1.11 Provision for doubtful debts and advance

Provision for doubtful debts/advances is made when there is uncertainty of realization irrespective of the period of its dues and written off when unrealizability is established.

1.12 Insurance claims

The Insurance claims are accounted for based on acceptance of claims.

1.13 Depreciation and Amortization

(i) Depreciation on property, plant and equipment is provided based on Straight line method as per useful lives of assets as prescribed in Schedule II of the Companies Act 2013 except in the case of certain assets / components of assets where the useful life is determined based on the technical evaluation, done and adopted by DMRC.

(ii) An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain/loss arising on de-recognition of the asset is included in the Statement of Profit and Loss when the asset is de-recognized.

(iii) The estimated useful lives of the assets where the useful life is estimated on the basis of the technical evaluation, done and adopted by DMRC are as follows;

Description of the Asset	Useful Life of asset (in years)
Building Theming (Sub assets)	10
Rolling Stock	30
Components of Rolling Stock	18
Escalators & elevator	
Elevator	30
Elevator Other Components	20
Escalator	30
Escalator Other Components	15
Components of UPS Battery	10
A type ladder-4-meter height	2
Furniture, Fixtures, Office Equipment's and any other asset provided to employees at residential offices except Directors.	4
SCADA Servers (main and standby)	3
Low Value Assets	1
Way leave charges to Railway *	70
Branding	5

(iv) Residual value of 5% has been retained for all the Fixed Assets, which is in line with the provisions of Schedule II of the Companies Act, 2013.

(v) Property, plant and equipment and Intangible assets costing Rs. 5,000/-or less are depreciated / amortized fully in the year of purchase.

(vi) The maximum life of the components has been restricted to the life of the main asset.

(vii) Viaduct, Bridges and Permanent Way / Track work is depreciated on Straight-line method in line with the useful life prescribed for "Bridges, culverts, bunders etc." in Schedule II of the Companies Act, 2013 from the date of commercial operation of respective sections.

(viii) Expenditure on the items, ownership of which is not with the company, is charged off to revenue in the year of incurrence of such expenditure.

(ix) Intangible assets are amortized on a systematic basis over the best estimate of its useful life, from the date they are available for use.

(x) Way leave charges paid to Railways is recognized as intangible assets and amortized on straight-line method over a period of 70 years(*).

(xi) The useful life of mobile phone, which is grouped under office equipment, is estimated at three years.

The useful lives, residual value and method of depreciation of property, plant and equipment and intangible assets are reviewed at each financial year and adjusted prospectively, if appropriate.

1.14 Government Grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions. Government grants relating to income are deferred and recognized in the Statement of profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

When the company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to the Statement of profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate or interest free, the benefit of below market rate / free of interest is measured as the difference between the initial carrying value of the loan determined in accordance with Ind AS 109 read with Ind AS 113 and the transaction value being the proceeds received. The benefit is presented in the Balance Sheet by setting up the monetary grant as Deferred Income under "Other Equity" and recognized in the Statement of Profit and Loss on a systematic basis over the period in which the loan is outstanding in accordance with Ind AS 20.The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

1.15 Current versus non-current classification

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

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle, or
- Held primarily for the purpose of trading, or

- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent, unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when it is:

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

All other liabilities are treated as non-current.

1.16 Operating cycle

Based on the nature of the operating activities of the company and the normal time between the acquisition of assets and their relocation in cash or cash equivalents, the company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

1.17 Financial Instruments

1.17.1 Initial recognition, measurement and de -recognition

Financial assets and financial liabilities are recognized and are measured initially at fair value adjusted by transactions costs, except for those financial assets and liabilities which are classified at Fair Value through Profit & Loss (FVTPL) at inception.

Financial assets are de-recognized when the contractual rights to the cash flows from the financial assets expire or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognized when it is extinguished, discharged, cancelled or expired.

1.17.2 Classification and subsequent measurement of Financial Assets

For the purpose of subsequent measurement, Financial Assets are classified into following categories upon initial measurement/recognition;

- To be measured at amortized cost and;
- To be measured subsequently at fair value (either through other comprehensive income or through profit and loss)

1.17.3 Classification and subsequent measurement of Financial Liabilities

Financial liabilities are measured subsequently at amortized cost using effective interest rate, except for financial liabilities measured at Fair Value through statement of Profit and loss .

1.18 Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when the company has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are determined based on management estimate required to settle the obligation at the balance sheet date and are not discounted to present value.

Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Contingent Assets are not recognized in the financial statements.

1.19 Taxation

Income tax is determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantially enacted by the reporting date. Deferred Tax Asset is recognized only to the extent it is probable that tax benefits will be realized in future.

Current and deferred tax are recognized in the Statement of Profit and Loss, except when they relate to items that are recognized in other comprehensive income or items related to equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

1.20 Foreign exchange transaction/translations

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

Foreign exchange transactions are recorded at the functional currency adopting the exchange rate prevailing on the dates of respective transactions.

1.21 Employee benefits

Provident Fund and pension fund: The eligible employees of the Company are entitled to receive benefits under provident fund schemes in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The contributions are paid to the Regional Provident Fund Account.

The company's pension scheme is linked with provident fund scheme. All eligible employees of the company under provident fund schemes are also covered under employee pension scheme.

Under the above pension scheme, no contribution is collected from the employees and is paid from the employer's contribution

Gratuity: Provision towards Gratuity, as per actuarial valuation is provided for during the current year for eligible employees.

Earned and half-pay Leave: The Company provides earned leave benefits and half-pay leave to the employees. The related liability is recognized on the basis of actuarial valuation.

Leave Travel Concession (LTC): The Company provides financial assistance to the employees in meeting expenses of actual travel involved to their hometown as well as any place in India as per the approved policy. The related liability is recognized on the basis of actuarial valuation.

Employment Benefits to Deputationists

Employee benefits due to employees on deputation from other government departments/PSUs are paid to their respective parent organization/ employer based on their direction as Foreign Service

Contribution(FSC). Necessary provision for such benefits payable at the close of the financial year are estimated and provided for.

Under IndAS 19 – The liability or asset recognized in the balance sheet in respect of its defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the said obligation is determined by discounting the estimated future cash outflows.

The interest income/ (expense) are calculated by applying the discount rate to the net defined benefit liability or asset. The net interest / (expense) on the net defined benefit liability or asset is recognized in the Statement of profit or loss.

Re-measurement gains and losses arising from changes in actuarial assumptions and experience adjustments are recognized in the period in which they occur directly in other comprehensive income.

1.22 Finance cost

Finance costs comprise interest cost on borrowings, gain or losses arising on re-measurement of financial assets at Fair Value through Profit and Loss, and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Costs in connection with the borrowing of funds directly related to the acquisition of qualifying assets are allocated to the qualifying assets, pertaining to the period from commencement of activities relating to acquisition/ construction / development of the qualifying asset up to the date of capitalization of such asset. Interest income earned on the temporary investment of such borrowings, pending their expenditure on qualifying assets, is deducted from the borrowing cost eligible for capitalization. Thereafter, the borrowing cost is charged off to the statement of profit and loss .

A qualifying asset is an asset that necessarily takes substantial period of time to get ready for its intended use.

1.23 Allocation of interest during construction

Borrowing Cost, being Interest on borrowings that are directly attributable to the construction/production of a qualifying asset, is capitalized as part of the cost of that asset, in accordance with Ind AS 23.Interest during construction in respect of qualifying assets commissioned during the year, is allocated in the ratio at which the value of the commissioned assets to the value of qualifying Capital Work in Progress as at the end of the month of commissioning.

1.24 Leases

Leases are classified as finance leases whenever as per the terms of the lease, the lessor transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Finance leases are capitalized at the commencement of the lease at the inception date at fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the general policy on the borrowing costs. Contingent rentals are recognized as expenses in the period in which they are incurred.

Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed.

1.25 Segment reporting

The Company has only one reportable business segment, which is developing, running and maintaining of metro rail system. Accordingly, the amounts appearing in the financial statements are related to the Company's single business segment.

1.26 Cash and Cash equivalents (for the purpose of cash flow statement)

Cash for the purpose of Cash Flow Statement comprises cash at hand, Government treasury and demand deposits with banks. Cash equivalents are short term balances with an original maturity of three months or more, but less than twelve months from the date of acquisition, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

1.27 Cash Flow Statement

Cash Flow Statement is prepared in accordance with the indirect method prescribed in Indian Accounting Standard (Ind AS) – 7 on 'Statement of Cash Flows'.

1.28 Earnings per share

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

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

Amount *(Rs.in lakhs)*

Note 2.A : Property, Plant and Equipment

Particulars	Gross Block				Depreciation/ Amortisation/ Depletion					Net Block	
	As at 1st April 2018	Additions/ adjustments during the year	Disposal/ adjustments during the year	As at 31st March 2019	As at 1st April 2018	For the year	Impairment	Deductions / Adjustments	As at 31st March 2019	As at 31st March 2019	As at 31st March 2018
Land (Freehold) *(Refer Note 2.1)*	619 05.15	230 42.71		849 47.86	-	.00			-	849 47.86	619 05.15
Building	814 91.60	1 25.26		816 16.85	9 86.92	14 21.12	68.62		24 76.66	791 40.20	805 04.68
Temporaray structures		6.89		6.89		1.06			1.06	5.82	
Viaduct, Bridges,Tunnel & Culverts	1277 54.23	.00		1277 54.23	29 05.68	40 45.20	17.37		69 68.25	1207 85.98	1248 48.55
Plant and Machinery	60 20.93	1 96.10		62 17.03	2 69.85	3 52.70	5 64.00		11 86.55	50 30.48	57 51.08
Rolling Stock	435 10.00	69 50.75		504 60.74	10 04.47	16 75.95	24 02.31		50 82.74	453 78.00	425 05.53
Escalators & elevators	74 72.32	2 91.75		77 64.07	2 19.79	3 19.48			5 39.27	72 24.80	72 52.53
Signalling & Telecom Equipments	131 15.40	6.29	6.29	131 15.40	6 78.26	8 44.90	25 10.96	.53	40 33.58	90 81.82	124 37.14
Roads	12 07.97	.00		12 07.97	94.65	1 20.80			2 15.45	9 92.52	11 13.32
Fences, wells, tube wells	2 47.43	2.99		2 50.43	36.84	25.26	1 44.91		2 07.01	43.42	2 10.59
Computers	52 31.32	8.55	8.91	52 30.96	10 14.90	11 79.20	6 41.71	4.64	28 31.17	23 99.79	42 16.42
Electrical Appliance	212 55.37	7 83.40	21.35	220 17.42	15 03.80	20 17.24	10 87.29	2.44	46 05.88	174 11.53	197 51.57
Cables & Ducts	65 91.59	22.13		66 13.72	2 55.57	3 48.51			6 04.09	60 09.63	63 36.02
Switching Centres	14 58.37	2 72.06		17 30.43	76.73	1 13.88	2 65.86		4 56.46	12 73.97	13 81.63
Furniture and Fixtures	6 10.57	20.85	10.16	6 21.25	1 02.08	57.99	36.45	.98	1 95.55	4 25.71	5 08.49
Office Equipement	22 91.50	1 65.43	1 66.31	22 90.62	2 19.63	2 57.99	32.99	20.47	4 90.14	18 00.49	20 71.87
Low Value Assets	5 48.79	4.88		5 53.67	5 48.79	4.88	.00	.00	5 53.67	.00	.00
Vehicles	85.52	24.82	15.32	95.02	19.78	11.39	.00	2.20	28.96	66.06	65.74
Total	**3807 98.05**	**319 24.84**	**2 28.33**	**4124 94.56**	**99 37.73**	**127 97.54**	**77 72.47**	**31.26**	**304 76.47**	**3820 18.08**	**3708 60.32**
Previous year	**583 40.25**	**3224 71.46**	**13.65**	**3807 98.06**	**2 28.87**	**97 18.02**	**.00**	**9.15**	**99 37.74**	**3708 60.32**	**581 11.38**

Note 2.B : Capital work -in -progress

Particulars	As at 1st April 2018	Additions/ adjustments during the year	Total	Capitalised during the year	As at 31st March 2019
Kochi metro rail project- phase 1 (Refer Note No. 30.4)	710 77.56	687 64.51	1398 42.07	84 83.57	1313 58.50
Phase II (Extension) (Refer Note No. 30.4)	7 46.27	- 8.72	7 37.55		7 37.55
Phase 1A (Extension)		197.96	197.96		1 97.96
Phase III (Aluva to Angamaly with Airport Link)		105.25	105.25		1 05.25
Total	**718 23.83**	**690 59.00**	**1408 82.83**	**84 83.57**	**1323 99.26**
Previous year	**3006 75.18**	**880 47.52**	**3887 22.70**	**3168 98.88**	**718 23.82**

Amount (Rs.in lakhs)

Note 3.A : Other Intangible assets

Particulars	Gross Block				Depreciation/ Amortisation/ Depletion					Net Block	
	As at 1st April 2018	Additions/ adjustments during the year	Disposal/ adjustments during the year	As at 31st March 2019	As at 1st April 2018	For the year	Impairment	Deductions / Adjustments	As at 31st March 2019	As at 31st March 2019	As at 31st March 2018
Computer software	13 21.74	57.29	0.06	13 78.97	3 19.44	2 47.26	1 26.65	0.02	6 93.32	6 85.65	10 02.30
Branding- Kochi Metro	61.60			61.60	31.73	12.33			44.06	17.55	29.87
Way leave charges to Railway	27 76.22			27 76.22	1 34.42	39.67			1 74.09	26 02.13	26 41.80
Total	**41 59.56**	**57.29**	**.06**	**42 16.79**	**4 85.59**	**2 99.26**	**1 26.65**	**.02**	**9 11.47**	**33 05.33**	**36 73.97**
Previous year	**31 31.83**	**10 27.73**		**41 59.56**	**2 28.31**	**2 57.28**	**.00**	**-**	**4 85.59**	**36 73.97**	**29 03.52**

Note 3.B : Intangible assets under development

Particulars	As at 1st April 2018	Additions/ adjustments during the year	Total	Capitalised during the year	As at 31st March 2019
SAP	7.67	(7.67)	.00		.00
DDFS	2.59		2.59	(2.59)	.00
HRMS Module Taxation	.00	.58	.58		.58
Total	**10.26**	**(7.09)**	**3.17**	**-2.59**	**0.58**
Previous year	**10.26**		**10.26**		**10.26**

Notes:

2.1. The Company has taken over possession of 34.1460 hectares of private Land till 31st March 2019 (previous year 32.52 hectares).

2.2. The Land value capitalized is the purchase price agreed between the landowners and the District Level Purchase Committee. The registration charges and the cost of stamp duty is not taken into consideration, as Government of Kerala granted exemption from payment of these charges vide Government order no.G.O.(P) No. 164/2014/TD/2353 & 2354 dated 25th September 2014 and the company did not incur any expenditure against these items.

2.3. Procedures for registration of private land in the name of the Company in the Government records is under process in respect of land with extent of 3.1816 hectares with a value of Rs.188,82 lakhs.19.5316 hectares of land with a value of Rs. 192.12 lakhs is taken over by passing an award.

2.4 The Government of Kerala vide G.O.(Ms) No. 477/2018/RD dated 24th Dec 2018 has assigned on registry 17.315 acres of land under the possession of Public Works Department (PWD) to KMRL at free of cost.The land is shown in the books at current market value of Rs.138,38.52 lakhs as per Section 26 of The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation & Resettlement Act, 2013.

2.5. Metro works are completed / under progress on 5.40 hectares of land belonging to various Government bodies/departments/NH. Pending finalisation of the price, transfer formalities and other terms and conditions, these parcels of lands are not included in the fixed assets.

2.6. The Company paid an amount of Rs.27.76 crores during the financial year 2014-15 towards way leave charges being permission for crossing railway land to Southern Railways for the construction of viaduct for Kochi Metro Rail Project over railway land. The permission has been taken for an initial period of 35 years against one time lump sum payment equivalent to 99% of the prevailing market vale of the land in 2014-15 .The tenure of the permission can be extended for a further period of 35 years on payment of a nominal fees as applicable. The amount of Rs.27.76 crores paid to Railways is shown under intangible asset and amortized for a period of 70 years, pending execution of an formal agreement.

2.7 Title deeds in respect of land parcel to an extent of 3.33 Ares are erroneously registered in the name of the company and is not included in the fixed assets of the Company. The land has been taken over by the Land acquisition unit for undertaking the preparatory works of the kochi metro rail project and the cost is being met from the preparatory funds of GoK.

2.8. In case of mobile phone, grouped under office equipment, the useful life is estimated at three years.

2.9. During the year, the Company capitalised tangible and other intangible assets valuing Rs. 319,82.13 lakhs.

Amount (Rs.in lakhs)

Note 4 : Other Financial Assets- Non current	As at 31st March 2019	As at 31st March 2018
Receivable from Government of Kerala		
- Interest Receivable against the EDCB Loan taken towards Sub Ordinate Debt Receivable (Refer Note No. 30.5)	70 50.87	80 59.62
- Sub -Ordinate debt Receivable (against the Loan taken from EDCB) (Refer Note No. 30.5)	256 20.00	292 80.00
- Vyttila-Petta Land Acquisition (Refer Note 30.9)	72 70.10	64 61.32
- Phase I Land Acquisition	.00	630.93
Security Deposit (Unsecured and Considered Good)	1 50.83	176.88
Total	**400 91.80**	**446 08.75**

Amount (Rs.in lakhs)

Note 5 : Other Non Current Assets- Non Financial Assets	As at 31st March 2019	As at 31st March 2018
Capital advances (Unsecured and Considered good) ;		
- Project Advance to Delhi Metro Rail Corporation	.00	122 01.25
- District Collector-Land Aquisition	73 11.78	102 94.08
- District Collector-Land Aquisiton(Petta extension) (Refer Note No. 30.9)	9.90	18 80.89
- District Collector-Land Acquisition-Petta to SN	58 11.00	.00
Prepaid Expenses	81.66	64.46
Income Tax Refund Receivable (Net of provisions)	6 50.99	4 74.44
Total	**138 65.33**	**249 15.12**

Amount (Rs.in lakhs)

Note 6 : Trade Receivables [Current] Financial Assets	As at 31st March 2019	As at 31st March 2018
Unsecured- Considered Good		
Trade Customers	7 11.19	39.07
Total	**7 11.19**	**39.07**

Amount (Rs.in lakhs)

Note 7 : Cash and Cash equivalents [Current]	As at 31st March 2019	As at 31st March 2018
Cash on hand	29.55	16.03
Balance with Banks (In current accounts)	90.28	1 60.97
Balance in Sub Treasury Account	.00	77.93
Term Deposits with banks (with maturity period less than twelve months)	2 83.24	42 34.04
Total	**4 03.07**	**44 88.97**

Amount (Rs.in lakhs)

Note 8 : Other Bank balances	As at 31st March 2019	As at 31st March 2018
Earmarked Balances with Banks *	85.60	1 14.59
Total	**85.60**	**114.59**

* Fixed Deposits with banks pledged with Government Agencies/Authorities /MILMA/Kerala State Electricity Board/Department of Telecommunications

Amount (Rs.in lakhs)

Note 9 : Other Financial Assets [Current]	As at 31st March 2019	As at 31st March 2018
Receivable from Government of Kerala		
- Interest Receivable against the EDCB Loan taken towards Sub-Ordinate Debt Receivable (Refer Note No. 30.9 & 30.13)	10 07.45	10 07.45
- Sub -Ordinate debt Receivable (against the Loan taken from EDCB) (Refer Note No. 30.5 & 30.13)	36 60.00	36 60.00
- For Preparatory Works (Refer Note No. 30.10)	3 21.13	11 78.22
- State Tax Reimbursement Receivable	167 44.15	8,463.03
- Operating Cash Loss Receivable	53 00.00	.00
UNSECURED,CONSIDERED GOOD, UNLESS OTHERWISE STATED		
- Interest Accrued	20.17	73.82
- Income accrued but not due	3.99	1.13
- Work Deposits	5.21	.00
- Security Deposits	1 50.98	3 11.05
- Other Employee Advance	16.78	44.38
- Others (include financial assistance from GoK - Refer Note No. 30.11)	45.44	67.36
Total	**272 75.30**	**148 06.44**

Amount (Rs.in lakhs)

Note 10 : Other Current Assets	As at 31st March 2019	As at 31st March 2018
Receivable from Government of Kerala		
- Vyttila-Petta Land Acquisition (Refer Note 30.9 & 30.13)	10 40.00	10 40.00
Advance Paid	2 42.76	979.54
Prepaid Expenses	64.33	1 07.87
Stock of Tools	18.57	66.13
GST Input Credit	27.65	27.38
Total	**13 93.31**	**22 20.92**

Note 11 : Equity Share Capital

Particulars	As at 31st March 2019 Number	As at 31st March 2019 Amount (Rs. in Lakhs)	As at 31st March 2018 Number	As at 31st March 2018 Amount (Rs. in Lakhs)
Authorised				
Equity Shares of Rs.100 each	20 00 00 000	2000 00	20 00 00 000	2000 00
Issued, Subscribed and Fully paid up				
Equity shares of Rs.100 each fully paid up	**15 07 46 000**	**1507 46**	**15 07 46 000**	**1507 46**

Reconciliation of number of shares and amounts outstanding

Particulars	As at 31st March 2019 Number of Shares	As at 31st March 2019 Amount (Rs. in Lakhs)	As at 31st March 2018 Number of Shares	As at 31st March 2018 Amount (Rs. in Lakhs)
Equity Shares outstanding at the beginning of the year	15 07 46 000	1507 46	15 07 46 000	1507 46
Add : Shares issued during the year	-	-	-	-
Equity Shares outstanding at the end of the year	**15 07 46 000**	**1507 46**	**15 07 46 000**	**1507 46**

11.1 Details of shareholders holding more than 5% shares in the company

Name of Shareholder	As at 31st March 2019 Number of Shares	As at 31st March 2019 % of holding	As at 31st March 2018 Number of Shares	As at 31st March 2018 % of holding
President of India	7 53 73 000	50	7 53 73 000	50
Governor of Kerala	7 53 73 000	50	7 53 73 000	50

11.2 The Company has one class of equity shares having a par value of Rs.100/- per share. Each shareholder is entitled to receive dividends as declared from time to time and entitled for one vote per share in the meeting of the Company. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company in proportion to the number of shares held by them after distribution of all preferential amounts, if any. The Honourable President of India and The Honourable Governor of Kerala have nominated four and five nominee directors respectively.

Amount (Rs.in lakhs)

Note 12 : Other Equity	As at 31st March 2019	As at 31st March 2018
Deferred Income		
Monetary Grants		
Interest Free Sub Debt (Refer Note No. 30.5)		
Government Of India	213 24.86	216 52.96
Government Of Kerala	886 70.82	805 26.92
Government of Kerala - Reimbursement of State Taxes (Refer Note No. 30.6)	171 04.72	92 70.66
	1271 00.40	**1114 50.54**
Non Monetary Grants		
Government of Kerala - Freehold land (Refer Note No. 30.7)	138 38.52	0.00
Surplus in the Statement of Profit and Loss		
Balance as at the beginning of the year	(202 49.94)	(34 75.17)
Add :Total comprehensive income for the current year	(281 23.30)	(167 33.74)
Balance as at the end of the year	**(483 73.24)**	**(202 08.91)**
Total	**925 65.68**	**912 41.63**

Amount (Rs.in lakhs)

Note 13 : Borrowings [Non current]	As at 31st March 2019	As at 31st March 2018
Term Loans (Secured)		
From Banks;		
Canara Bank (Refer Note No. 30.12)	1116 82.39	763 37.99
Ernakulam District Cooperative Bank (land acquisition) (Refer Note No. 30.13)	256 20.00	292 80.00
Ernakulam District Cooperative Bank (Vytilla - Petta land acquisition for road widening) (Refer Note No. 30.9 and 30.13)	72 80.00	83 20.00
From Others;		
Pass Through Assistance - Government of India (Refer Note No. 30.14) [from AgenceFrancaise De Development (AFD)]	1327 10.77	1268 43.00
Interest Free Sub Ordinate Debt (Unsecured) (Refer Note No. 30.5 and 30.8)		
Government of India	35 25.13	31 97.08
Government of Kerala	145 15.19	115 48.03
Total	**2953 33.48**	**2555 26.10**

Amount (Rs.in lakhs)

Note 14 : Other Financial liabilities [Non current]	As at 31st March 2019	As at 31st March 2018
Retention	99.21	1 28.31
Security Deposits	19 07.15	16 26.15
Interest payable on EDCB loan	70 50.88	80 59.62
Total	**90 57.24**	**98 14.08**

Amount (Rs.in lakhs)

Note 15 : Provisions [Non current]	As at 31st March 2019	As at 31st March 2018
Provision for employee benefits (Refer Note No. 30.15 and 30.16)		
Provision for gratuity	2 87.17	1 54.46
Provision for earned leave	3 78.68	2 15.96
Provision for half pay leave	1 20.42	71.37
Provision for leave travel concession	40.63	45.70
Total	**8 26.90**	**4 87.49**

Amount (Rs.in lakhs)

Note 16 : Deferred Tax Liabilities [Non current]	As at 31st March 2019	As at 31st March 2018
Deferred Tax Liabilities (Refer Note No. 30.17)		
On difference between book balance and tax balance of fixed assets	-	-
Deferred Tax Asset (Refer Note No. 30.17)		
Unabsorbed Depreciation and Loss	-	-
Total	**-**	**-**

Amount (Rs.in lakhs)

Note 17 : Other Non Current Liabilities	As at 31st March 2019	As at 31st March 2018
Deferred Fair valuation -Gain (Security Deposit)	5 74.70	674.76
Total	**5 74.70**	**6 74.76**

Amount (Rs.in lakhs)

Note 18 : Borrowings [Current] - Financial Liabilities	As at 31st March 2019	As at 31st March 2018
Current Maturity of Term Loan from Banks;		
Ernakulam District Cooperative Bank (Land Acquisition) (Refer Note No. 30.13)	36 60.00	36 60.00
Ernakulam District Cooperative Bank (Vytilla - Petta land acquisition for road widening)(Refer Note No. 30.9 and 30.13)	10 40.00	10 40.00
Total	**47 00.00**	**47 00.00**

Amount (Rs.in lakhs)

Note 19 : Other Financial Liabilities [Current]	As at 31st March 2019	As at 31st March 2018
Secured		
Interest accrued but not due on borrowing	8 75.02	5 98.31
Interest Payable on EDCB loan	10 07.45	10 07.45
Unsecured		
Ministry of New & Renewable Energy - Financial Assistance (Refer Note 30.18)	1 06.82	1 44.00
Other payables;		
- Trade / Security Deposit Received	3 57.66	3 33.14
- Land Acquisition and Structural Valuation	98 58.37	42 71.77
- Others;		
- Project related liabilities	184 62.33	47 16.32
- Government of Kerala*	108 42.40	93 07.42
- Delhi Metro Rail Corporation	10 38.77	10 38.77
- Others	9 92.94	15 25.99
Total	**435 41.76**	**229 43.17**

*This represents amount received from Government of Kerala for various preparatory works, the ownership of which rest with the Government of Kerala. The funds for these preparatory works are routed through KMRL and hence the entire expenses are also recognised through this account have been set off against the fund received from Government of Kerala. Refer note 30.9, 30.19, 30.20, 30.21, 30.22, 30.24, 30.25, and 30.26.

Amount (Rs.in lakhs)

Note 20 : Other Current Liabilities	As at 31st March 2019	As at 31st March 2018
Statutory Payments	2 97.67	1 35.23
Advance received from Customers	16 41.41	10 48.13
Deferred Fair valuation Gain (Security Deposit)	1 84.80	186.34
Insurance claim received in advance	20 00.00	-
Total	**41 23.88**	**13 69.70**

Amount (Rs.in lakhs)

Note 21 : Provisions [Current]	As at 31st March 2019	As at 31st March 2018
Provision for Employee benefits (Refer Note No. 30.15 and 30.16)		
Provision for Gratuity	17.68	11.06
Provision for earned leave	28.61	16.24
Provision for half pay leave	9.12	5.43
Provision for leave travel concession	23.80	26.57
Total	**79.21**	**59.30**

Amount (in Rs. Lakh)

Note 22 : Revenue from operations	For the year ended 31st March 2019	For the year ended 31st March 2018
Revenue from Train Operations being Fare Collections	41 03.89	3,217.25
Non fare box revenue	40 33.31	1,249.39
Total	**81 37.20**	**44 66.63**

Note 23 : Other Income	For the year ended 31st March 2019	For the year ended 31st March 2018
Government Grants (Benefit against the interest free subordinate Debts from Government of India and Government of Kerala)	15 65.47	11 86.93
Government Grants (Benefit against the reimbursement of state taxes from Government of Kerala)	4 39.87	292.37
Consultancy Income	1 08.17	91.82
Interest on bank deposits	33.92	64.64
Insurance claim	12.96	
Other non-operative income (Refer Note 23.1)	1 02.96	3 01.40
Income from Unwinding of security Deposits	1 75.39	5.03
Total	**24 38.74**	**19 42.19**

23.1 Other Non operating income :

Application/tender processing fees	34.58	21.64
Other Interest	24.27	6.57
Others	44.11	2 73.19
	1 02.96	**3 01.40**

Amount (in Rs. Lakh)

Note 24 : Operating Expenses	For the year ended 31st March 2019	For the year ended 31st March 2018
Customer Facilitation Expenses	13 15.37	997.20
Electricity & water Charges	11 56.67	922.47
Security Expenses	4 40.69	391.87
Commission	1 93.70	151.84
External Project Consultancy	2 49.26	30.25
Other Operating Expenses	50.82	99.51
	34 06.51	**25 93.14**

Amount (in Rs. Lakh)

Note 25 : Employee Benefits Expense	For the year ended 31st March 2019	For the year ended 31st March 2018
Salaries and wages	31 11.13	23 26.91
Contribution to Provident Fund and other funds	2 46.57	1 74.24
Gratuity Expenses (Refer Note No. 30.15 and 30.16)	82.20	49.52
Staff welfare expenses	3 34.40	4 19.35
Total	**37 74.30**	**29 70.02**

Amount (in Rs. Lakh)

Note 26 : Finance Costs	For the year ended 31st March 2019	For the year ended 31st March 2018
a) Interest on Pass through Assistance - Government of India (Refer Note No 30.14)		
Gross Interest (A)	19 19.72	16 40.18
Less: Expense during construction (B)	5 61.05	8 80.47
Total transfer to Statement of Profit and Loss (A-B)	**13 58.67**	**7 59.71**
b) Interest on Canara Bank loan (Refer Note No. 30.12)		
Gross Interest (A)	89 91.73	49 81.63
Less: Expense during construction (B)	45 84.26	25 79.69
Total transfer to the Statement of Profit and Loss (A-B)	**44 07.47**	**24 01.94**
c) Interest on Subordinate debt (Refer Note No. 30.5)		
Unwinding of Interest expense on subordinate debt (A)	15 65.46	11 86.93
Less: Expense during Construction (B)	-	-
Total transfer to the Statement of Profit and Loss (A-B)	**15 65.46**	**11 86.93**
d) Interest on Retention Money Deposit		
Unwinding of Interest Expense on Retention Money Deposit (A)	14.66	7.48
Less: Expense during Construction (B)	7.90	1.13
Less: Payable to GOK (C)	3.02	2.49
Total transfer to the Statement of Profit and Loss (A-B-C)	**3.74**	**3.86**
e) Interest on Security Deposit		
Unwinding of Interest Expense on Security Deposit(A)	1 75.54	1.39
Total transfer to the Statement of Profit and Loss (A)	**1 75.54**	**1.39**
Grand Total- Transfer to the Statement of Profit and Loss	**75 10.88**	**43 53.83**

Amount (in Rs. Lakh)

Note 27 : Depreciation and Amortisation Expense	For the year ended 31st March 2019	For the year ended 31st March 2018
Depreciation on tangible assets (Refer Note No. 1.14 and 2A)	1 27 97.54	97 18.02
Amortisation of intangible asset (Refer Note No. 1.14 and 3A)	2 99.26	2 57.28
Total	**1 30 96.80**	**99 75.30**

Amount (in Rs. Lakh)

Note 28 : Other Expenses	For the year ended 31st March 2019	For the year ended 31st March 2018
Station Oriented Works	1209.77	14 51.18
Rent,Rates and taxes	198.27	3 40.36
Repairs and maintenance	237.79	2 45.50
Advertisement and Promotional Expenses	161.53	3 95.49
Legal and Professional	134.50	1 46.04
Travelling and conveyance expenses	89.21	1 28.11
Office and other Miscellaneous expenses	143.61	4 12.61
Insurance	112.81	98.58
Payment to Auditors (Refer Note No. 28.1)	9.45	4.57
Bank charges	5.55	9.98
Post flood restoration expenses	646.79	.00
Total	**29 49.28**	**32 32.42**

Amount (in Rs. Lakh)

28.1 Payment to Auditors	For the year ended 31st March 2019	For the year ended 31st March 2018
Audit fees	6.20	3.60
Other Services	3.13	.00
Reimbursement of Expenses	0.12	.97
	9.45	**4.57**

Note 29 : Earnings per Equity Share	For the year ended 31st March 2019	For the year ended 31st March 2018
Net Profit/ (Loss) after tax (In Rs. Lakh)	(281 23.30)	(167 33.74)
Number of Equity Shares	1507 46 000	1507 46 000
Basic and Anti-Diluted Earnings Per Share (EPS) (In Rs.) (Refer Note No. 30.28)	**(18.66)**	**(11.10)**

NOTE NO.30 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS

30.1Expenditure in Foreign Currency

Amount (Rs.In Lakhs)

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Tours and Travels	8.57	5.70
Expenditure by DMRC on contracts (see note below)	26,18.80	50,11.28

The capital expenditure was incurred by DMRC in foreign currency out of the payments made to them in Indian rupee by KMRL as per their statement of accounts.

30.2 Foreign exchange variation

The Company has not recognized any amount, as foreign exchange rate variation. As per the Clause 12.1 of the Memorandum of Understanding dated 4th November 2013 entered into between the Government of India, the Government of Kerala and KMRL, any exchange rate variation, on foreign currency, shall be borne by GOK.

30.3 Capitalization of assets from CWIP

During the year, KMRL has capitalized assets valuing Rs.84,22.13 lakhs. It is based on the Fixed Asset register and relevant documents handed over by DMRC, as certified by their internal auditors as per clause 6.1.20 of the Memorandum of Understanding between DMRC and KMRL.

The method adopted in arriving at the value of fixed assets is enumerated below:

a) Review of contracts and contractors' bill.

KMRL reviewed the contracts executed by DMRC on behalf of KMRL and the contract documents as made available for evaluating the scope of works and the extent of fixed assets created as part of the contract execution.

b) Borrowing costs

The borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use.

Interest during construction in respect of qualifying assets commissioned during the year, is allocated in the ratio in which the value of commissioned assets bear to the qualifying CWIP as at the end of the month of commissioning.

c) Residual

Residual Value is arrived as the estimated amount that an entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset is already of age and in the condition expected at the end of its useful life.

30.4 Capital work in Progress (CWIP).

Expenditure directly related to construction activity has been capitalized. All direct expenditure attributable to the various components of the project are recognized under CWIP.

The borrowing costs that are directly attributable to the acquisition and construction of a qualifying asset are grouped under CWIP, pending capitalization. The particulars of the borrowing costs are given below;

Amount (Rs. in lakhs)

Particulars	Total borrowing cost	Borrowing costs capitalized during the year	Borrowing costs charged off to statement of profit and loss	Borrowing cost grouped under CWIP
Current year	149,00.44	5,55.99	57,66.14	85,78.31
Previous year	136,40.75	64,90.11	31,61.65	39,88.99

The interest earned on short-term deposits made out of Pass through assistance (PTA) funds received towards Agence Francaise De Development (AFD) loan is reduced from the borrowing cost in accordance with Indian Accounting Standard (IND AS) 23.The particulars of the interest earned are given below;

Amount (Rs. in lakhs)

Interest earned	Current year	Previous year
	20.58	9,45.33

Government of Kerala vide G.O No.C2/75/2017/Trans dated 27th July 2018 had accorded administrative sanction for the new metro line for a distance of 11.2 km from Jawaharlal Nehru stadium to Kakkanad with an estimated revised cost of Rs.2310,00 lakhs. The Government of India, Ministry of Housing and Urban Affairs (MOHUA) vide their letter F.No.K-14011/08/2015-MRTS-IV dated 26th February 2019 has accorded “in-principle” approval for the Kochi metro rail project – Phase II, subject to compliance from the GoK on certain comments by MOHUA.

Expenditure on account of detailed project report, traffic study and other related expenditure undertaken by KMRL for extensions is grouped under CWIP- Phase II.

30.5 Government loan accounting (Sub ordinate debt) and related finance cost

While approving the Kochi Metro Rail project vide order No. K-14011/37/2005-MRTS-IV dated 12th July 2012 of Ministry of Urban Development, Government of India, it was indicated that an amount of Rs. 672,00 lakhs towards cost of land acquired shall be provided as Interest free Subordinate Debt from Government of Kerala. Subsequently the Government of Kerala released Rs. 306,25 lakhs till 31st March 2017 as subordinate debt for land acquisition. For the remaining amount, Government of Kerala had decided that KMRL shall avail a loan on behalf of the Government.

As directed by GOK, vide G.O. (Ms) No.20/2015/Trans dated 25.03.2015, KMRL has availed a term loan from Ernakulam District Co-operative Bank Ltd (EDCB) amounting to Rs. 470,00 lakhs towards land acquisition on behalf of GOK. The repayment of the loan with payment of interest against the said term loan has been undertaken by the Government of Kerala on back-to-back basis. The said loan was shown as borrowing in the financial statements.

In essence, the loan taken from EDCB partakes the character of Subordinate debt receivable from GOK as per the project approval order. Accordingly, the amount of Rs. 366,00 lakhs is recognized as Subordinate debt receivable from GOK with effect from 01.04.2016.

Government of Kerala vide order No. G.O (Ms) No.73/2014/Trans dated 17/10/2014 has given administrative sanction for the Extension of Phase I of the metro line from Petta to S N junction for Rs 359,00 lakhs. Out of Rs 359,00 lakhs, Rs 58,11 lakhs was released by GoK directly to Special Thahasildar LA towards land acquisition (Phase II) in October 2018 vide G O (MS) No.63/2018/TRANS dated 23.10.2018.

The amount of Rs. 366,00 lakhs and Rs. 58,11 lakhs are measured at fair value and the government grant, being benefit, is measured as the difference between the initial carrying values determined in accordance with Ind AS 109- Financial Instruments and fair value and recognized as grant as per IND AS 20-Accounting for Government grants

30.6 Reimbursement of State taxes

While approving the Kochi Metro Rail project vide order No. K-14011/37/2005-MRTS-IV dated 12th July 2012 of Ministry of Urban Development, Government of India, it was indicated that an amount of Rs. 237,33.00lakhs towards state taxes shall be borne by Government of Kerala.

Accordingly, vide G.O.(Ms)No. 170/2019/Fin dated 3rd May 2019, administrative sanction was accorded towards reimbursement of state tax paid by KMRL/DMRC towards execution of the Kochi Metro project.

Till 31st March 2019, an amount of Rs. 105,33.24 lakhs (previous year Rs. 95,63.03 lakhs) towards Kerala Value Added Tax (KVAT) (KVAT applicable till 30th June 2017) and Rs. 73,10.90 lakhs towards State Goods and Service Tax (SGST) (for the period from 1st July 2017 to 31st March 2019)(previous year NIL)totaling to Rs. 178,44.14 lakhs is due from the State Government towards KVAT and SGST. Out of this, an amount of Rs. 11,00.00 lakhs was released during the year 2017-18.

30.7 Transfer of land at Kakkanad

Government of Kerala vide G.O.(Ms) No. 477/2018/RD dated 24th Dec 2018 has assigned on registry 17.315 acres of land under the possession of Public Works Department (PWD) to KMRL at free of cost for undertaking property development on the said land. The value of land parcel is treated as non-monetary grant in accordance with the Ind AS 20. The Grant is set up as deferred income and shall be recognized in the Statement of profit and loss account over the useful life of the underlying asset.

30.8 Funding towards the Cash Loss

Government of Kerala vide G.O.(Rt) No. 128/2019/Trans dated 29th Mar 2019 has accorded approval to finance the cash loss of the company of the financial year 2017-18.The sum of Rs.53,00.00 lakhs received from the Government of Kerala to finance the said cash loss is recognized as Sub ordinate debt as decided and resolved in the meeting of the Board of Directors held on 09.08.2019. The approval is in line with the approved funding of the Kochi Metro Rail Project, as per the terms of the Memorandum of Understanding (clause 12.19) between the Government of India, Government of Kerala and Kochi Metro Rail Limited dated 04th November 2013

The amount of Rs. 53,00 lakhs was released by GoK on 31st March 2019 and returned to GoK on the same date as per the Government order. Subsequently, the funds were once again released by transferring the said sum of Rs.53,00.00 lakhs to the Treasury Savings Bank (TSB) account of KMRL on 20th April 2019.

Accordingly the company recognized the Subordinate debt and the corresponding receivable from Government of Kerala amounting to Rs.53,00.00 lakhs in the Balance Sheet.

30.9 Vytilla-PettaRoad widening

Government of Kerala, videG.O (Ms) No. 13/2015/Trans dated 10/03/2015 has accorded administrative sanction for widening of 1.5 KM of Vytilla-Petta Road from Kunnara park to Petta. Government has released an amount of Rs. 22,35 lakhs for undertaking these works. An amount of Rs. 330.00 lakhs has been incurred by KMRL during the financial year 2018-19 (during previous year Rs. 142.42 lakhs) .The total cost incurred towards this preparatory work till 31.03.2019 is Rs. 19,36.48lakhs(till 31.03.2018Rs. 16,06.48 lakhs).

Vide order No.G.O.(Ms)No.24/2015/Trans dated 30.04.2015,the Government of Kerala has accorded approval for availing term loan of Rs.104,00 lakhs from Ernakulam District Co-operative Bank Ltd (EDCB) towards land acquisition for widening of Vytilla- Petta road. Accordingly, the company has entered into term loan agreement with EDCB as approved in its 19th Board meeting held on 9th May, 2014. Consequent to the agreement, the EDCB released an amount of Rs.104,00 lakhs to KMRL during the financial year 2015-16.

Till 31.03.2019, the Company has transferred an amount of Rs. 102,53 lakhs to the District Collector as advance towards land acquisition for the road widening works. An amount of Rs 1,52.17 lakhs was paid to Defence Estate for acquiring the land.

30.10 Edapally Flyover

Government of Kerala vide order No. G.O (Rt) No.714/2013/PWD dated 13/05/2013 has entrusted the works of construction of Edappally flyover to KMRL, to be executed through DMRC at an estimated cost of Rs. 108,77 lakhs. An amount of Rs. 25,00 lakhs has been released by Kerala Road Fund Board (KRFB) to KMRL for this work during the financial year 2013-14 and an amount of Rs.8,92.42 lakhs was received during 2018-19.Out of the funds received during the year 2018-19, towards the entrusted work of construction of the Edappally Flyover, an amount of Rs.717.83 lakhs was utilized by the Company for the other construction activities. The Memorandum of Understanding delineating the terms of execution was executed on 23rd May 2016.

Total expenditure, including remuneration, incurred by DMRC towards flyover construction is Rs. 33, 08.66 lakhs (up to previous year Rs. 33, 08.66 lakhs) out of funds transferred by KMRL.

Till 31st March 2019, KMRL has incurred an amount of Rs. 404.71 lakhs (till previous year Rs. 369.73 lakhs) which includes claim towards administrative charges.

The total expenditure on the Edapally flyover amounts to Rs. 37,13.37lakhs (till previous year Rs. 36,78.39 lakhs) and balance funds are yet to be released by Kerala Road Fund Board.

30.11 Central Financial Assistance (CFA) from Ministry of Urban Development (MOUD) and Government of Kerala (GOK)

The Company has received funds as Central Financial Assistance (CFA) from the Ministry of Urban Development(MOUD) under the Scheme of Urban Transport Planning, wherein 80% of the total expenditure for all kinds of traffic and transportation studies etc. shall be borne by MOUD and 20% by the State Government.

Out of the total expenditure of Rs. 2,26.73 lakhs incurred till 31st March 2019, MOUD has released an amount of Rs. 1,81.38 lakhs till 31st March 2019. An amount of Rs. 45.35lakhs are receivable from GOK, being their share of financial assistance.

30.12 Borrowings from Canara Bank

The Company has entered into a term loan agreement with Canara Bank for an amount of Rs.1170,00 lakhs. Moratorium for repayment of the principal amount is up to June 2020. As requested by KMRL, the moratorium period is extended till July 2023.The loan shall be repaid in fifty-two quarterly installments. The rate of interest applicable is one-year MCLR (marginal cost of funds based on lending rates) plus 0.95% with annual rests and secured by paripassu charge on all assets of the company. During the year the company has withdrawn an amount of Rs.353,43.10 lakhs (previous year Rs.371,14 lakhs). The company has paid interest of Rs. 87,07.49lakhs during the year (previous year Rs. 46,02.47 lakhs)and the sum Rs. 196,57.41lakhs (including accrued interest) paid cumulatively is accounted as interest till 31st March 2019 (till previous year Rs. 106,65.68 lakhs).

30.13 Borrowings from Ernakulam District Co-operative Bank

While approving the Kochi Metro Rail project vide order No. K-14011/37/2005-MRTS-IV dated 12th July 2012 of Ministry of Urban Development, Government of India, it was indicated that Rs.672,00 lakhs towards cost of land acquisition shall be provided as Interest free Sub Debt by Government of Kerala. Against this, the Government of Kerala released Rs. 306,25 lakhs till 31st March 2017.For the balance amount, Government of Kerala had decided that KMRL shall avail loan on behalf of Government of Kerala towards the balance amount of sub debt contribution to be provided by Government of Kerala.

Vide G.O.(Ms)No.20/2015/Trans dated 25.03.2015, Government of Kerala has accorded approval for availing a term loan of Rs. 366,00 lakhs from Ernakulam District Co-operative Bank Ltd (EDC) towards land acquisition. Accordingly, the company has entered into term loan agreement with EDC as approved in its 19th Board meeting. Total tenure of the loan shall be 12 years with two year moratorium and repayment in ten years on annuity basis secured by paripassu charge on all assets of the company. The rate of interest is 0.05% below the base rate of the State bank of India compounded on quarterly rests i.e @ 9.95% (Floating) per annum. The interest rate shall be reset every three years. The repayment of the loan with interest has been undertaken by the Government of Kerala on back-to-back basis. The company has withdrawn the entire loan amount of Rs. 366,00 lakhs during the year 2014-15 as per the directions of the Government of Kerala. An amount of Rs.36,60 lakhs was repaid during the year.

Vide G.O.(Ms)No.24/2015/Trans dated 30.04.2015 of Government of Kerala has accorded approval for availing term loan of Rs. 104,00 lakhs from Ernakulam District Co-operative Bank Ltd (EDC) towards land acquisition for widening of Vytilla-Petta road. Accordingly, the company entered into term loan agreement with EDC as approved in its 19th Board meeting.Total tenure of the loan shall be 12 years with two year moratorium and repayment in ten years on annuity basis secured by paripassu charge on all assets of the company. The rate of interest is 0.05% below the base rate of the State bank of India compounded on quarterly rest. The interest rate shall be reset every three years. The obligation for the repayment of the loan with interest has been undertaken by the Government of Kerala on back-to-back basis. The company has withdrawn the entire loan amount of Rs. 104,00lakhs during the year 2015-16 as per the directions of the Government of Kerala. An amount of Rs. 10,40 lakhs was repaid during the year.

30.14 Pass Through Assistance from Government of India

The Pass Through Assistance (PTA) provided by Government of India is based on the credit facility agreement between Agence Francaise De Development (AFD) , a French public funding agency and Government of India(GOI) as the borrower. The loan is secured by sovereign guarantee by the GOI. The rate of interest applicable is 6 monthly EURIBOR plus the margin of 155 basis point. Interest is due on each payment date i.e. on 15th March and 15th September of each year. Repayment of the principal amount shall be in forty equal half yearly installments after the moratorium period of five years and the first installment is due on 15th September 2019 and the last installment shall be payable on 15th March 2039.

The entire loan proceeds of Euro 180 million have been released by AFD to GOI till 31st March 2019. The loan is disbursed to KMRL in several tranches as per budgetary provisions of Government of India. As per CAAA accounts, the sum of Rs. 1327,11lakhsavailed towards loan and Rs.47,73.93lakhs towards interest accrued till 31st March 2019is shown under this account.

GOI has released an amount of Rs. 58,68 lakhs during the year and cumulatively Rs. 1327,11lakhs till 31st March 2019. The company paid interest of Rs.19,27.25lakhs during the year and the sum of Rs. 48,94.79 lakhs (including accrued interest) cumulatively is recognized as interest till 31st March 2019 .

30.15 Disclosure in respect of IND AS-19, "Employee Benefits"

Fund and pension fund: The eligible employees of the Company are entitled to receive benefits under provident fund (PF) schemes in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The contributions are paid to the Regional Provident Fund Account.

The company's pension scheme is linked with provident fund scheme. All eligible employees of the company under provident fund schemes are also covered under employee pension scheme (EPS), except for those employees of the company who became provident fund (PF) member after 1st September 2014 and whose pay is more than Rs. 15,000/- per month. Such employee are not liable to be covered under the EPS scheme. The said benefit is being extended only, if the employee, while joining KMRL was an existing member of PF. Under the above pension scheme, no contribution is collected from the employees and is paid entirely from the employer's contribution.

Gratuity: Gratuity is payable as per Payment of Gratuity Act, 1972 to every employee who has rendered continuous service of five years or more. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method as required by IND AS 19. Provisions as per actuarial valuations are made in the books of accounts for the gratuity.

Earned Leave and half pay leave: The Company provides for earned leave benefits and half pay leave to the employees as per the HR policy. The liability on this account is recognized on the basis of actuarial valuation.

Leave Travel Concession (LTC): The Company provides financial assistance to the employee for meeting expenses of actual travel involved to their hometown as well as any place in India as per the approved policy. The liability on this account is recognized on the basis of actuarial valuation.

Insurance: The Company has also taken Medical Insurance Policy for all its eligible employees during the current year.

30.16 The summarized position of various defined benefits recognized in the Statement of Profit and Loss and Balance Sheet as per actuarial valuation is as under:

Disclosure for defined benefit plans i.e Gratuity, Earned leave and half pay leave , Leave travel concession (unfunded plan), based on actuarial reports as on 31st March 2019.

Amount(Rs.in lakhs)

	Gratuity entitlement (Unfunded)		Earned Leave Encashment (Unfunded)		Half pay Leave Encashment (Unfunded)		Leave travel concession (Unfunded)	
Particulars	**As at 31/03/2019**	**As at 31/03/2018**	**As at 31/03/2019**	**As at 31/03/2018**	**As at 31/03/2019**	**As at 31/03/2018**	**As at 31/03/2019**	**As at 31/03/2018**
Benefit obligations at the beginning of year	165.52	87.66	232.20	124.32	76.80	83.23	64.45	11.07
Current service cost	94.33	70.90	137.44	89.28	40.13	28.78	23.81	18.81
Interest Cost	12.55	6.79	16.60	9.22	5.91	6.45	5.00	0.77
Benefits paid / provision withdrawn	-5.12	0.00	-33.07	-10.64	0.00	0.00	-8.57	-13.32
Past service cost	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Actuarial (gain) /loss from change in Financial Assumptions	5.42	2.92	2.02	-5.96	0.65	-1.98	1.26	0.93
Actuarial (gain) /loss on obligations - Due to Experience Adjustments	32.17	-2.77	52.09	25.98	6.05	-39.68	-21.52	46.19
Benefit obligations at the end of year	**304.87**	**165.50**	**407.28**	**232.20**	**129.54**	**76.80**	**64.43**	**64.45**

Amount (Rs.in Lakhs)

The amounts for theyear ended March 31, 2019 recognised in the Statement of Profit and Loss under Employee benefit Expense, are as follows:

	Gratuity entitlement (Unfunded)		Earned Leave Encashment (Unfunded)		Half pay Leave Encashment (Unfunded)		Leave travel concession (Unfunded)	
Particulars	**As at 31/03/2019**	**As at 31/03/2018**	**As at 31/03/2019**	**As at 31/03/2018**	**As at 31/03/2019**	**As at 31/03/2018**	**As at 31/03/2019**	**As at 31/03/2018**
Current service cost	94.33	70.90	137.44	89.28	40.13	28.78	23.81	18.81
Interest cost	12.55	6.79	16.60	9.22	5.91	6.45	5.00	0.77
Past service cost	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Reimbursement Service cost	(3.88)	(6.49)	(7.20)	0.00	(3.88)	0.00	0.00	0.00
Total	**103.00**	**71.21**	**146.84**	**98.50**	**42.16**	**35.23**	**28.81**	**19.58**
Less: Acturial (Gain)/ Loss transferred to CWIP	20.80	21.69	29.66	49.17	8.52	10.73	5.82	5.70
Expenses recognized in statement of profit and loss	**82.20**	**49.52**	**117.18**	**49.33**	**33.64**	**24.50**	**22.99**	**13.88**

Amount (Rs.in Lakhs)

The amounts for the year ended March 31, 2019 recognised in the Statement of Other Comprehensive income , are as follows:

Particulars	Gratuity entitlement (Unfunded)		Earned Leave Encashment (Unfunded)		Half pay Leave Encashment (Unfunded)		LTC (Unfunded)	
	As at 31/03/2019	As at 31/03/2018	As at 31/03/2019	As at 31/03/2018	As at 31/03/2019	As at 31/03/2018	As at 31/03/2019	As at 31/03/2018
Re measurements of the net defined benefit liability/ (asset)								
Actuarial (gains)/ losses from changes in Financial Assumptions	5.42	2.92	2.02	(5.96)	0.65	(1.98)	1.26	0.93
Actuarial (gains)/ losses Due to Experience Adjustments	32.17	(2.77)	52.09	25.98	6.05	(39.68)	(21.52)	46.19
Total Re measurements in OCI	**37.59**	**0.16**	**54.11**	**20.02**	**6.70**	**(41.66)**	**(20.26)**	**47.12**
Less: Actuarial (Gain)/ Loss transferred to CWIP	7.59	0.05	10.93	6.10	1.35	(12.69)	(4.09)	14.32
Expenses recognized in statement of OCI	30.00	0.11	43.18	13.92	5.35	(28.97)	(16.17)	32.80

The principal assumptions used to determine Gratuity, Earned leave encashment, Half Pay leave Encashment and LTC benefit obligations as of March 31, 2019, March 31, 2018 are as follows :

Particulars	As at 31/03/2019	As at 31/03/2018
Discount rate	7.70% (7.25% for LTC)	7.75%
Salary escalation rate - First 5 Years	6.00%	6.00%

Amount (Rs.in Lakhs)

Net Asset / Liability recognised in the Balance Sheet								
Particulars	**Gratuity entitlement (Unfunded**		**Leave Encashment (Unfunded)**		**Half pay Leave Encashment (Unfunded)**		**LTC (Unfunded)**	
	As at 31/03/2019	**As at 31/03/2018**	**As at 31/03/2019**	**As at 31/03/2018**	**As at 31/03/2019**	**As at 31/03/2018**	**As at 31/03/2019**	**As at 31/03/2018**
Present value of the obligation	304.87	165.50	407.28	232.20	129.54	76.80	64.43	64.45
Fair value of plan assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Difference	304.87	165.50	407.28	232.20	129.54	76.80	64.43	64.45
Unrecognised transitional liability	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unrecognised past service cost - non vested benefits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Liability recognized in the balance sheet	304.87	165.50	407.28	232.20	129.54	76.80	64.43	64.45

30.17 Disclosure in respect of IND AS-12, "Income Taxes"

The Company has a deferred tax asset of Rs.216,37.06 lakhs (previous year Rs. 118,82.65 lakhs) as on 31.03.2019 owing to the existence of unabsorbed depreciation and accumulated losses. The deferred tax liability as on 31.03.2019 is Rs.132,45.37 lakhs (previous year Rs. 65,74.02 lakhs).

The net deferred tax asset as on 31.03.2019 is Rs. 83,91.69 lakhs(Previous year Rs: 53,08.63 lakhs) and as a matter of prudence, the deferred tax asset is not recognized in the books of accounts.

30.18 Central Financial Assistance (CFA) from MNRE

An amount of Rs.4,80 lakhs (being 15% of the estimated project cost of Rs. 32,00 lakhs) has been approved as Central Financial Assistance (CFA) by the Ministry of New and Renewable Energy (MNRE) , Government of India for installation of grid connected Solar Photo Voltaic (SPV) power plants of total aggregate capacity of 4.0 MW under the “National Clean Energy Fund”.

KMRL has received an amount of Rs.1,44.00 lakhs, being the 1st installment of the CFA ,during the financial year 2015-16 and Rs.1,58.47 lakhs during the financial year 2018-19 and grouped under “Other financial liabilities”. Release of further installments shall be considered after submission of requisite claims, project completion reports, utilization certificate and audited statements of expenditure.

The supply, installation, testing and commissioning of the Solar PV power plants has been awarded to M/s Hero Solar Energy Private Limited (the developer) by DMRC. The contract is based on RESCO (Renewable Energy Service Company) model, where in the project cost is borne by the developer and PPA (Power Purchase Agreement) for 25 years at a mutually agreed tariff, being signed by KMRL.

The financial assistance received from MNRE shall be disbursed to the developer on submission of the audited certificate of the project cost. During the year an amount of Rs. 2,13.65 lakhs have been released to M/s Hero Solar Energy Private Limited towards their share of the subsidy amount.

30.19 Preparatory works

Preparatory works are undertaken by DMRC as per the Government of Kerala (GOK) order vide G.O.(MS) No. 34/2010/Tran Dated 19-3-2010 and G.O.(MS) No. 110/2013/Trans Dated 07-12-2013 with an estimated cost of Rs.242,47 lakhs. The ownership of these assets rests with the Government of Kerala (GOK). After formation of Kochi Metro Rail Limited (KMRL), the funds for these works are routed through KMRL and hence the entire expenses on this account have been set off against the funds received from the Government of Kerala.

The particulars of preparatory works as stated in the Government Order No.110/2013 mentioned above are as follows:

Sl. No.	Description of the Preparatory Work	Amount Estimated (Rs.in Crores)
1	Rebuilding of Railway Over Bridge near Ernakulam Town Station	83.37
2	Construction of new Railway Over Bridge near KSRTC Bus Stand and Widening/Improvements to Salim Rajan Road and Mullassery Canal Road	49.00
3	Widening of the station approach road from Jos Junction to Ernakulam South Railway Station	41.37
4	Improvements to the MG Road from Madhava Pharmacy to Thevara	32.36
5	Widening of Banerjee Road from Ernakulam Town ROB to the Madhava Pharmacy	36.37
	TOTAL	**242.47**

Till 31.03.2019, the GOK has released an amount of Rs.218,67.19 lakhs towards the preparatory and other miscellaneous works (till 31.03.2018Rs. 218,67.19 lakhs). The total expenditure till 31.03.2019 on these preparatory works including funds transferred to DMRC is Rs. 202,41.52 lakhs(till 31.03.2018Rs. 199,84.62 lakhs)

Funds received from GOK are released to DMRC based on their requisition. KMRL has transferred cumulative funds of Rs. 101,20 lakhs (till previous year Rs. 101,20 lakhs) to DMRC towards these works. The total expenditure incurred by DMRC till 31st March 2019 , out of the funds transferred towards preparatory works, is Rs. 128,94.30 lakhs (till previous year Rs. 128,94.30 lakhs).

30.20 Pachalam Rail Over Bridge (ROB)

Government of Kerala vide order Nos. G.O(Ms) No. 23/2014/Trans dated 05/03/2014 and G.O(Ms) No.56/2014/Trans dated 24/07/2014 has entrusted the work of construction of Pachalam ROB to KMRL through DMRC, for reducing the traffic block due to civil construction from Aluva to Petta, with an approved cost of Rs. 52,59 lakhs.

Government of Kerala has released the entire funds to KMRL. Out of the funds received, an amount of Rs. 8,81.00 lakhs have been paid to District Collector towards the cost of land acquisition and an amount of Rs. 15,90.45 lakhs to DMRC and others towards project fund till 31st March 2019.

DMRC has spent an amount of Rs. 20,02.48 lakhs including remuneration (up to previous year Rs. 20,02.48 lakhs) towards construction of the rail over bridge till 31st March 2019.

30.21 Integrated Water Transport system

Government of Kerala (GOK) vide G.O(Ms) No. 73/2015/Trans dated 19/11/2015 has accorded approval for the conception of an Integrated Water Transport system in Kochi with an estimated cost of Rs. 682,01 lakhs. The project is being financed through a loan by the German funding agency “Kreditanstalt fur Wiederaufbau” (KfW) under the Indo-German Bilateral Cooperation as part of the “Climate Friendly Urban Mobility” initiative and GOK is also funding for the cost of the project to the tune of Rs. 102,30 lakhs. During the year 2016-17, KMRL has entered into a project agreement with the State of Kerala and KfW. KMRL has also entered into a separate agreement with KfW in accordance with the loan agreement between GOI and KfW for availing the loan for an amount of 85 million Euros.

During the year 2018-19, Rs.10,00 lakhs was released by GoK and Rs.5,64.49 lakhs by KfW (Previous year GoK -Rs 10,00 lakhs and KfW –Rs.4,68.73 lakhs). Cumulative fund releases up to 31.3.2019 is Rs.30,33.22 lakhs (GokRs 20,00 lakhs and KfW –Rs. 10,33.22 lakhs) .

All the financial and operational risk of the project shall vest with the GOK as the de-jure owner of the project and KMRL shall be the executing and operating agency on behalf of GOK. Expense of Rs.27,24.50 lakhs (till previous year Rs. 8,55.95 lakhs) has been incurred till 31.03.2019 on this account and balance is shown as fund available for the water transport project.

30.22 Construction of the Chambakkara Bridge (Four Lane)

Government of Kerala, vide G.O(Ms) No. 68/2016/Trans dated 09/11/2016 has accorded administrative sanction for construction of the four lane Chambakkara Bridge as a preparatory work of Kochi Metro Rail Limited for Rs.33,66.44 lakhs. Government has released till date an amount of Rs.27,00 lakhs to the Treasury Savings Bank (TSB) Account of KMRL The work is being executed through DMRC.

An amount of Rs.16,75.90 lakhs has been expended (including DMRC remuneration) up to 31.3.2019 (till 31.03.2018 Rs. 2.36 lakhs).

30.23 Non–Motorized transport (NMT) initiatives in KMRL

GOK vide GO. No. 34/2017/Trans dated 19/04/2017 has accorded administrative sanction for the Non-motorized transport initiatives of KMRL for an amount of Rs.161,00 lakhs by availing fund from the French development agency-“Agence Francaise De Development (AFD)” on terms similar to those for the Kochi Metro Rail Project. NMT plan includes station-oriented development, major junction improvements & urban place making pedestrianization project.

During the year, KMRL has incurred an amount of Rs. 12,06.29 lakhs (till 31.03.2018 Rs.14,30.19lakhs) towards station oriented development works.

30.24 Improvement of Edappally –High Court Road

Government of Kerala , vide G.O(Ms) No. 56/2016/Trans dated 26/08/2016 has accorded administrative sanction for improvement of Edappally –High Court Road from Edappally to JLN Stadium/Kaloor and upgrading the drainage system as a preparatory work of Kochi Metro Rail Limited for Rs.39,41.40 lakhs. Government has till date released an amount of Rs.34,00 lakhs for undertaking these works. An amount of Rs.17,00.57 lakhs have been incurred by KMRL up to 31.3.2019 (till previous year Rs. 7,32.52 lakhs) .

30.25 Preparatory works for the extension of Kochi Metro Rail Project from Petta to SN Junction, Tripunithura

Government of Kerala,vide G.O (Ms) No. 31/2016/Trans dated 31/03/2016 has accorded administrative sanction for preparatory works for the extension of Kochi Metro Rail Project from Petta to SN Junction, Tripunithura at a total cost of Rs. 123,00 lakhs. Government has released an amount of Rs. 50,00 lakhs to the Treasury Savings Bank (TSB) Account of KMRL during the year vide GO(RT) No.518/2018/Trans dated 23.11.2018.

An amount of Rs.11,20 lakhs and Rs.40,00 lakhs was released by GoKand KMRL respectivelyto the Special Thahasildar LA towards the cost of land acquisition. Cumulative expenditure till 31.3.2019 is Rs. 51,20.91 lakhs.

On 31.3.2019, an amount of Rs.80.76 lakhs was resumed back by GoK as a part of resumption of funds from ‘Plan Scheme Treasury Savings Bank(PSTSB)’ Accounts.

30.26 Preparatory works of the new metro line from Jawaharlal Nehru Stadium to Kakkanad via Info park

Government of Kerala , vide G.O(Ms) No. 13/2016/Trans dated 08/02/2016 has accorded administrative sanction for preparatory works of the new metro line from Jawaharlal Nehru Stadium to Kakkanad via Infopark at a total cost of Rs.189,00 lakhs. Government has released an amount of Rs. 20,00 lakhs during the year vide GO(RT) No.518/2018/Trans dated 23.11.2018. Cumulative expenditure till 31.3.2019 is Rs 50 lakhs(till previous year NIL) .

30.27 Disclosure in respect of IND AS-23, “Borrowing costs”

During the year, an amount of Rs.5,55.99 lakhs (previous year Rs.64,90.11 Lakhs) has been capitalized and amount of Rs.57,66.13 lakhs (previous year Rs. 31,61.65 Lakhs) has been charged to revenue in line with the accounting policy on “Borrowing cost”.

30.28 Disclosure in respect IND AS- 33, "Earnings per Share".

Particulars	2018-19	2017-18
Net Profit /(Loss) for the year (Rs. in Lakhs)	(281,23.30)	(167,33.74)
Weighted average number of equity shares outstanding during the year		
- Basic	15,07,46,000	15,07,46,000
- Diluted	15,07,46,000	15,07,46,000
Basic Earnings Per Share (Face value of Rs. 100/-per share) (Rs.)	(18.66)	(11.10)
Anti -Dilutive Earnings Per Share (Facevalue of Rs. 100/-per share) (Rs)	(18.66)	(11.10)

30.29 Disclosure in respect of IND AS-1, "Presentation of financial statements"

Capital Management

Amount (Rs. in lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
(a) Total Debt	30,00,33.48	2602,26.10
(b) Total Capital	2433,11.68	2419,87.63
(c) Debt/ Equity ratio (a/b)	1.23	1.08

For the purpose of the company's capital management, capital includes issued capital and reserves. Debt includes long term loans and subordinate debt

30.30 Disclosure in respect of IND AS-17, "Leases"

30.30.1 The company has taken on lease/rent premises for employees. These lease arrangements are usually renewable on mutually agreed terms. During the year the company has paid lease rent (net of recoveries) amounting to Rs. 62.67 Lakhs (P.Y. Rs. 192.85 Lakhs) and the lease rent so paid is included under the head Expenditure-Salaries & Wages.

Further the company has entered in an agreement with Kerala State Housing Board for taking office building on lease. These lease arrangements are usually renewable on mutually agreed terms. During the year the company has paid lease rent amounting to Rs.124.11 Lakhs (P.Y. Rs. 114.72 Lakhs) and the lease rent so paid is included under the head Expenditure-Rent, Rates and taxes.

30.30.2 Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments under operating leases are recognized as an expense on a straight-line basis in the Statement of Profit and Loss over the lease term.

The company has leased out its various assets to parties on operating lease basis. Future minimum lease rent receivables under operating lease are given below:

Amount (Rs. in lakh)

Operating Lease	As at 31st March 2019	As at 31st March 2018
Not later than one year	6,44.43	4,62.37
Later than one year and up to five years	32,41.50	28,98.21
Beyond five years	6,85.34*	10,54.78

**All the lease agreements pertaining to this amount stands terminated as on the date of signing of the Financial Statements.*

30.31 Disclosure in respect of IND AS-24, "Related Party Disclosures"

30.31.1 Key Management persons:

30.31.1.1 Shri. A P M Mohammed Hanish(Managing Director)

30.31.1.2 Shri. Kumar K R (Director-Finance)

30.31.1.3 Shri. D K Sinha (Director- System)

30.31.1.4 Shri. ThirumanArchunan(Director-Projects)

30.31.1.5 Shri. Anil Kumar B (Company Secretary) (upto to 1st July 2019)

30.31.1.6 Shri Shyam Sunder Agrawal (Company Secretary) (from 29th July 2019)

30.31.2 Disclosure of transactions of the company with Key managerial persons:

Amount (Rs. in lakh)

Sl.No	Particulars	2018-19	2017-18
1	Salaries & Allowances	1,54.55	99.79
2	Contributions to Provident Fund and others	11.84	7.48
3	Other benefits	20.06	23.16
	Total (included in employee cost)	**1 86.45**	**130.43**

a) The Managing Director,Shri. A P M Mohammed Hanish was drawing his salary from "Kerala State Civil Supplies Corporation Limited" in his capacity as Chairman & Managing Director up to 31st May 2018.Thereafter, he is on the payroll of KMRL.

b) The whole time Directors have been allowed to use the Company hired vehicle for private journeys subject to recovery as per the Company's policy.

c) The above amount does not include provisions towards contributions to gratuity, leave encashment, leave travel concession as ascertained on actuarial valuation. However, the actual payments made during the year are included in other benefits.

30.32 Disclosure in respect of IND AS-36 (Impairment of Assets)

Impairment loss on asset is recognized for an amount of Rs. 78,99.11 lakhs (previous year NIL) during the year(also refer note no. 30.39).

30.33 Disclosure in respect of Ind AS -37 "Provisions, Contingent liabilities and Contingent Assets".

a) Provisions, Contingent liabilities and Contingent Assets

Amount (Rs. in lakh)

Particulars	Opening balance as on 01.04.2018	Additions/transfer /utilization during the year	Closing balance as on 01.04.2019
Provisions	2202.75	3,21.79	25,24.54
Contingent liabilities			
• Towards Kochi metro rail project	71216.68	(200,85.32)	511,31.36
• Towards preparatory works under taken by KMRL on behalf of Government of Kerala (GOK)	3176.97	(10,45.45)	21,31.52
• Bank Guarantee	114.59	(28.19)	86.40
• Statutory Authorities	73.84	NIL	73.84
Contingent Asset	NIL	NIL	NIL

As on 31st March 2019,certain land acquisition cases pertaining to the projects are pending with the Sub-court Ernakulam and Additional District Court Ernakulam. The estimated additional amount on account of enhanced compensation, where claim statements have been filed by the petitioners, is estimated around Rs. 25,89.48 lakhs. This is included under contingent liabilities.

Further, theland acquisition cases pertaining to the preparatory works pending with the Sub-court Ernakulam and Additional District Court Ernakulam where claim statements have been made by the petitioners for an estimated amount of Rs.20,14.91 lakhsis also included under Contingent liabilities.

For the remaining cases, the claim statements are yet to be filed by the petitioners and hence KMRL is unable to quantify the present liability on account of such references. Liabilities, if any, in respect of these cases pending with the courts shall be provided after completion of the legal proceedings or on receipt of the final order.

With respect to the claims on preparatory works, the settlement shall be done out of the funds received from the GoK for executing such preparatory works.

30.34 Corporate Social Responsibility (CSR)

Companies Act 2013 mandates companies fulfilling criteria to spend /earmark amount out of profits towards CSR expenses with effect from 01.04.2014. Though, the CSR provisions are also applicable to KMRL, the company has not spent any amount mandatorily on CSR, owing to the losses incurred during the current year.

30.35 Disclosure in respect of Ind AS – 107 "Financial Instruments: Disclosures"

30.35.1 Financial Instruments by categories

Amount (Rs. in lakh)

Particulars	As at 31st March 2019			As at 31st March 2018		
	Amortized cost	FVTPL	FVOCI	Amortized cost	FVTPL	FVOCI
Financial Assets						
Other financial assets (refer note no. 4& 9)	673,67.10	-	-	594,15.19	-	-
Trade receivables	7,11.19	-	-	39.07	-	-
Total	**680,78.29**	**-**	**-**	**594,54.26**	**-**	**-**
Financial Liabilities						
Borrowings	3000,33.48	-	-	2,60,226.10	-	-
Other financial liabilities	525,99.00	-	-	32,757.25	-	-
Total	**3526,32.48**			**2,92,983.35**	-	-

30.35.2 Financial risk management

The Company is exposed to various risks in relation to financial instruments. The company's financial asset and liabilities by category are summarized above. The main types of risks are market risk, credit risk and liquidity risk. The company's risk management focuses on actively securing the Company's short to medium term cash flows by minimizing the exposure to volatile financial markets. The most significant financial risks to which the company is exposed are described below.

Market risk

The Company has foreign exchange risk and interest rate risk as the Market risk. Also company does not have price risk since company is not having any derivative financial asset. KMRL has not recognized any amount, as foreign exchange rate variation, because, any exchange rate variation, on foreign currency, shall be borne by GOK.

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 this risk for various financial instruments, for example by granting advances to employees receivable from customers, security deposits etc. The maximum exposure to the credit risk at the reporting date is primarily from carrying amount of following types of financial assets.

- Trade receivables

- Other financial assets measured at amortized cost

The company continuously monitors defaults of customers and other counter parties, identified either individually or by the company, and incorporate this information into its credit risk controls. Where available at reasonable cost, external credit ratings and/or reports on customers and other counter parties are obtained and used.

Liquidity Risk

The Company's liquidity needs are monitored on the basis of monthly and yearly projections. The company's principal sources of liquidity are revenue generated from operations, external commercial long term borrowings, Interest free subordinate debt, Share Capital and Grant.

The Company manages its liquidity needs by continuously monitoring cash inflows and by maintaining adequate cash and cash equivalents. Net cash requirements are compared to available cash in order to determine any shortfalls.

Short term liquidity requirements consists mainly of sundry creditors, expense payable, employee dues, current maturities and interest on external borrowings and retention & deposits arising during the normal course of business as of each reporting date. The Company maintains a sufficient balance in cash & cash equivalents and other bank balances to meet its short term liquidity requirements.

The Company assesses long term liquidity requirements on a periodical basis and manages them through internal accruals. The Company's non-current liabilities include repayment of external borrowings, interest free subordinate debt, retentions & deposits and liabilities for employee benefits.

Credit risk management

Trade Receivables

The company has outstanding trade receivables (gross) amounting to Rs.6 51.89 Lakhs and Rs. 39.07 Lakhs as of March 31, 2019 and March 31, 2018, respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risks related to trade receivables are mitigated by taking security deposit from customers. The company closely monitors the credit worthiness of the debtors and only deals with creditworthy parties. The company's internal systems are configured to define credit limits of customers, thereby limiting the credit risk to pre-calculated amounts.

Other financial assets

Other financial asset, which includes loans and advances to employees and others are measured at amortized cost.

Expected credit losses -Company provides expected credit losses based on the following:

Trade receivables

Trade receivables are impaired when recoverability is considered doubtful based on the recovery analysis performed by the company for individual trade receivables. The company considers that all the above financial assets that are not impaired and past due for each reporting dates under review are of good credit quality.

Age analysis of trade receivables at each of the reporting date is summarized as follows:

Amount (Rs. in lakhs)

Particulars	As at 31st March 2019		As at 31st March 2018	
	Gross	Impairment	Gross	Impairment
Not past due	89.15	-	4.78	-
Past due less than three months	4,06.36	-	34.29	-
Past due more than three months not more than six months	44.20	-	-	-
Past due more than six months	112.18			

Other financial assets measured at amortized cost

Credit risk related to employee festival loans are considered negligible. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensures that the amounts are within defined limits. There are no impairment provisions as at each reporting date against these financial assets. We consider all the above financial assets as at the reporting dates to be of good credit quality.

30.36 Disclosure in respect of Ind AS -108, "Operating Segments"

The Company has only one reportable business segment, which is implementing the construction and operation of a Metro Rail Project in the city of Kochi. Other operating revenues including consultancy income, rental income earned from leasing space (in stations and outside stations), in respect of property development assets ,is considered as an integral part of the company's primary business under the internal decision making and performance measurement process of the company.

Accordingly, the amounts appearing in the financial statements are related to the Company's single business segment.

30.37 Disclosure in respect of Capital and other commitments

Amount (Rs. in lakh)

Capital and other commitments	As at 31.03.2019	As at 31.03.2018
Estimated amount of tangible asset contracts entered into by DMRC on behalf of KMRL (including foreign currency contracts net of advances) remaining to be executed and not provided for.	431,07.98	755,50.88
Estimated amount of contracts entered into by KMRL contracts (net of advances) remaining to be executed and not provided for		
a. Tangible asset	33,22.14	260,03.00
Total	**464,30.12**	**1015,53.88**

Some debit/credit balances of parties are subject to confirmation and reconciliation, consequential impact thereof, if any, remains unascertained.

30.38 Dues to micro enterprises and small enterprises

As at March 31, 2019, an amount of Rs.2,01 lakhs is outstanding as dues to micro and small enterprises. There are no interests due or outstanding on the same.

Amount Payable To Micro, Small and Medium Enterprises

Amount (Rs. in lakh)

	As at March 31, 2019	As at March 31, 2018
The Principal amount and interest due thereon remaining unpaid to any supplier as at end of each accounting year		
Principal amount due to Micro and Small Enterprises	**201.00**	**8.81**
Interest due on above	**NIL**	**NIL**
	201.00	**8.81**
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	**NIL**	**NIL**
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006	**NIL**	**NIL**
The amount of interest accrued and remaining unpaid at the end of each accounting year	**NIL**	**NIL**
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	**NIL**	**NIL**
Total	**NIL**	**NIL**

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

30.39 Disclosure with respect to insurance claim on account of floods in Kerala State

During the period under report, some of the assets installed at Aluva Station, Companypady Station and Muttom Yard were partially damaged due to incessant rains and floods in Kerala State including Kochi during the period from 15th August 2018 till 20th August 2018.

The restoration works were in the nature of repairs and replacement to the damaged Plant, Properties and Equipment and most of these works are being undertaken through DMRC. Some of the assets, which are totally damaged, have been written off in the books of accounts having a book value of Rs. 210.17 Lakhs. In respect of partially damaged assets, KMRL has recognised the impairment loss to the extent identifiable, for an amount of Rs. 78,99.11 lakhs.

The company has taken insurance coverage for all assets from “The New India Insurance Company Limited” under the “Operational Large Risk Insurance Policy” to cover the risk of damage to property. The sum insured is for Rs. 3276 crores. The total amount claim to be made with the Insurance Company on account of repairs and replacement of assets to be undertaken , based on the budgetary quote, is estimated to be more than Rs.100 crores and shall be recognized on acceptance of claim by the Insurer as per the accounting policy of the company.

Pending finalization of the claim settlement, KMRL has received an interim payment of Rs. 20 crores from the insurance company during the year. For undertaking the repairs and replacement works, where the budgetary quotes are not available, the expenditure shall be recognized in the year of its incurrence.

KMRL does not expect any material impact on its asset value, retained earnings and to its net income on an ongoing basis. The operations of the metro are not affected due to the restoration works.

30.40 Recent amendments to the Indian Accounting standards (applicable for annual periods beginning on or after 1st April 2018)

Ministry of Corporate Affairs (“MCA”) through Companies (India Accounting Standards) Amendment Rules,2018 has notified the following new amendments to IND ASs which are applicable for the annual periods beginning on or after 1st April 2018.

IND AS 20: Grant

A government grant in the form of non-monetary asset shall be valued at fair value to account for both grant and asset. Alternatively, the asset and grant shall be recognized at nominal amount. KMRL has recognized the non-monetary asset in the form of land at fair value.

Government grant related to assets shall be presented at balance sheet by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset. KMRL has opted for recognizing the grant initially as deferred income and subsequent recognition in the statement of profit and loss on a systematic basis over the period of useful life of the asset for which the grant is intended to compensate.

30.41 Recent amendments to the Indian Accounting standards (applicable for annual periods beginning on or after 1st April 2019)

Ministry of Corporate Affairs ("MCA") through Companies (India Accounting Standards) Amendment Rules, 2019 has notified the following new amendments to IND ASs which KMRL has not applied for the annual periods beginning on or after 1st April 2019.

IND AS 116 Leases

IND AS 116 will replace the existing lease standard, IND AS 17 Leases. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It requires lessee to account for all the leases on the balance sheet by recognizing a financial liability for lease payment obligation with a corresponding asset called Right of Use (RoU) asset. KMRL does not expect the impact of the adoption of the new standard to be material on its retained earnings and to its net income on an ongoing basis.

IND AS 12 Income taxes

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in the statement of profit or loss, other comprehensive income or equity according to which the entity originally recognised those past transactions or events. KMRL does not expect this amendment to have any material impact on its financial statements.

Ind AS 109 Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. KMRL does not expect this amendment to have any material impact on its financial statements.

Ind AS 19 Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. KMRL does not expect this amendment to have any significant impact on its financial statements.

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalization rate on general borrowings. KMRL does not expect any material impact from this amendment.

Ind AS 28 – Long-term Interests in Associates and Joint Ventures ,Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements

KMRL does not currently have any long-term interests in associates and joint ventures or has any control / joint control of a business that is a joint operation and hence KMRL does not expect this amendment to have any significant impact on its financial statements.

30.42 Previous Year figures have been regrouped /re-arranged/reclassified, wherever necessary, to make them comparable to the current year's presentation.

In terms of our report of even date attached.	For and on behalf of the Board of Directors	
Sd/-	Sd/-	Sd/-
For K Venkatachalam Aiyer & Co Chartered Accountants FRN 004610S	A P M Mohammed Hanish Managing Director	Kumar K R Director (Finance)
Sd/-	Sd/-	
A Gopalakrishnan Partner Membership No. 018159	Shyam Sunder Agrawal Company Secretary	
Place : Bengaluru Date : 09-08-2019	Place : Bengaluru Date : 09-08-2019	